



**CITY WATER AND LIGHT PLANT
OF THE CITY OF
JONESBORO, ARKANSAS**

**Annual Report
2024 and 2023**

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
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FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

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Independent Auditor's Report

Board of Directors
City Water and Light Plant of the City of Jonesboro (Arkansas)
Jonesboro, Arkansas

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas), as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 City Water and Light Plant of the City of Jonesboro (Arkansas)'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 Audits of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 City Water and Light Plant of the City of Jonesboro (Arkansas)'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 City Water and Light Plant of the City of Jonesboro (Arkansas)'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

GAAP requires that the management's discussion and analysis, other postemployment benefits, and pension information on pages 8 through 12 and 50 through 53 be presented to supplement the basic financial statements and pension. 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)'s basic financial statements. The supplementary information on pages 54 through 59 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

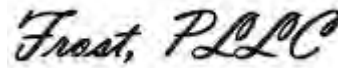
The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of 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 Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the statistical data (unaudited) on pages 60 through 64 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audits 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.

Other Reporting Required by GAS

In accordance with *GAS*, we have also issued our report on pages 6 and 7 dated April 1, 2025 on our consideration of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *GAS* in considering City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Frost, PLLC". The signature is written in a cursive, flowing style.

Certified Public Accountants

Little Rock, Arkansas
April 1, 2025



**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors
City Water and Light Plant of the City of Jonesboro (Arkansas)
Jonesboro, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* (“GAS”) issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)’s basic financial statements, and have issued our report thereon dated April 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

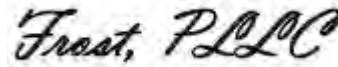
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control or on compliance. This report is an integral part of an audit performed in accordance with GAS in considering City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Little Rock, Arkansas
April 1, 2025

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

INTRODUCTION

City Water and Light Plant of the City of Jonesboro, Arkansas (CWL) is a municipal improvement district that operates as a consolidated utility district, organized under general and special acts of the General Assembly of the State of Arkansas, decrees of the courts, and ordinances of the City of Jonesboro. CWL provides electric and wastewater services to the City of Jonesboro and water services to the City of Jonesboro and surrounding areas. CWL is governed by a board with sixteen members.

The following is a narrative, provided by management, of CWL's financial performance, current condition, and outlook.

OVERVIEW OF THE FINANCIAL STATEMENTS

CWL'S financial statements are prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Management's Discussion and Analysis (MD&A) provides an overview of CWL's financial information for the years ended December 31, 2024 and 2023, with certain comparative information as of and for the year ended December 31, 2022. The MD&A should be read in conjunction with the accompanying financial statements. The Notes are an integral part of CWL's financial statements and provide additional information on certain components of these statements.

The financial statements include five (5) basic statements. A brief description of each of the statements is as follows:

1. The Statements of Net Position provide information about the nature and amount of resources and obligations as a specific point in time.
2. The Statements of Revenues, Expenses, and Changes in Net Position report on CWL's revenues and expenses for the periods shown.
3. The Statement of Cash Flow reports the cash provided and used by operating activities, as well as other cash sources, such as investment income and debt financing, and other cash uses such as payments for debt service and capital additions.
4. The Statements of Fiduciary Net Position provide information about the nature and amount of resources and obligations as a specific point in time for the Retirement Plan for the Employees of City Water and Light Plant of Jonesboro, Arkansas (Pension Trust Fund) and the Post-Retirement Benefits Trust for Employees of City Water and Light (OPEB Trust Fund).
5. The Statements of Changes in Fiduciary Net Position report CWL's revenues and expenses for the periods shown for the Pension Trust Fund and the OPEB Trust Fund.

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINANCIAL SUMMARY

CWL's Condensed Statements of Net Position as of December 31, 2024, 2023, and 2022 are summarized as follows:

	2024	2023	2022
Assets and deferred outflows of resources:			
Current Assets	\$107,956,781	\$115,448,372	\$ 96,126,302
Investment and long-term receivables	79,073,568	85,633,489	127,888,985
Noncurrent assets	8,585,156	2,841,846	4,763,905
Capital assets, net of depreciation	366,546,226	336,676,396	292,761,110
Deferred outflows	28,058,204	32,213,792	35,118,444
Total assets and deferred outflows of resources	<u>\$590,219,935</u>	<u>\$572,813,895</u>	<u>\$556,658,746</u>
Liabilities and deferred inflows of resources:			
Current liabilities	\$ 19,808,754	\$ 21,082,778	\$ 22,734,640
Noncurrent liabilities	47,764,901	59,068,536	60,421,623
Deferred inflows	19,483,560	10,723,657	15,644,428
Total liabilities and deferred inflows	<u>87,057,215</u>	<u>90,874,971</u>	<u>98,800,691</u>
Net position - invested in capital assets	315,183,600	281,811,349	234,506,974
Net position - restricted	2,486,216	2,005,339	2,306,270
Net position - unrestricted	185,492,904	198,122,236	221,044,811
Total net position	<u>503,162,720</u>	<u>481,938,924</u>	<u>457,858,055</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$590,219,935</u>	<u>\$572,813,895</u>	<u>\$556,658,746</u>

CWL's Condensed Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31, 2024, 2023, and 2022 are summarized as follows:

	2024	2023	2022
Operating revenues	\$127,572,508	\$121,457,375	\$149,983,516
Operating expenses	116,948,233	114,557,049	143,749,156
Income from operations	10,624,275	6,900,326	6,234,360
Other income (expense)	8,076,044	9,907,932	(9,701,949)
Contributions	2,523,478	7,272,610	2,873,615
Total changes in net position	<u>\$ 21,223,797</u>	<u>\$ 24,080,868</u>	<u>\$ (593,974)</u>

DETAILED ANALYSIS

Changes between years for noncurrent assets, deferred outflows, and deferred inflows are determined by an actuarial evaluation performed annually. Changes between years in net position invested in capital assets, restricted, and unrestricted, are determined by changes in assets, liabilities, revenues, and expenses that will be discussed below.

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

DETAILED ANALYSIS (CONTINUED)

2024 Compared to 2023

Current assets and investment and long-term receivables decreased a total of \$14.1 million. This includes a decrease in temporary investments and investments of \$2.4 million. During 2024, sales of investments were \$5.7 million more than purchases, and investments earned, included in other income (expense), approximately \$3.1 million. Inventories were reduced by about \$2.6 million because less inventory was purchased throughout the year, and inventory was used on various projects during the year.

Capital assets, net of depreciation, increased \$29.9 million compared to 2023. During 2024, the new West Wastewater Treatment Plant was completed, and costs associated with the plant for the year were approximately \$13.1 million. Increases also include \$7.1 million invested in the Production Plant for electric, water, and wastewater. These capital additions were partially offset by asset retirements and annual depreciation expense.

Noncurrent liabilities decreased \$11.3 million. \$7.7 million of the decrease is the removal of the 2023 net pension liability based on the plan's actuarial evaluation. In addition, long-term debt had a decrease of \$3.6 million from debt payments.

Operating revenues were \$6.1 million higher in 2024 compared to 2023. Electric had an increase of \$3.8 million because of growth and increases in fuel and purchasing costs. Kilowatt-hours billed increase 38,266,542 (2.8%) in 2024 compared to 2023. Water and wastewater together had an increase of approximately \$2.3 million primarily from rate increases.

2023 Compared to 2022

Current assets and investment and long-term receivables decreased a total of \$22.9 million. This includes a decrease in temporary investments and investments of \$31.9 million. During 2023, sales of investments were \$39.8 million more than purchases, and investments earned, included in other income (expense), approximately \$5.0 million. Accounts receivable balances were reduced by about \$12.9 million from collections of prior year accumulated revenues. Inventories were increased by about \$4.2 million in anticipation of future construction projects.

Capital assets, net of depreciation, increased \$43.9 million primarily due to construction costs of \$36.1 million for the new West Wastewater Treatment Plant. The increase also included \$1.0 million, \$1.5 million, \$9.1 million, and \$2.3 million for equipment replacement at the local generating facility, electric transmission lines and equipment, electric distribution plant, and wastewater lines, respectively. These capital additions were partially offset by asset retirements and annual depreciation expense.

Operating revenues were \$28.5 million less in 2023 compared to 2022. Electric had a decrease of \$30.5 million because of less kilowatt hours billed and decreases in fuel and purchasing costs. Kilowatt-hours decreased 37,521,660 (2.7%) in 2023 compared to 2022. Wastewater had an increase of approximately \$1.3 million due to rate increases.

Included in 2023 contributions is \$5.0 million in grant funds received from the American Rescue Plan Act. CWL utilized the funds by assisting the customers with the costs of infrastructure projects.

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Significant Capital Assets

CWL's new West Wastewater Treatment Plant was placed in service in August 2024 with a total accumulated cost of \$72.3 million. This facility replaces the Westside Wastewater Treatment Plant that was constructed in 1979. The replacement allowed CWL to increase plant capacity and accommodate regulatory requirements. The new facility's capacity is approximately 17.5 MGD, as compared to the previous facility's capacity of 7 MGD. The added hydraulic flow increase mitigates sanitary sewer overflows in west Jonesboro. The new facility has the capability to be modularly added to for accommodation of growth and to meet potential future regulatory requirements.

In 2024, CWL had an increase in distribution plant capital assets of \$19.2 million. This includes new infrastructure and improvements to the infrastructure of \$12.8 million, \$2.2 million, and \$4.2 million for electric, water, and wastewater, respectively. Electric distribution plant consists of station equipment, poles and fixtures, conductors and devices, line transformers, service lines, meters, and street lighting systems. Water distribution plant includes water booster stations, distribution mains, services, meters, and hydrants. Wastewater distribution plant includes lift stations, force mains, and gravity mains.

Construction in progress includes \$6.6 million at December 31, 2024, for utility relocations on Dr. Martin Luther King Jr. Drive from I-555 to Highway 49 North. Relocations began in October 2023 and are scheduled for completion by year end in 2025.

Included in construction in progress at December 31, 2024, \$4.2 million in costs were accumulated for the sewer main rehabilitation project. This project is for the rehabilitation of approximately 60,000 feet of sewer main, through a combination of cured in place pipe (CIPP) lining and pipe bursting, and manholes. The three-year project began in October 2023.

Construction in progress includes \$2.5 million at December 31, 2024, for utility relocations on Highway 351 North and South intersections at E. Johnson/Old Greensboro Road and E Johnson Ave./North Airport Road. Relocations began in November 2021 and are scheduled for completion in Spring 2025.

Bond Issues

On July 1, 2020, special obligation bonds were issued in the amount of \$21,525,000 to finance construction and improvement costs of the wastewater and electric facilities. The specific projects financed include the replacement of the Main Lift Station, construction of a new sewer gravity line, and the installation of a solar generating facility. Bonds payable from the Public Utility System Revenue Bonds, Series 2020, at December 31, 2024, were \$17,210,000.

On May 24, 2022, special obligation bonds were issued in the amount of \$33,360,000 to finance construction of a new West Wastewater Treatment Plant. Bonds payable from the Public Utility System Revenue Bonds, Series 2022, at December 31, 2024, was \$30,165,000.

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
MANAGEMENT DISCUSSION AND ANALYSIS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

OTHER FACTS

City Water and Light has ownership interest in White Bluff and Independence coal-fired plants which together provide 251 MW's of capacity to City Water and Light. Entergy is the agent of White Bluff and Independence coal-fired plants and has reached a settlement agreement and consent judgement with the Sierra Club and the National Parks Conservation Association. White Bluff coal-fired plants shall cease the combustion of coal no later than December 31, 2028 and the Independence coal-fired plants shall cease the combustion of coal no later than December 31, 2030. City Water and Light is currently considering various avenues to replace the retiring capacity.

CONTACTING CWL

The financial report is designed to provide CWL's bondholders, customers, and other interested parties with a general overview of CWL's finances and to demonstrate its accountability for the funds it receives. If you have any questions about this report or need additional information, contact CWL at 400 East Monroe, P.O. Box 1289, Jonesboro, Arkansas 72403, or visit CWL's website at <https://www.jonesborocwl.org>.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS AND DEFERRED OUTFLOWS</u>		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 22,040,593	\$ 33,050,901
Temporary investments (Note 4)	40,624,783	35,918,590
Accounts receivable, less allowance for credit losses (Note 5)	8,655,707	8,059,891
Accrued utility revenues	3,210,557	3,128,775
Accrued interest receivables	1,941,853	1,153,130
Inventories, net of reserve	29,986,250	32,558,877
Prepaid expenses	1,497,038	1,578,208
Total Current Assets	107,956,781	115,448,372
INVESTMENTS AND LONG-TERM RECEIVABLES		
Non-utility property	7,105,965	7,026,334
Investments (Note 4)	69,444,543	76,559,570
Restricted cash deposits (Note 11)	2,486,216	2,005,339
Installment receivables	36,844	42,246
Total Investments and Long-Term Receivables	79,073,568	85,633,489
NONCURRENT ASSETS		
Net Pension asset (Note 6)	1,107,911	-
Net OPEB asset (Note 7)	7,477,245	2,841,846
Total Noncurrent Assets	8,585,156	2,841,846
CAPITAL ASSETS		
Construction in progress	28,854,673	78,251,648
Utility plant in service	829,063,421	739,541,494
	857,918,094	817,793,142
Less accumulated depreciation	491,371,868	481,116,746
Total Capital Assets (Note 8)	366,546,226	336,676,396
DEFERRED OUTFLOWS		
Pension (Note 6)	17,207,393	20,080,768
OPEB (Note 7)	10,850,811	12,133,024
Total Deferred Outflows	28,058,204	32,213,792
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 590,219,935	\$ 572,813,895

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 3,597,726	\$ 3,502,420
Unearned revenue (Note 16)	2,197,392	6,057,911
Accounts payable	7,600,325	6,127,138
Customer deposits	3,768,126	3,446,383
Accrued interest	174,683	186,391
Accrued taxes	234,148	113,716
Accrued salaries and leave	2,236,354	1,648,819
Total Current Liabilities	19,808,754	21,082,778
NONCURRENT LIABILITIES		
Long-term debt (Note 9)	47,764,901	51,362,627
Net Pension Liability (Note 6)	-	7,705,909
Total Noncurrent Liabilities	47,764,901	59,068,536
TOTAL LIABILITIES	67,573,655	80,151,314
DEFERRED INFLOWS		
Pension (Note 6)	9,241,724	3,825,794
OPEB (Note 7)	10,241,836	6,897,863
Total Deferred Inflows	19,483,560	10,723,657
NET POSITION		
Net investments in capital assets	315,183,600	281,811,349
Restricted	2,486,216	2,005,339
Unrestricted	185,492,904	198,122,236
Total Net Position	503,162,720	481,938,924
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 590,219,935	\$ 572,813,895

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING REVENUE	\$ 127,572,508	\$ 121,457,375
OPERATING EXPENSES		
Production and operations	45,539,873	45,286,239
Purchased power (Note 13)	22,548,372	23,596,507
Transmission	184,018	562,676
Distribution	15,447,459	15,337,648
Customers' accounting and collection	4,403,938	4,006,739
Administrative and general	8,179,231	7,160,023
Depreciation (not provided elsewhere)	20,420,993	18,384,544
Contributions in lieu of taxes (Note 10)	224,350	222,672
Total Operating Expenses	116,948,234	114,557,048
INCOME FROM OPERATIONS	10,624,274	6,900,327
OTHER INCOME (EXPENSE)		
Interest income	5,903,737	3,535,088
Investment income	3,062,526	7,477,336
Rent income (Note 12)	827,641	906,605
Miscellaneous income	405,900	274,401
Interest expense	(1,491,200)	(1,581,549)
Nonoperating expense	-	(3,742)
Bond expense	(28,600)	(17,600)
Contributions to City of Jonesboro (Note 10)	(603,960)	(682,607)
Total Other Income	8,076,044	9,907,932
INCOME BEFORE CONTRIBUTIONS	18,700,318	16,808,259
CONTRIBUTIONS	2,523,478	7,272,610
CHANGE IN NET POSITION	21,223,796	24,080,869
NET POSITION, JANUARY 1	481,938,924	457,858,055
NET POSITION, DECEMBER 31	\$ 503,162,720	\$ 481,938,924

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 123,356,134	\$ 141,469,679
Payments to suppliers	(78,709,476)	(94,145,509)
Payments to employees	(12,531,505)	(11,884,099)
Other payments	(336,136)	(549,841)
Net Cash Provided by Operating Activities	31,779,017	34,890,230
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of utility plant	(49,574,535)	(61,536,607)
Principal payments on bonds issued	(2,810,000)	(2,650,000)
Bond expense	(28,600)	(17,600)
Proceeds from sale of utility plant in service	248,807	8,426
Interest paid	(2,195,328)	(2,331,680)
Contributions received	573,346	5,668,884
Net Cash Used by Capital and Related Financing Activities	(53,786,310)	(60,858,577)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(51,480,878)	(11,607,717)
Proceeds from sale and maturities of investments and restricted bond funds	57,174,062	51,443,976
Rent income	827,641	906,605
Nonoperating expense		(3,742)
Interest and dividends on investments and installment receivables	4,550,389	3,478,786
Principal collections on installment receivables	5,402	6,656
Net purchases of nonutility property	(79,631)	
Net Cash Provided by Investing Activities	10,996,985	44,224,564
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,010,308)	18,256,217
CASH AND CASH EQUIVALENTS, JANUARY 1	33,050,901	14,794,684
CASH AND CASH EQUIVALENTS, DECEMBER 31 (NOTE 3)	\$ 22,040,593	\$ 33,050,901

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	\$ 10,624,274	\$ 6,900,326
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	21,406,030	19,216,621
(Provision) Recoveries for credit losses	(13,283)	176,100
Other payments	(336,136)	(549,841)
Changes in assets and liabilities		
Accounts receivable	(582,533)	12,679,924
Accrued utility revenues	(81,782)	861,160
Inventories	2,572,627	(4,235,020)
Prepaid expenses	81,170	(460,162)
Unearned revenue	(3,860,519)	6,057,911
Accounts payable	1,473,187	(7,801,368)
Customer deposits	321,743	237,209
Accrued taxes	120,432	(298,368)
Accrued salaries and vacations	587,535	50,465
Deferred outflows of resources for pension	2,873,375	852,075
Deferred outflows of resources for OPEB	1,282,213	2,052,577
Deferred inflows of resources for pension	5,415,930	(2,273,561)
Deferred inflows of resources for OPEB	3,343,973	(2,647,210)
Net pension asset and liability	(8,813,820)	2,149,333
Net OPEB asset	(4,635,399)	1,922,059
Net Cash Provided by Operating Activities	\$ 31,779,017	\$ 34,890,230

SUPPLEMENTAL DISCLOSURES

NONINVESTING, CAPITAL AND FINANCING ACTIVITIES

Acquisition of developer built lines:

Utility plant in service	\$ 1,950,132	\$ 1,603,726
Noncash Contributions	\$ 1,950,132	\$ 1,603,726

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF FIDUCIARY NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		2023	
	Pension Trust Fund	OPEB Trust Fund	Pension Trust Fund	OPEB Trust Fund
ASSETS				
Cash and Cash Equivalents	\$ 2,793,082	\$ 1,763,575	\$ 5,917,226	\$ 2,272,791
Investments	72,187,611	53,995,985	62,671,811	49,184,994
Total Assets	\$ 74,980,693	\$ 55,759,560	\$ 68,589,037	\$ 51,457,785
NET POSITION				
Restricted for:				
Pensions	\$ 74,980,693		\$ 68,589,037	
Other Postemployment Benefits		\$ 55,759,560		\$ 51,457,785
Total Net Position	\$ 74,980,693	\$ 55,759,560	\$ 68,589,037	\$ 51,457,785

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		2023	
	Pension Trust Fund	OPEB Trust Fund	Pension Trust Fund	OPEB Trust Fund
ADDITIONS				
Employer Contributions	\$ 3,120,000	\$ 600,000	\$ 3,000,000	
Net Investment Income	6,671,829	5,123,242	7,174,423	\$ 5,569,501
Total Additions	<u>9,791,829</u>	<u>5,723,242</u>	<u>10,174,423</u>	<u>5,569,501</u>
DEDUCTIONS				
Pension Distributions	3,299,055		2,971,468	
Net Investment Loss				
Retirement Healthcare Premiums		1,342,156		1,236,328
Administrative Expenses	101,118	79,311	77,568	58,006
Total Deductions	<u>3,400,173</u>	<u>1,421,467</u>	<u>3,049,036</u>	<u>1,294,334</u>
CHANGE IN FIDUCIARY NET POSITION	6,391,656	4,301,775	7,125,387	4,275,167
NET POSITION, JANUARY 1	68,589,037	51,457,785	61,463,650	47,182,618
NET POSITION, DECEMBER 31	<u>\$ 74,980,693</u>	<u>\$ 55,759,560</u>	<u>\$ 68,589,037</u>	<u>\$ 51,457,785</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Business

City Water and Light Plant of the City of Jonesboro, Arkansas (CWL) provides electric and wastewater services to the City of Jonesboro and water services to the City of Jonesboro and surrounding areas. CWL is governed by a board with sixteen members.

With the advice and direction of legal counsel, CWL participated in and benefited from the formation of CWL Corp. I, a nonmember Arkansas nonprofit corporation formed to benefit CWL. The Articles of Incorporation and Bylaws of CWL Corp. I provide CWL exclusive authority to appoint directors of the corporation together with other rights and privileges. CWL Corp. I in turn participated in the formation of CWL Corp. III, a nonmember Arkansas nonprofit corporation formed to benefit CWL Corp. I. The Articles of Incorporation and Bylaws of CWL Corp. III provide CWL Corp. I exclusive authority to appoint directors of the corporation together with other rights and privileges. Because these affiliated entities are ultimately controlled by CWL and for the benefit of CWL they are treated as subsidiaries for accounting purposes. There were no intercompany transactions between CWL, CWL Corp. I and CWL Corp. III in 2024 or 2023.

The financial statements have been prepared in accordance with generally accepted accounting principles as applied to enterprise funds of governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting and periodically issues new or revised standards that are implemented by CWL. In addition, the financial statements are presented substantially in conformity with accounting principles and methods prescribed by the Federal Energy Regulatory Commission (FERC).

B. Measurement Focus and Basis of Accounting

The accounts of CWL are accounted for in an enterprise fund, which is a proprietary fund type. Enterprise funds account for activities that are financed and operated in a manner similar to private business enterprises and for which periodic determination of revenues, expenses and net income is desirable. These funds render services to the general public on a user-charge basis. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. All intra-divisional activities have been eliminated.

Operating revenues and expenses are distinguished from other income (expense) items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. All revenues not meeting this definition are reported as other nonoperating income (expense) but remain a major component of the overall revenues and expenses of CWL.

CWL utilizes fiduciary funds to report assets that are held in a trustee or agency capacity for others that cannot be used to support the general operations of the utility. Transactions and balances of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds include the following:

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

1. The Retirement Plan for Employees of City Water and Light is an employee benefits trust fund used to report the accumulation and use of resources to pay retirement, disability, and death benefits to plan members and beneficiaries.
2. Post Retirement Benefits Trust for Employees of City Water and Light is an employee benefits trust fund used to report the accumulation and use of resources to pay for health insurance for employees who are eligible to retire and receive 100 percent of their pension.

C. Revenue Recognition

CWL recognizes revenue concurrent with billings to customers on a monthly cycle billing basis or when other services are provided. Accrued revenues are recorded at the end of each fiscal period for services rendered but unbilled.

D. Capital Assets

Capital assets are valued at cost or, for contributed items, at estimated fair market value on the date of contribution. Cost includes appropriate administrative and general costs and payroll related costs such as taxes, pensions, and other benefits. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. CWL capitalizes assets with an initial value or cost greater than \$2,500 and an estimated useful life of three years or more. Significant betterments, which increase the useful lives of capital assets, are capitalized and depreciated over the remaining useful life of the related asset.

E. Investment Securities

Certificates of deposit are stated at cost. Equity securities, corporate bonds and government agencies are stated at fair market value. Gains or losses on disposition are based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific method. Fair value measurements are categorized within the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurement and Application. The hierarchy consists of three input levels. Level 1 inputs are quoted prices in active markets. Level 2 inputs are significant other observable inputs other than quoted prices, and Level 3 are unobservable inputs. Dividends and capital gains, as well as unrealized gains and losses, are recognized as other income (expense).

F. Accounts Receivable

Accounts receivable are primarily from sales to customers in the City of Jonesboro and surrounding areas. Monthly bills are mailed to customers for service through the respective meter reading dates.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

**NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

G. Inventories

Inventories consist of materials and supplies held for consumption and values are assigned using the average cost method. The cost is recorded as an expense or to a capital project at the time of use. Inventories, net of reserve, include reductions of \$269,296 and \$76,656 at December 31, 2024 and 2023, respectively, for inventory that is considered obsolete.

H. Income Taxes

CWL is exempt from income taxes under various provisions of the Internal Revenue Code.

I. Cash and Cash Equivalents

For purposes of the statements of cash flows, CWL considers petty cash and demand deposit accounts, which are not a part of restricted bond funds, to be cash equivalents.

J. 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 amount reported in accrued revenue, allowance for doubtful accounts, depreciation, and expenses. Actual results could differ from those estimates.

K. Deferred Inflows/Outflows of Resources

Deferred Inflows of Resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. The following items qualify for reporting in this category and are related to the pension and other post-employment benefits (OPEB):

1. Differences between expected and actual experience and
2. Differences between projected and actual earnings.

The differences will be amortized to pension and OPEB expenses.

Deferred Outflows of Resources represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenses) until then. The following items qualify for reporting in this category and are related to pension and other post-employment benefits (OPEB):

1. Contributions made after the measurement date,
2. Differences between expected and actual experience,
3. Differences between projected and actual earnings, and
4. Changes in assumptions.

Deferred outflows related to contributions made after the measurement date will be used in the next year to reduce net pension liability. The remaining amounts will be amortized to pension and OPEB expenses over future periods.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

L. Pension

For the purpose 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 Retirement Plan for Employees of City Water and Light (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they were determined by a third-party actuarial report on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Post-Employment Benefit

For the purpose of measuring the net Other Post-Employment Benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to other post-retirement benefits expense, information about the fiduciary net position of the Post-Retirement Benefits Trust for Employees of City Water and Light (OPEB Trust) and additions to/deductions from the OPEB Trust's fiduciary net position have been determined on the same basis as they were determined by a third-party actuarial report on the OPEB Trust. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

N. Compensated Absences

CWL provides all eligible employees with paid time off benefits. Paid time off benefits are accrued when earned in the financial statements.

O. Net Position

Net Position is comprised of three categories:

1. Net investments in capital assets consists of construction in progress and capital assets, net of accumulated depreciation, less any related long-term debt.
2. Restricted net position consists of funds set aside in compliance with legal requirements of specific agreements.
3. Unrestricted net position consists of amounts not included in other categories.

P. Net Position Flow Assumptions

At times CWL will fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position on the accompanying statement of net position, a flow assumption must be made about the order in which the resources are applied. It is CWL's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Budgetary Comparisons

CWL is not legally required to adopt a budget for the enterprise fund. Therefore, budget comparison information is not included in the financial statements.

R. Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their future use as established by a bond covenant or by external parties such as creditors, contributors, or by-laws and regulations.

NOTE 2: OWNERSHIP AGREEMENTS

In 1977, CWL entered into an Ownership Agreement with Entergy Arkansas, Inc. (Entergy) to purchase a five percent undivided ownership interest in “White Bluff Unit No. 1” and “White Bluff Unit No. 2” coal-fired generating plants constructed by Entergy. These units, located in Jefferson County, Arkansas, are rated at 815 megawatts and 844 megawatts, respectively. Entergy has operational control of the two generating plants.

In 1979, CWL entered into an Ownership Agreement with Entergy to purchase a five percent undivided ownership interest in “Independence Unit No. 1” and “Independence Unit No. 2” coal-fired generating plants constructed by Entergy. During 1996, CWL purchased an additional ten percent undivided ownership in "Independence Unit No. 2." These units, located in Independence County, Arkansas, are rated at 836 megawatts and 842 megawatts, respectively. Entergy has operational control of the two generating plants.

The following is a summary of CWL’s proportionate share of each jointly owned plant. Each participant must pay its share of expenses for the operations of the plants, which are included in the operating expenses of each participant’s statements of income. Allowance for depreciation on utility plant in service is determined by each participant based on their depreciation methods and rates relating to their share of the plants.

	White Bluff		Independence	
	Units No. 1 and No. 2		Units No. 1 and No. 2	
	2024	2023	2024	2023
Utility plant in service	\$ 53,192,534	\$ 52,846,538	\$ 111,822,468	\$ 111,241,468
Less accumulated depreciation	47,905,753	46,555,535	95,368,739	92,481,945
Utility plant in service, net depreciation	5,286,781	6,291,003	16,453,729	18,759,523
Inventories	4,862,207	4,806,805	7,675,447	8,711,784
Plant's Net Share	<u>\$ 10,148,988</u>	<u>\$ 11,097,808</u>	<u>\$ 24,129,176</u>	<u>\$ 27,471,307</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3: CASH AND CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash and temporary investments, including certificates of deposit at cost and Corporate Bonds at market value maturing in 2025, are carried and recorded at market value and consist of the following on December 31:

	2024	2023
Demand deposit accounts	\$ 22,034,343	\$ 33,044,651
Petty cash	6,250	6,250
Total cash and cash equivalents	22,040,593	33,050,901

Custodial credit risk is the risk that in the event of a bank failure, CWL would not be able to recover the funds. All demand deposit accounts and certificates of deposit are federally insured or collateralized with securities maintained by the pledging bank's trust department in CWL's name. CWL funds were not exposed to custodial credit risk.

NOTE 4: INVESTMENTS

Under state statutes and CWL's investment policy, CWL may invest in certificates of deposit with banks in the State of Arkansas, United States securities (including United States Agency, State and Local Governments and Approved Sovereign Government securities) with a maximum maturity date of six years, convertible debentures, convertible preferred stock, perpetual preferred stock and publicly traded common stock. Investments in equities are limited to 40% of assets.

Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. According to CWL's investment policy, all investments are monitored for changes in the effective yield.

All investments, including certificates of deposit, are insured by Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), or collateralized by current market values of pledges as prescribed in Arkansas Code Section 19-8-203.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4: INVESTMENTS (CONTINUED)

CWL's total cash and investments include cash and cash equivalents, temporary investments, restricted cash deposits, and long-term investments. Institutions in which CWL has five percent or more of its total cash and investments are as follows:

	<u>2024</u>	<u>2023</u>
Edward Jones	\$ 25,487,882	
Signature Bank	23,500,001	\$ 12,000,000
Stifel	20,824,641	
Charles Schwab	14,863,891	
First National Bank	13,000,000	
First Community Bank	11,500,000	9,336,555
Vanguard	10,226,019	
First Horizon Bank		25,624,594
Demand Deposit, Brokerage and Other Accounts	<u>15,193,701</u>	<u>100,573,251</u>
	134,596,135	147,534,400
Less cash and cash equivalents	22,040,593	33,050,901
Less restricted deposits	<u>2,486,216</u>	<u>2,005,339</u>
Total investments	<u><u>110,069,326</u></u>	<u><u>112,478,160</u></u>

At December 31, 2024 and 2023, CWL had the following investments and maturities:

<u>2024</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Greater than 1 Year</u>
Certificates of deposit	50,500,001	17,500,000	33,000,001
Equity securities	18,597,892		18,597,892
Corporate bond and government agencies	<u>40,971,433</u>	<u>23,124,783</u>	<u>17,846,650</u>
	<u><u>\$ 110,069,326</u></u>	<u><u>\$ 40,624,783</u></u>	<u><u>\$ 69,444,543</u></u>
<u>2023</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Greater than 1 Year</u>
Certificates of deposit	28,238,000	24,248,000	3,990,000
Equity securities	35,795,475		35,795,475
Corporate bond and government agencies	<u>48,444,685</u>	<u>11,670,590</u>	<u>36,774,095</u>
	<u><u>\$ 112,478,160</u></u>	<u><u>\$ 35,918,590</u></u>	<u><u>\$ 76,559,570</u></u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4: INVESTMENTS (CONTINUED)

Investments at December 31, 2024 and 2023, are categorized as follows:

	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<u>2024</u>			
Equity securities	\$ 18,597,892		
Corporate bond and government agencies		\$ 40,971,433	
	<u>\$ 18,597,892</u>	<u>\$ 40,971,433</u>	<u>\$ -</u>
<u>2023</u>			
Equity securities	\$ 35,795,475		
Corporate bond and government agencies		\$ 48,444,685	
	<u>\$ 35,795,475</u>	<u>\$ 48,444,685</u>	<u>\$ -</u>

Investments at December 31 for the Pension Plan, of which bonds, stocks and mutual funds are Level 1 investments, and cash and cash equivalents and certificates of deposit are Level 2 investments, including the following:

	Fair Value	Less than 1 Year	Greater than 1 Year
<u>2024</u>			
Cash and cash equivalents	\$ 2,793,083	\$ 2,793,083	
Bonds	3,490,041	1,507,121	\$ 1,982,920
Stocks	6,523,761		6,523,761
Mutual Funds	62,173,808	250,365	61,923,443
	<u>\$ 74,980,693</u>	<u>\$ 4,550,569</u>	<u>\$ 70,430,124</u>
<u>2023</u>			
Cash and cash equivalents	\$ 5,917,226	\$ 5,917,226	
Bonds	3,704,531	1,000,479	\$ 2,704,052
Stocks	4,511,945		4,511,945
Mutual Funds	54,455,335		54,455,335
	<u>\$ 68,589,037</u>	<u>\$ 6,917,705</u>	<u>\$ 61,671,332</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4: INVESTMENTS (CONTINUED)

Investments at December 31 for the OPEB Trust, of which bonds, stocks and mutual funds are Level 1 investments, and cash and cash equivalents and certificates of deposit are Level 2 investments, including the following:

<u>2024</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Greater than 1 Year</u>
Cash and cash equivalents	\$ 1,763,575	\$ 1,763,575	
Bonds	3,110,245	1,198,051	\$ 1,912,194
Stocks	5,428,905		5,428,905
Mutual Funds	45,456,835	250,365	45,206,472
	<u>\$ 55,759,560</u>	<u>\$ 3,211,991</u>	<u>\$ 52,547,571</u>

<u>2023</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Greater than 1 Year</u>
Cash and cash equivalents	\$ 2,272,791	\$ 2,272,791	
Bonds	3,242,056	911,430	\$ 2,330,626
Stocks	3,526,209		3,526,209
Mutual Funds	42,416,729		42,416,729
	<u>\$ 51,457,785</u>	<u>\$ 3,184,221</u>	<u>\$ 48,273,564</u>

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following on December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Customer account receivables	\$ 7,653,979	\$ 7,352,294
Receivables from other utilities	970,605	811,656
Other receivables	385,956	237,492
Allowance for credit losses	(354,833)	(341,551)
Accounts receivable, net allowance for credit losses	<u>\$ 8,655,707</u>	<u>\$ 8,059,891</u>

NOTE 6: PENSION PLAN

A. Plan Description

The “Retirement Plan for the Employees of City Water and Light Plant of Jonesboro, Arkansas” is a single-employer defined benefit pension plan administered by the CWL Retirement Committee. CWL provides retirement, disability and death benefits to plan members and beneficiaries. The plan provides a normal monthly retirement benefit based on 1.75% of final average monthly compensation times the number of years credited service. It provides a temporary retirement income for participants retiring prior to age 62, which is computed by multiplying the final rate of pay times 0.50% times the number of years credited service. It also provides a monthly disability benefit for employees totally and permanently disabled prior to normal retirement date and a death benefit to the participant’s beneficiary. No cost-of-living adjustments are provided to members or beneficiaries. Plan participants qualify for eligibility on the later of age 21 years or 1 year of vesting service.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

CWL's Board of Directors has the sole authority to establish and amend benefit provisions. CWL maintains publicly available financial information for "Retirement Plan for Employees of City Water and Light Plant of Jonesboro, Arkansas". That information may be obtained by writing to City Water and Light, PO Box 1289, Jonesboro, Arkansas 72403 or by calling (870) 935-5581.

B. Coverage

On November 1, 2024, the plan covered a total of 265 individuals and consists of 180 active employees and 85 retired employees. On November 1, 2023, the plan covered a total of 264 individuals of which 181 were active employees, 81 were retired employees, and 2 were employees vested at termination.

Covered employee payroll amounts were \$13,846,314 and \$13,346,520 for years ending October 31, 2024, and October 31, 2023, respectively.

C. Assumptions

The valuation date is as of November 1, 2024. Prior to November 1, 2019, all mortality rates were determined using the RP 2014 Mortality Table. Subsequent to this date, all mortality rates were determined using the Pub-G generationally projected MP 2019 Table. The actuarial assumptions used in years prior to 2017 included (a) 7.0% investment rate of return (net of administrative expenses), (b) 7.0% discount rate and (c) projected salary increases of 5.0% per year. Changes in assumptions for valuation years 2017-2020 included (a) 6.5% investment rate of return (net of administrative expenses), (b) 6.5% discount rate and (c) projected salary increases of 4.0% per year. In 2021, changes in assumptions include (a) 6.0% investment rate of return (net of administrative expenses) and (b) 6.0% discount rate. Projected salary increases remained at 4.0% annually. The actuarial value of assets was determined using the current market value of investments. The total pension liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 1, 2024, is 21 years.

D. Contribution Requirements

CWL's Board of Directors may amend the contribution requirements. The plan is totally funded by CWL and an amount approximating the annual required contribution as determined under GASB 67 is contributed to the plan. The annual required contribution for the current year was determined as part of the November 1, 2023, actuarial valuation using the entry age normal actuarial cost method.

E. Long-Term Expected Rate of Return and Single Discount Rate

The expected rate of return on pension plan investments is 6.0%. The municipal bond rate is 4.32%. Since assets are projected to be sufficient to meet benefit payments, the resulting single discount rate to measure Total Pension Liability is 6.0%. 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 target allocation and the long-term expected rates of return are shown in the table below:

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
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FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term
Equity	60.00%	5.00%
Fixed Income	30.00%	3.00%
Alternatives	5.00%	6.00%
Cash	5.00%	
Subtotal	100.00%	4.20%
Assumed inflation		2.25%
Total		6.45%
Rounded and adjusted for investment expenses		6.00%

F. Net Pension Liability

Regarding the sensitivity of the Net Pension Liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.0%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease to 5.0%	Current Single Rate of 6.0%	1% Increase to 7.0%
Total Pension Liability	\$ 83,643,618	\$ 73,833,543	\$ 64,178,277
Net Pension Liability (Asset)	\$ 8,702,164	\$ (1,107,911)	\$ (10,763,177)

G. Summary of Financial Information

	Plan year ended October 31,	
	2024	2023
a. <u>Income</u>		
1. Employer contributions	\$ 3,100,000	\$ 2,970,000
2. Investment income		
Interest/dividends	2,466,410	2,651,517
Realized gain	6,274,333	173,161
Unrealized gain (loss)	4,246,018	(462,064)
Investment expense	(86,101)	-
Net Investment Income	12,900,660	2,362,614
Total Income	\$ 16,000,660	\$ 5,332,614
b. <u>Expenses</u>		
1. Administrative	\$ 7,655	\$ 77,232
2. Monthly benefits	2,624,369	2,520,088
3. Lump sum distributions	631,506	418,533
Total Expenses	\$ 3,263,530	\$ 3,015,853

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

	Plan year ended October 31,	
	2024	2023
c. <u>Assets (Market)</u>		
1. Short-term		
Cash and money market	\$ 2,664,758	\$ 1,775,620
Institutional (cd's, savings, etc.)		4,044,849
2. Mutual funds		
Equity funds	42,237,448	33,819,426
Fixed income funds	19,580,733	12,914,734
3. Equities - common stocks	3,930,922	4,319,993
4. Bonds	3,804,792	3,445,292
5. Real estate funds	2,341,616	1,884,410
6. Hedge funds	381,185	
Total Assets	\$ 74,941,454	\$ 62,204,324
d. Ratio of assets to annual expenses:	23.0	20.6
e. Annual investment return:	20.8%	3.9%
f. <u>Total Pension Liability</u>		
1. Active Lives		
Regular retirement benefits	\$ 39,758,897	\$ 38,661,889
Voluntary termination benefits	447,525	435,806
Survivor's benefits	56,083	51,936
Disability benefits	637,799	603,644
Total Active Lives	40,900,304	39,753,275
2. Inactive Lives		
Vested terminations	-	101,573
Retirees and beneficiaries	32,933,239	30,055,385
Total Inactive Lives	32,933,239	30,156,958
Total Liability	\$ 73,833,543	\$ 69,910,233

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

H. Changes in the Net Pension (Asset) Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Changes for year ended 10/31/2023:			
a. Service Cost	\$ 1,430,185		\$ 1,430,185
b. Interest	3,881,395		3,881,395
c. Difference between expected and actual experience	2,093,135		-
d. Employer contributions		\$ 2,970,000	(2,970,000)
e. Employee contributions			-
f. Net investment income		2,362,614	(2,362,614)
g. Benefits and refunds	(2,938,621)	(2,938,621)	-
h. Administrative expenses		(77,232)	77,232
i. Assumption change			-
j. Other			-
Net Changes	<u>4,466,094</u>	<u>2,316,761</u>	<u>2,149,333</u>
Balance at 10/31/2022	65,444,139	59,887,563	5,556,576
Balance at 10/31/2023	<u>\$ 69,910,233</u>	<u>\$ 62,204,324</u>	<u>\$ 7,705,909</u>
Changes for year ended 10/31/2024:			
a. Service Cost	\$ 1,492,314		\$ 1,492,314
b. Interest	4,141,707		4,141,707
c. Difference between expected and actual	1,545,164		-
d. Employer contributions		\$ 3,100,000	(3,100,000)
e. Employee contributions			-
f. Net investment income		12,900,660	(12,900,660)
g. Benefits and refunds	(3,255,875)	(3,255,875)	-
h. Administrative expenses		(7,655)	7,655
i. Assumption change			-
j. Other			-
Net Changes	<u>3,923,310</u>	<u>12,737,130</u>	<u>(8,813,820)</u>
Balance at 10/31/2023	69,910,233	62,204,324	7,705,909
Balance at 10/31/2024	<u>\$ 73,833,543</u>	<u>\$ 74,941,454</u>	<u>\$ (1,107,911)</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

I. Pension Expense/(Income) Under GASB 68

	2024	2023
1. Net Pension (Asset) Liability at beginning of year	\$ 7,705,909	\$ 5,556,576
2. Net Pension (Asset) Liability at end of year	(1,107,911)	7,705,909
3. Increase (Decrease) in Net Pension Liability in year = (2) - (1)	(8,813,820)	2,149,333
4. Decrease in Net Pension Liability due to Employer Contributions during the measurement period	3,100,000	2,970,000
5. Change to reflect in Pension Expense (Income) = (3) + (4)	(5,713,820)	5,119,333
6. Adjust for Actual vs Expected experience		
a) Remove (loss)	(1,545,164)	(2,093,135)
b) Add amortization	1,402,345	1,247,829
7. Adjust for Actual vs. Projected investment income		
a) Remove (loss)	9,165,422	(1,308,813)
b) Add amortization	(713,298)	762,633
8. Pension Expense = (5) + (6) + (7)	\$ 2,595,485	\$ 3,727,847

J. Detail of Outflow/(Inflow) of Resources

Description	Year	Original Amount	Recognition Period	Outflow (Inflow)	Deferred
				In Current Expense	Outflow (Inflow) 11/1/2024
1. Actual vs. Expected	2015	\$ 352,112	15	\$ 23,474	\$ 117,372
2. Actual vs. Expected	2016	154,952	15	10,330	61,982
3. Actual vs. Expected	2017	(237,322)	15	(15,821)	(110,754)
4. Assumption Change	2017	1,350,507	15	90,034	630,235
5. Actual vs. Expected	2018	599,307	12	49,942	249,713
6. Actual vs. Expected	2019	1,124,052	12	93,671	562,026
7. Actual vs. Expected	2020	209,653	12	17,471	122,298
8. Proj vs Actual earnings	2020	(509,770)	5	(101,954)	-
9. Assumption Change	2020	1,643,497	12	136,958	958,707
10. Actual vs. Expected	2021	802,665	11	72,970	510,785
11. Proj vs Actual earnings	2021	(8,993,164)	5	(1,798,633)	(1,798,632)
12. Assumption Change	2021	4,062,023	11	369,275	2,584,923
13. Actual vs. Expected	2022	2,092,324	11	190,211	1,521,691
14. Proj vs Actual earnings	2022	13,793,049	5	2,758,610	5,517,219
15. Actual vs. Expected	2023	2,093,135	10	209,314	1,674,507
16. Proj vs Actual earnings	2023	1,308,813	5	261,763	785,287
17. Actual vs. Expected	2024	1,545,164	10	154,516	1,390,648
18. Proj vs Actual earnings	2024	(9,165,422)	5	(1,833,084)	(7,332,338)
Total				\$ 689,047	\$ 7,445,669
Due to Liabilities				\$ 1,402,345	\$ 10,274,133
Due to Assets				\$ (713,298)	\$ (2,828,464)

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6: PENSION PLAN (CONTINUED)

K. Detail of Deferred Outflow/(Inflow) of Resources

Description	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,211,022	\$ 110,754	\$ 5,487,757	\$ 126,575
Changes of assumptions	4,173,865		4,770,132	
Net difference between projected and actual earnings on pension plan investments	6,302,506	9,130,970	9,322,879	3,699,219
Subtotal	16,687,393	9,241,724	19,580,768	3,825,794
Adj for contributions after 10/31 and before 12/31	520,000		500,000	
Total	<u>\$ 17,207,393</u>	<u>\$ 9,241,724</u>	<u>\$ 20,080,768</u>	<u>\$ 3,825,794</u>

Amounts reported as deferred outflows of resources and related to pensions resulting from CWL contributions subsequent to the measurement date will be recognized as an increase in net pension asset in the year ended December 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Net Deferred Outflow of Resources
2025	\$ 791,002
2026	2,589,633
2027	(168,978)
2028	(430,741)
2029	1,402,350
Thereafter	3,262,403
Total	<u>\$ 7,445,669</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
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NOTE 7: OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

CWL provides Other Post-Employment Benefits (OPEB) in the form of a health care plan administered by the CWL Retirement Committee. This single-employer defined benefit OPEB plan provides and pays for health insurance for employees who are eligible to retire and receive 100 percent of their pension. Employees hired after January 1, 2008, must retire with a minimum of 25 years of service to be eligible. This coverage is provided for the retiree and the spouse of record at the time of retirement. CWL pays 50 percent of the premium for up to two years for employees who are on long-term disability. CWL is a secondary provider for those retirees and/or their spouses who are eligible for Medicare benefits. OPEB benefits are subject to medical inflation, which is reflected in the actuarial assumptions.

B. Funding Policy

CWL is currently advance funding the benefits on an actuarially determined basis. CWL's Board of Directors has the sole authority to establish and amend benefit provisions. CWL maintains publicly available financial information for "Post-Retirement Benefits Trust for Employees of City Water and Light Plant of Jonesboro, Arkansas". That information may be obtained by writing to City Water and Light, PO Box 1289, Jonesboro, Arkansas 72403 or by calling (870) 935-5581.

C. Assumptions

The valuation date is as of November 1, 2024, and the entry age normal cost method was used. Valuations before November 1, 2017, used the projected unit credit method. Prior to November 1, 2019, all mortality rates were determined using the RP 2014 Mortality Table. Subsequent to this date, all mortality rates were determined using the Pub-G generationally projected MP-2019 Table. The actuarial assumptions used in years prior to 2021 included (a) 6.5% investment rate of return (net of administrative expenses), (b) 6.5% discount rate and (c) projected salary increases of 4.0% per year. In 2021, changes in assumptions include (a) 6.0% investment rate of return (net of administrative expenses) and (b) 6.0 % discount rate. Projected salary increases remained at 4.0% annually. The actuarial value of assets was determined using the current market value of investments.

Actuarial valuations, which reflect a long-term perspective, involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

D. Coverage

On November 1, 2024, the plan had 199 active employee participants and covered a total of 169 retirees and beneficiaries. On November 1, 2023, the plan had 197 active employee participants and covered a total of 161 retirees and beneficiaries.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

E. Contribution Requirements

CWL’s Board of Directors may amend the contribution requirements. The plan is completely funded by CWL and an amount approximating the annual required contribution as determined under GASB 75 is contributed to the plan. The annual required contribution for the current year was determined as part of the November 1, 2023, actuarial valuation using the entry age normal actuarial cost method.

F. Long-Term Expected Rate of Return and Single Discount Rate

The expected rate of return on OPEB plan investments is 6.0%. The municipal bond rate is 4.32%. Since assets are projected to be sufficient to meet benefit payments, the resulting single discount rate to measure Total OPEB Liability is 6.0%. The Long-Term Expected Rate of Return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The target allocation and the long-term expected rates of return are shown in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term</u>
Equity	60.00%	5.00%
Fixed Income	30.00%	3.00%
Alternatives	5.00%	6.00%
Cash	5.00%	
Subtotal	100.00%	4.20%
Assumed inflation		2.25%
Total		6.45%
Rounded and adjusted for investment expenses		6.00%

G. Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the single discount rate, the following presents the plan’s net OPEB liability, calculated using a single discount rate of 6.0%, as well as what the plan’s net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	<u>1% Decrease to 5.0%</u>	<u>Current Single Rate of 6.0%</u>	<u>1% Increase to 7.0%</u>
Total OPEB Liability	\$ 55,410,522	\$ 48,364,528	\$ 41,157,240
Net OPEB Liability (Asset)	\$ (431,251)	\$ (7,477,245)	\$ (14,684,533)
	<u>1% Decrease in HCCTR</u>	<u>Assumed HCCTR</u>	<u>1% Increase in HCCTR</u>
Total OPEB Liability	\$ 40,054,544	\$ 48,364,528	\$ 57,197,945
Net OPEB Liability (Asset)	\$ (15,787,229)	\$ (7,477,245)	\$ 1,356,172

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

H. Summary of Financial Information

	<u>Plan year ended October 31,</u>	
	<u>2024</u>	<u>2023</u>
a. <u>Income</u>		
1. Employer contributions	\$ 480,000	
2. Investment income		
Interest/dividends	1,839,818	\$ 2,192,462
Realized gain	5,085,659	120,204
Unrealized gain (loss)	3,031,699	(448,683)
Investment expense	(71,893)	
Net Investment Income	<u>9,885,283</u>	<u>1,863,983</u>
Total Income	<u>\$ 10,365,283</u>	<u>\$ 1,863,983</u>
b. <u>Expenses</u>		
1. Administrative	\$ 500	\$ 57,743
2. Benefits	<u>1,316,713</u>	<u>1,213,116</u>
Total Expenses	<u>\$ 1,317,213</u>	<u>\$ 1,270,859</u>
c. <u>Assets (Market)</u>		
1. Short-term		
Cash and money market	\$ 1,983,620	\$ 1,598,270
Institutional (cd's, savings, etc.)		921,642
2. Mutual funds		
Equity funds	30,111,602	26,362,372
Fixed income funds	14,813,256	10,071,610
3. Equities - common stocks	3,533,451	3,374,431
4. Bonds	3,474,449	2,998,576
5. Real estate funds	1,544,210	1,466,802
6. Hedge funds	381,185	
Total Assets	<u>\$ 55,841,773</u>	<u>\$ 46,793,703</u>
d. Ratio of assets to annual expenses:	42.4	36.8
e. Annual investment return:	21.3%	4.1%

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

I. Changes in the Net OPEB (Asset) Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Changes for year ended 10/31/2023:			
a. Service Cost	\$ 964,008		\$ 964,008
b. Interest	2,478,727		2,478,727
c. Difference between expected and actual experience	285,564		285,564
d. Employer contributions			-
e. Employee contributions			
f. Net investment income		\$ 1,863,983	(1,863,983)
g. Benefits and refunds	(1,213,116)	(1,213,116)	
h. Administrative expenses		(57,743)	57,743
i. Assumption change			
j. Other			
Net Changes	<u>2,515,183</u>	<u>593,124</u>	<u>1,922,059</u>
Balance at 10/31/2022	41,436,674	46,200,579	(4,763,905)
Balance at 10/31/2023	<u>\$ 43,951,857</u>	<u>\$ 46,793,703</u>	<u>\$ (2,841,846)</u>
Changes for year ended 10/31/2024:			
a. Service Cost	\$ 970,844		\$ 970,844
b. Interest	2,626,735		2,626,735
c. Difference between expected and actual experience	2,131,805		2,131,805
d. Employer contributions		\$ 480,000	(480,000)
e. Employee contributions			-
f. Net investment income		9,885,283	(9,885,283)
g. Benefits and refunds	(1,316,713)	(1,316,713)	-
h. Administrative expenses		(500)	500
i. Assumption change			-
j. Other			-
Net Changes	<u>4,412,671</u>	<u>9,048,070</u>	<u>(4,635,399)</u>
Balance at 10/31/2023	43,951,857	46,793,703	(2,841,846)
Balance at 10/31/2024	<u>\$ 48,364,528</u>	<u>\$ 55,841,773</u>	<u>\$ (7,477,245)</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

J. OPEB Expense/(Income) Under GASB 75

	<u>2024</u>	<u>2023</u>
1. Net OPEB (Asset) Liability at beginning of year	\$ (2,841,846)	\$ (4,763,905)
2. Net OPEB (Asset) Liability at end of year	<u>(7,477,245)</u>	<u>(2,841,846)</u>
3. Increase (Decrease) in Net OPEB Liability in year = (2) - (1)	(4,635,399)	1,922,059
4. Decrease in Net OPEB Liability due to Employer Contributions during the measurement period	<u>480,000</u>	
5. Change to reflect in OPEB Expense (Income) = (3) + (4)	(4,155,399)	1,922,059
6. Adjust for Actual vs Expected experience		
a) Remove (loss)	(2,131,805)	(285,564)
b) Add amortization	371,009	104,533
7. Adjust for Actual vs. Projected investment income		
a) Remove (loss)	7,102,262	(929,401)
b) Add amortization	<u>(595,280)</u>	<u>515,799</u>
8. OPEB Expense = (5) + (6) + (7)	<u>\$ 590,787</u>	<u>\$ 1,327,426</u>

K. Detail of Outflow/(Inflow) of Resources

Description	Year	Original Amount	Recognition Period	Outflow (Inflow) In Current Expense	Deferred Outflow (Inflow) 11/1/2024
1. Actual vs. Expected	2017	\$ (888,903)	14	\$ (63,493)	\$ (380,959)
2. Actual vs. Expected	2018	(3,330,087)	9	(370,010)	(740,017)
3. Actual vs. Expected	2019	487,608	9	54,179	162,534
4. Actual vs. Expected	2020	1,580,637	9	175,626	702,507
5. Proj vs Actual earnings	2020	(350,407)	5	(70,083)	-
6. Assumption Change	2020	2,946,133	9	327,348	1,309,393
7. Actual vs. Expected	2021	(2,147,441)	9	(238,605)	(1,193,021)
8. Proj vs Actual earnings	2021	(7,327,843)	5	(1,465,569)	(1,465,567)
9. Assumption Change	2021	2,824,825	9	313,869	1,569,349
10. Actual vs. Expected	2022	(1,170,693)	9	(130,077)	(780,462)
11. Proj vs Actual earnings	2022	10,874,718	5	2,174,944	4,349,886
12. Actual vs. Expected	2023	285,564	8	35,696	214,172
13. Proj vs Actual earnings	2023	929,401	5	185,880	557,641
14. Actual vs. Expected	2024	2,131,805	8	266,476	1,865,329
15. Proj vs Actual earnings	2024	(7,102,262)	5	(1,420,452)	(5,681,810)
Total				<u>\$ (224,271)</u>	<u>\$ 488,975</u>
Due to Liabilities				\$ 371,009	\$ 2,728,825
Due to Assets				\$ (595,280)	\$ (2,239,850)

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

L. Detail of Deferred Outflow/(Inflow) of Resources

Description	2024		2023	
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	\$ 2,944,542	\$ 3,094,459	\$ 1,344,714	\$ 3,896,644
Changes of assumptions	2,878,742		3,519,959	
Net difference between projected and actual earnings on OPEB investments	4,907,527	7,147,377	7,268,351	3,001,219
Subtotal	10,730,811	10,241,836	12,133,024	6,897,863
Adj for contributions after 10/31 and before 12/31	120,000			
Total	<u>\$ 10,850,811</u>	<u>\$ 10,241,836</u>	<u>\$ 12,133,024</u>	<u>\$ 6,897,863</u>

Amounts reported as deferred outflows of resources and related to OPEB resulting from CWL contributions subsequent to the measurement date will be recognized as an increase in net OPEB asset in the year ended December 31, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Net Deferred Outflow of Resources	
2025	\$	(154,186)
2026		1,311,382
2027		(493,555)
2028		(733,610)
2029		183,874
Thereafter		375,070
Total	<u>\$</u>	<u>488,975</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8: CAPITAL ASSETS

	<u>12/31/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>12/31/2024</u>
Capital Assets - Nondepreciable					
Construction in progress	\$ 78,251,648	\$ 18,894,817		\$ (68,291,792)	\$ 28,854,673
Land and land rights	11,336,502	2,162,199			\$ 13,498,701
Total Nondepreciable	<u>89,588,150</u>	<u>21,057,016</u>		<u>(68,291,792)</u>	<u>42,353,374</u>
Capital Assets - Depreciable					
Intangible plant	8,968,374		\$ 8,931,136		\$ 37,238
Production plant	323,163,624	7,123,018	182,769	68,291,792	\$398,395,665
Transmission plant	27,022,217	1,738,055			\$ 28,760,272
Distribution plant	335,778,671	19,179,525	903,987		\$354,054,209
General plant	20,416,670	1,026,149	860,107		\$ 20,582,712
Transportation	12,855,436	1,400,904	521,716		\$ 13,734,624
Total Depreciable	<u>728,204,992</u>	<u>30,467,651</u>	<u>11,399,715</u>	<u>68,291,792</u>	<u>815,564,720</u>
Accumulated Depreciation	481,116,746	21,406,030	11,150,908		\$491,371,868
Total Depreciable, net of depreciation	<u>247,088,246</u>	<u>9,061,621</u>	<u>248,807</u>	<u>68,291,792</u>	<u>324,192,852</u>
Total Capital Assets	<u>\$336,676,396</u>	<u>\$ 30,118,637</u>	<u>\$ 248,807</u>		<u>\$366,546,226</u>
	<u>12/31/2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>12/31/2023</u>
Capital Assets - Nondepreciable					
Construction in progress	\$ 35,088,658	\$ 43,162,990			\$ 78,251,648
Land and land rights	11,247,483	65,410		\$ 23,609	11,336,502
Total Nondepreciable	<u>46,336,141</u>	<u>43,228,400</u>		<u>23,609</u>	<u>89,588,150</u>
Capital Assets - Depreciable					
Intangible plant	8,952,928	15,446			8,968,374
Production plant	321,028,375	2,135,249			323,163,624
Transmission plant	25,497,224	1,524,993			27,022,217
Distribution plant	322,459,362	14,361,733	\$ 1,018,815	(23,609)	335,778,671
General plant	20,062,107	392,850	38,287		20,416,670
Transportation	11,666,171	1,481,662	292,397		12,855,436
Total Depreciable	<u>709,666,167</u>	<u>19,911,933</u>	<u>1,349,499</u>	<u>(23,609)</u>	<u>728,204,992</u>
Accumulated Depreciation	463,241,198	19,216,621	1,341,073		\$481,116,746
Total Depreciable, net of depreciation	<u>246,424,969</u>	<u>695,312</u>	<u>8,426</u>	<u>(23,609)</u>	<u>247,088,246</u>
Total Capital Assets	<u>\$292,761,110</u>	<u>\$ 43,923,712</u>	<u>\$ 8,426</u>		<u>\$336,676,396</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9: LONG-TERM DEBT AND COMMITMENTS

The Series 2020 Bonds were issued on July 21, 2020, in the amount of \$21,525,000 for the purpose of financing all or a portion of the costs of improvements to the wastewater and electric facilities of the system. These improvements specifically included the replacement of the Main Lift Station, construction of a new gravity sewer line and the installation of a solar generating facility. The Series 2020 Bonds are special obligations only of CWL and are payable from and secured by a pledge of revenues from the system. Bonds mature at varying amounts and are due annually from June 1, 2021, through June 1, 2035. Interest payments are due semiannually beginning on December 1, 2020, and ending on June 1, 2035, at rates from 4.0% to 5.0%.

The Series 2022 Bonds were issued on May 24, 2022, in the amount of \$33,360,000 for the purpose of financing a portion of the costs of improvements to the wastewater facilities of the system. These improvements specifically included the replacement of the West Wastewater Treatment Plant facility. The Series 2022 Bonds are special obligations only of CWL and are payable from and secured by a pledge of revenues from the system. Bonds mature at varying amounts and are due annually from June 1, 2023, through June 1, 2037. Interest payments are due semiannually beginning on December 1, 2022, and ending on June 1, 2037, at rates from 4.0% to 5.0%.

A. A summary of long-term debt is as follows:

	2024	2023
Public Utility System Revenue Bonds, Series 2020; bearing interest at rates from 4.0% to 5.0% due semiannually and payable through June 1, 2035; callable after December 1, 2030.	\$ 17,210,000	\$ 18,370,000
Public Utility System Revenue Bonds, Series 2022; bearing interest at rates from 4.0% to 5.0% paid semiannually payable through June 1, 2037; callable after December 1, 2030.	30,165,000	31,815,000
Unaccreted Premiums	3,987,627	4,680,047
	51,362,627	54,865,047
Less Current Maturities	3,597,726	3,502,420
Total Long-Term Debt	\$ 47,764,901	\$ 51,362,627

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9: LONG-TERM DEBT AND COMMITMENTS (CONTINUED)

B. Annual maturities of long-term debt and interest expense as of December 31, 2024, are as follows:

Year	Bonds			
	Principal	Original Issue		Total
		Premium	Interest	
2025	\$ 2,955,000	\$ 642,726	\$ 2,022,325	\$ 5,620,051
2026	3,100,000	591,671	1,870,950	5,562,621
2027	3,260,000	537,405	1,711,950	5,509,355
2028	3,425,000	480,376	1,544,825	5,450,201
2029	3,600,000	420,441	1,369,200	5,389,641
2030-2034	20,620,000	1,214,450	4,231,300	26,065,750
2035-2037	10,415,000	100,558	556,700	11,072,258
	\$ 47,375,000	\$ 3,987,627	\$ 13,307,250	\$ 64,669,877

C. Changes in long-term obligations for the year ended December 31, 2024, are as follows:

	Balance at 12/31/2023	Issued	Paid	Balance at 12/31/2024	Due within One Year
Series 2020 Bonds	\$ 18,370,000		\$ 1,160,000	\$ 17,210,000	\$ 1,220,000
Series 2020 Bond Issuance Premium	2,977,740		465,535	2,512,205	430,029
Series 2022 Bonds	31,815,000		1,650,000	30,165,000	1,735,000
Series 2022 Bond Issuance Premium	1,702,307		226,885	1,475,422	212,697
	\$ 54,865,047	\$ -	\$ 3,502,420	\$ 51,362,627	\$ 3,597,726

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10: RELATED PARTY TRANSACTIONS

The City of Jonesboro, Arkansas, City Council selects seven of the sixteen members of the Board of Directors of CWL (one from each of the six wards and one from the Jonesboro Special School District). CWL made the following cash distributions and nonmonetary contributions to the city:

	December 31,	
	2024	2023
City's Capital Improvement Fund	\$ 179,584	\$ 178,340
City's Fire Truck Fund	21,038	21,038
Total contributions in lieu of taxes to City	200,622	199,378
Payroll, inventory and utilities for various special city projects	48,461	108,936
Payment toward the purchase of a new fire truck	500,000	500,000
Payment of sales tax on free services to the city	44,311	60,981
Refunds of utility bills for the City Library	11,188	12,690
Total monetary contributions to City	603,960	682,607
Streetlights	1,547,108	1,352,964
Fire hydrants	282,839	308,715
Free utility service to City buildings	900,678	1,001,274
Total nonmonetary contributions	2,730,625	2,662,953
Total contributions to City	\$ 3,535,207	\$ 3,544,938

NOTE 11: RESTRICTED ASSETS

In December 2013, CWL entered into an agreement with Midcontinent Independent System Operator (MISO). MISO provides open-access transmission service and monitoring of the high-voltage transmission system in the Midwest United States and part of Canada. Pursuant to the agreement, funds are placed in a third party escrow account as collateral for certain types of transactions between the parties. The amount required is reviewed and adjusted annually by MISO based upon the transaction level.

In July 2020, Public Utility System Revenue Bonds were issued. The bond funds are maintained in accordance with the Trust Indenture, wherein a bond fund account was established to provide funds for payment of the bond principal and interest.

In May 2022, a second series of Public Utility System Revenue Bonds was issued. The bond funds are maintained in accordance with the Trust Indenture, wherein a bond fund account was established to provide funds for payment of the bond principal and interest.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11: RESTRICTED ASSETS (CONTINUED)

Restricted assets at December 31, 2024 and 2023, consist of the following:

	2024	2023
MISO Escrow Account	\$ 550,000	\$ 550,000
2020 Revenue Bond Funds	790,967	600,489
2022 Revenue Bond Funds	1,145,249	854,850
	\$ 2,486,216	\$ 2,005,339

NOTE 12: RENT INCOME

CWL has a lease agreement to rent an old wastewater treatment plant to Arkansas Rice Growers Cooperative Association. This agreement is renewable annually and has been extended through August 31, 2025. The annual rental payments of \$32,073 for the year beginning September 1, 2024 are payable in advance. This lease covers utility plant in service at a total cost of \$181,151, including \$4,939 in land, with accumulated depreciation of \$176,212 at December 31, 2024. The asset is fully depreciated.

CWL owns facilities at 310 East Street. Utility plant in service is \$3,769,252, including \$450,000 in land, with accumulated depreciation of \$1,941,062 at December 31, 2024. There are 3 separate lease agreements for 3 separate areas of the building. The first lease became effective in January 2010 for a period of 10 years with a renewal option. Tenant has renewed the lease through December 2029 at an annual amount of \$41,580. The second lease became effective in November 2012 with occupancy beginning in September 2013. It is a 12 year initial lease agreement with a three year renewable option after the initial term. Annual rental for years 1-5 is \$187,077; years 6-10 is \$208,198; and years 11 and 12 is \$225,132. Rental payments are due in monthly installments in advance. The third lease became effective in August 2015 with occupancy beginning in March 2016. It is a 10 year lease agreement. Annual rental for years 1-5 is \$55,800 and years 6-10 is \$61,380. Rental payments are due in monthly installments in advance.

CWL owns facilities at 315/317 East Street. Utility plant in service is \$793,738, including \$77,189 in land, with accumulated depreciation of \$405,484 at December 31, 2024. In July 2015, CWL entered into an initial 3 year lease agreement with occupancy beginning October 2015. The lease agreement has been extended through September 2027. Monthly lease payments paid in advance were \$8,000 through September 30, 2024, and are \$8,500 through September 30, 2027.

CWL owns facilities at 5601 East Nettleton. Utility plant in service is \$174,105, including \$23,500 in land, with accumulated depreciation of \$75,302 at December 31, 2024. In January 2015, CWL entered into a 6 year lease agreement with occupancy beginning February 2015. The lease has been extended through January 31, 2027 with an additional renewal option. Annual rental is \$15,000 and is due in monthly installments in advance. Upon exercise of the renewal option, annual rental will increase to \$16,800.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12: RENT INCOME (CONTINUED)

CWL owns facilities at 404 Creath Street. Utility plant in service is \$982,126 with accumulated depreciation of \$264,908 at December 31, 2024. In June 2021, CWL entered into an initial five year lease agreement with occupancy beginning June 2021. The lease is renewable for five years after the initial term. Annual rental is \$72,516 for the initial term and \$79,764 for the renewal term. Rental payments are due in monthly installments in advance.

Other sources of rental income are: leases for vacant land used for farming and leases for space on CWL water towers used for attachment of wireless communication antennas. Due to the nature of cash crop rents, farm rental income can vary from year to year.

Total rental income for 2024 and 2023 is as follows:

	2024	2023
Old Wastewater Treatment Plant	\$ 32,073	\$ 31,139
310 East Street	328,092	325,177
315/317 East Street	97,500	96,000
5601 East Nettleton	15,000	15,000
404 Creath Street	72,516	72,516
Other sources of rental income	282,460	366,773
	\$ 827,641	\$ 906,605

NOTE 13: CONTRACTS AND AGREEMENTS

CWL entered into a power sale contract dated May 28, 1986, with the United States Department of Energy Southwestern Power Administration (SPA) to purchase 80,000 kilowatts of hydroelectric power and 96,000,000 kilowatt-hours of hydro peaking energy annually through May 31, 1996. On January 27, 1995, CWL entered into a new contract with SPA that superseded the previous contract. The new contract provided for the continued purchase by CWL of federal power and energy and associated services from SPA with an original term of June 1, 1996 through May 31, 2011. On February 9, 2000, the agreement was extended to May 31, 2015. On January 13, 2006, the agreement was extended through May 31, 2020. On March 30, 2007, the end date of the agreement was modified to March 31, 2020 to facilitate a shift to a new contract year. On January 14, 2013, the agreement was extended to March 31, 2028. On June 25, 2014, the agreement was extended to March 31, 2029 and relocated CWL into the Balancing Authority Area of the MISO. Total incurred under the contract and amendatory agreements was \$6,678,997 and \$6,572,227 during 2024 and 2023, respectively.

An Amendatory Agreement was entered into on May 11, 2022 to establish terms under which CWL will self-supply 40,000kW of its peaking energy, allowing SPA to purchase the peaking energy self-supplied and the associated peaking self-supply demand from CWL. The terms of this amendment terminate on May 31, 2026. An additional short-term agreement was entered into effective June 1, 2023, through May 31, 2025, wherein CWL will self-supply an additional 40,000kW during this term.

CWL entered into an Interconnection and Transmission Service Agreement during 1995 with SPA, which allows SPA to lease the Water Valley Transmission Line from CWL through 2045 and to take title to the line anytime from June 1, 1996, until the contract expires in 2045.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14: CONCENTRATION

CWL had two suppliers that comprised greater than 10% of total operating expenses as follows:

	2024	2023
VENDOR A Total	\$ 27,045,735	\$ 26,994,329
% of total operating expenses	22.7%	23.6%
 VENDOR B Total	 \$ 23,333,667	 \$ 24,430,223
% of total operating expenses	19.5%	21.3%

NOTE 15: ADVANCES TO JONESBORO ECONOMIC DEVELOPMENT CORPORATION

CWL entered into a contract of sale with Jonesboro Economic Development Corporation (JEDC) in November 1990, for 160 acres for development and sale as an industrial site. The agreement has been extended in five year increments with the most recent extension dated through November 20, 2025, for the west ½ of the acreage that has not already been sold. CWL has agreed to convey to JEDC title to any part of this property at \$4,000 an acre.

NOTE 16: UNEARNED REVENUE

Amounts overbilled to customers for energy costs are included as unearned revenue. Energy costs are billed to customers through the addition or subtraction of an energy adjustment to the base rate. In 1998, CWL began utilizing a twelve-month rolling average fuel cost to compute the energy adjustment. One twelfth of the cumulative over billed (or under billed) amount is subtracted (or added) to the current month's energy costs in computing the current month's energy adjustment. Energy adjustment unearned revenue at December 31 is \$1,768,542 and \$6,057,911 for 2024 and 2023, respectively.

CWL entered into an agreement on March 26, 2024, with North Little Rock Electric Department regarding the sale of Zonal Resource Credits as defined by MISO for a prepaid amount of \$947,025. The term of the contract is from June 1, 2024 through May 31, 2025. \$518,175 in Zonal Resource Credits were sold in 2024, leaving an unearned revenue balance of \$428,850 at December 31, 2024.

NOTE 17: RISK MANAGEMENT

CWL is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CWL purchases commercial insurance to cover these risks of loss. CWL is immune from tort liability but has chosen to provide up to \$1,000,000 of liability coverage for persons claiming to be damaged by CWL operations.

Settled claims have not exceeded this commercial coverage during the past year. No significant claims liabilities were outstanding at December 31, 2024, or December 31, 2023.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 18: LEGAL PROCEEDINGS

CWL is party to various claims and legal proceedings incidental to its business. While the outcome of these matters cannot be predicted with certainty, it is the opinion of management and legal counsel of CWL, that the ultimate resolution of these matters, after consideration of insurance coverage or other indemnification arrangements, will not have a materially adverse effect on the financial position or operations of the company.

NOTE 19: RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 100, "Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62." The primary object of this statement was to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement was effective for fiscal years beginning after June 15, 2023, with earlier application encouraged. During the year ended December 31, 2024, CWL adopted this statement which did not have a material impact on the financial statements.

GASB Statement No. 101, "Compensated Absences." The objective of this statement was to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective was achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, with earlier application encouraged. During the year ended December 31, 2024, CWL adopted this statement which added \$389,782 to accrued salaries and leave on the accompanying statement of net position.

GASB Statement No. 102, "Certain Risk Disclosures." The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement will improve financial reporting by providing users of the financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this statement effective for fiscal years beginning after June 15, 2024 with earlier adoption encouraged. CWL has not determined the impact, if any, that this statement could have on its financial statements.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 19: RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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. For governments engaged in business-type activities, the primary impact of this statement will be changes to the statement of revenues, expenditures, and changes in net position (“SRECNP”). This statement not only changes the required sections and subtotals to be included in the SRECNP but creates new definitions for subsidies and operating and nonoperating revenues and expenses. Upon adoption, the new definitions may cause reclassifications of revenues and expenses within the SRECNP. This statement also impacts other financial statement presentation requirements, including major component units, unusual or infrequent items, and management’s discussion and analysis. This statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter with earlier adoption encouraged. CWL has not determined the impact, if any, this statement could have on its financial statements.

GASB Statement No. 104 “Disclosure of Certain Capital Assets.” The objective of this statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital assets foot note disclosure required by Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” It also establishes requirements for capital assets held for sales, including additional disclosures for those capital assets. This statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter with earlier adoption encouraged. CWL has not determined the impact, if any, this statement could have on its financial statements.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

	OCTOBER 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,492,314	\$ 1,430,185	\$ 1,341,713	\$ 1,154,728	\$ 1,059,843	\$ 1,025,959	\$ 1,024,589	\$ 1,056,252	\$ 984,284	\$ 943,106
Interest	4,141,707	3,881,395	3,624,202	3,455,273	3,184,629	2,985,191	2,832,117	2,837,793	2,675,669	2,486,700
Difference between actual and expected										
Experience	1,545,164	2,093,135	2,092,324	802,665	209,653	1,124,052	599,307	(237,322)	154,952	314,793
Assumption changes				4,062,023	1,643,497			1,350,507		
Benefit payments	(3,255,875)	(2,938,621)	(2,693,225)	(1,952,503)	(2,010,116)	(2,157,612)	(2,045,816)	(1,874,726)	(1,194,941)	(936,315)
Net change in Total Pension Liability	3,923,310	4,466,094	4,365,014	7,522,186	4,087,506	2,977,590	2,410,197	3,132,504	2,619,964	2,808,284
Total Pension Liability, November 1	69,910,233	65,444,139	61,079,125	53,556,939	49,469,433	46,491,843	44,081,646	40,949,142	38,329,178	35,520,894
Total Pension Liability, October 31	<u>\$ 73,833,543</u>	<u>\$ 69,910,233</u>	<u>\$ 65,444,139</u>	<u>\$ 61,079,125</u>	<u>\$ 53,556,939</u>	<u>\$ 49,469,433</u>	<u>\$ 46,491,843</u>	<u>\$ 44,081,646</u>	<u>\$ 40,949,142</u>	<u>\$ 38,329,178</u>
PLAN FIDUCIARY NET POSITION										
Employer contributions	\$ 3,100,000	\$ 2,970,000	\$ 2,800,000	\$ 2,685,000	\$ 2,595,000	\$ 2,520,000	\$ 2,440,000	\$ 2,030,000	\$ 1,970,000	\$ 1,790,000
Net investment income (loss)	12,900,660	2,362,614	(9,550,845)	12,726,180	3,941,022	4,869,867	1,095,793	5,632,090	1,238,360	826,886
Benefit payments	(3,255,875)	(2,938,621)	(2,693,225)	(1,952,503)	(2,010,116)	(2,157,612)	(2,045,816)	(1,874,726)	(1,194,941)	(936,315)
Administrative expense	(7,655)	(77,232)	(74,625)	(68,185)	(61,411)	(57,833)	(54,928)	(50,067)	(46,794)	(37,319)
Net change in Net Position	12,737,130	2,316,761	(9,518,695)	13,390,492	4,464,495	5,174,422	1,435,049	5,737,297	1,966,625	1,643,252
Plan Fiduciary Net Position - November 1	62,204,324	59,887,563	69,406,258	56,015,766	51,551,271	46,376,849	44,941,800	39,204,503	37,237,878	35,594,626
Plan Fiduciary Net Position - October 31	<u>\$ 74,941,454</u>	<u>\$ 62,204,324</u>	<u>\$ 59,887,563</u>	<u>\$ 69,406,258</u>	<u>\$ 56,015,766</u>	<u>\$ 51,551,271</u>	<u>\$ 46,376,849</u>	<u>\$ 44,941,800</u>	<u>\$ 39,204,503</u>	<u>\$ 37,237,878</u>
NET PENSION (ASSET) LIABILITY - OCTOBER 31	<u>\$ (1,107,911)</u>	<u>\$ 7,705,909</u>	<u>\$ 5,556,576</u>	<u>\$ (8,327,133)</u>	<u>\$ (2,458,827)</u>	<u>\$ (2,081,838)</u>	<u>\$ 114,994</u>	<u>\$ (860,154)</u>	<u>\$ 1,744,639</u>	<u>\$ 1,091,300</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	101.50%	88.98%	91.51%	113.63%	104.59%	104.21%	99.75%	101.95%	95.74%	97.15%
COVERED EMPLOYEE PAYROLL - OCTOBER 31	\$ 13,846,314	\$ 13,346,520	\$ 12,737,816	\$ 11,924,942	\$ 11,803,588	\$ 11,122,618	\$ 10,867,030	\$ 10,682,072	\$ 10,654,910	\$ 9,919,942
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	-8%	58%	44%	-70%	-21%	-19%	1%	-8%	16%	11%

NOTES TO SCHEDULE:

Changes in assumptions

At 11/1/2021, assumed discount rate lowered from 6.50% to 6.00%.

At 11/1/2020, assumed mortality table changed to Pub-G with MP 2019.

At 11/1/2017, assumed discount rate lowered from 7.00% to 6.50%; assumed annual pay growth lowered from 5.00% to 4.00%.

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF EMPLOYERS' PENSION CONTRIBUTIONS**

	OCTOBER 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,221,794	\$ 1,967,626	\$ 1,422,216	\$ 1,229,785	\$ 1,128,733	\$ 1,101,791	\$ 1,091,187	\$ 1,272,288	\$ 1,141,128	\$ 1,009,123
Contributions in relation to the actuarially determined contribution	<u>3,100,000</u>	<u>2,970,000</u>	<u>2,800,000</u>	<u>2,685,000</u>	<u>2,595,000</u>	<u>2,520,000</u>	<u>2,440,000</u>	<u>2,030,000</u>	<u>1,970,000</u>	<u>1,790,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ (878,206)</u>	<u>\$ (1,002,374)</u>	<u>\$ (1,377,784)</u>	<u>\$ (1,455,215)</u>	<u>\$ (1,466,267)</u>	<u>\$ (1,418,209)</u>	<u>\$ (1,348,813)</u>	<u>\$ (757,712)</u>	<u>\$ (828,872)</u>	<u>\$ (780,877)</u>
COVERED EMPLOYEE PAYROLL - OCTOBER 31	\$ 13,846,314	\$ 13,346,520	\$ 12,737,816	\$ 11,924,942	\$ 11,803,588	\$ 11,122,618	\$ 10,867,030	\$ 10,682,072	\$ 10,654,910	\$ 9,919,942
CONTRIBUTION AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	22%	22%	22%	23%	22%	23%	22%	19%	18%	18%

NOTES TO SCHEDULE:

Valuation date: Actuarially determined contributions are calculated as of October 31 after the valuation date.
Actuarial cost method: Entry Age Normal
Amortization method: Level Dollar over 30 years from November 1, 2015, grading to a 20 year payoff for 2025-26.
Remaining amortization period: 21 years at 11/1/2024
Asset valuation method: Market Value
Assumed inflation: 4.00% per year.
Assumed salary increases: 4.00% per year.
Assumed investment return: 6.00% (7.00% for year ended 10/31/2016 and 6.50% for years ending 2017 through 2020).
Assumed retirement age: Retirement rate of 10% for ages 55 to 59, 15% for 60 & 61, 25% for 62, 20% for 63 & 64, and 100% for age 65 and over.
Mortality: Pub-G with MP 2019
(RP 2014 Healthy Mortality Table before 11/1/2020. 1983 GAM before 11/1/2014.)

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFITS (ASSET) LIABILITY AND RELATED RATIOS

	OCTOBER 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY										
Service Cost	\$ 970,844	\$ 964,008	\$ 927,525	\$ 763,842	\$ 713,876	\$ 662,100	\$ 639,296	\$ 603,506		
Interest	2,626,735	2,478,727	2,416,519	2,428,172	2,015,139	1,872,679	1,968,610	1,906,950		
Difference between actual and expected Experience	2,131,805	285,564	(1,170,693)	(2,147,441)	1,580,637	487,608	(3,330,087)	(888,903)		
Assumption changes				2,824,825	2,946,133					
Benefit payments	(1,316,713)	(1,213,116)	(1,096,455)	(968,369)	(884,480)	(828,671)	(701,492)	(680,173)		
Net change in Total OPEB Liability	4,412,671	2,515,183	1,076,896	2,901,029	6,371,305	2,193,716	(1,423,673)	941,380		
Total OPEB Liability, November 1	43,951,857	41,436,674	40,359,778	37,458,749	31,087,444	28,893,728	30,317,401	29,376,021		
Total OPEB Liability, October 31	<u>\$ 48,364,528</u>	<u>\$ 43,951,857</u>	<u>\$ 41,436,674</u>	<u>\$ 40,359,778</u>	<u>\$ 37,458,749</u>	<u>\$ 31,087,444</u>	<u>\$ 28,893,728</u>	<u>\$ 30,317,401</u>	<u>\$ 29,376,021</u>	
PLAN FIDUCIARY NET POSITION										
Employer contributions	\$ 480,000									\$ 30,000
Net investment income (loss)	9,885,283	\$ 1,863,983	\$ (7,555,160)	\$ 10,318,201	\$ 3,191,728	\$ 4,174,718	\$ 1,051,626	\$ 5,060,786	\$ 1,098,052	763,470
Benefit payments	(1,316,713)	(1,213,116)	(1,096,455)	(968,369)	(884,480)	(828,671)	(701,492)	(680,173)	(668,627)	(538,504)
Administrative expense	(500)	(57,743)	(57,849)	(56,729)	(51,584)	(50,502)	(48,648)	(45,183)	(42,854)	(33,648)
Net change in Net Position	9,048,070	593,124	(8,709,464)	9,293,103	2,255,664	3,295,545	301,486	4,335,430	386,571	221,318
Plan Fiduciary Net Position - November 1	46,793,703	46,200,579	54,910,043	45,616,940	43,361,276	40,065,731	39,764,245	35,428,815	35,042,244	34,820,926
Plan Fiduciary Net Position - October 31	<u>\$ 55,841,773</u>	<u>\$ 46,793,703</u>	<u>\$ 46,200,579</u>	<u>\$ 54,910,043</u>	<u>\$ 45,616,940</u>	<u>\$ 43,361,276</u>	<u>\$ 40,065,731</u>	<u>\$ 39,764,245</u>	<u>\$ 35,428,815</u>	<u>\$ 35,042,244</u>
NET OPEB (ASSET) LIABILITY - OCTOBER 31	<u>\$ (7,477,245)</u>	<u>\$ (2,841,846)</u>	<u>\$ (4,763,905)</u>	<u>\$ (14,550,265)</u>	<u>\$ (8,158,191)</u>	<u>\$ (12,273,832)</u>	<u>\$ (11,172,003)</u>	<u>\$ (9,446,844)</u>	<u>\$ (6,052,794)</u>	
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY	115.46%	106.47%	111.50%	136.05%	121.78%	139.48%	138.67%	131.16%	120.60%	
COVERED EMPLOYEE PAYROLL - OCTOBER 31	\$ 13,846,314	\$ 13,346,520	\$ 12,737,816	\$ 11,924,942	\$ 11,803,588	\$ 11,122,618	\$ 10,867,030	\$ 10,682,072	\$ 10,654,910	\$ 9,919,942
NET OPEB LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	-54%	-21%	-37%	-122%	-69%	-110%	-103%	-88%	-57%	

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF EMPLOYERS' OTHER POST-EMPLOYMENT BENEFITS CONTRIBUTIONS**

	OCTOBER 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 476,177	\$ 218,560								
Contributions in relation to the actuarially determined contribution	<u>480,000</u>									30,000
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ (3,823)</u>	<u>\$ 218,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,000)</u>
COVERED EMPLOYEE PAYROLL - OCTOBER 31	\$ 13,846,314	\$ 13,346,520	\$ 12,737,816	\$ 11,924,942	\$ 11,803,588	\$ 11,122,618	\$ 10,867,030	\$ 10,682,072	\$ 10,654,910	\$ 9,919,942
CONTRIBUTION AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

NOTES TO SCHEDULE:

Plan years ending prior to 11/1/2018: The actuarially determined contribution shown above is the Other Post-employment benefits (OPEB) Annual Pension Cost under GASB 45.

Valuation date: Actuarially determined contributions are calculated as of October 31 after the valuation date.

Actuarial cost method: Entry Age Normal
 Amortization method: Level Dollar over remaining work life
 Remaining amortization period: 7 years
 Asset valuation method: Market Value
 Assumed inflation: 2.25% per year.
 Assumed single discount rate: 6.00% per year
 Assumed retirement age: Retirement rate of 10% for ages 55 to 59, 15% for 60 & 61, 25% for 62, 20% for 63 & 64, and 100% for age 65 and over.
 If hired after January 1, 2008, retiree must have 25 years of service.
 Mortality: Pub-G projected generationally with MP 2019

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
DECEMBER 31, 2024

	Electric Department	Water Department	Wastewater Department	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 22,040,593			\$ 22,040,593
Investments, current	40,624,783			40,624,783
Accounts receivable, less allowance for credit losses	6,948,068	\$ 829,999	\$ 877,640	8,655,707
Accrued utility revenues	2,273,252	507,162	430,143	3,210,557
Accrued interest receivables	1,854,775	79,955	7,123	1,941,853
Inventories, net of reserve	24,910,029	4,242,005	834,216	29,986,250
Prepaid expenses	1,497,038			1,497,038
Total Current Assets	<u>100,148,538</u>	<u>5,659,121</u>	<u>2,149,122</u>	<u>107,956,781</u>
INVESTMENTS AND LONG-TERM RECEIVABLES				
Non-utility property	7,105,965			7,105,965
Investments, net of current	65,444,543	2,000,000	2,000,000	69,444,543
Restricted cash deposits	2,486,216			2,486,216
Installment receivables		462	36,382	36,844
Total Investments and Long-term Receivables	<u>75,036,724</u>	<u>2,000,462</u>	<u>2,036,382</u>	<u>79,073,568</u>
NONCURRENT ASSETS				
Net Pension Asset	546,089	305,008	256,814	1,107,911
Net OPEB Asset	3,685,534	2,058,486	1,733,225	7,477,245
Total Noncurrent Assets	<u>4,231,623</u>	<u>2,363,494</u>	<u>1,990,039</u>	<u>8,585,156</u>
CAPITAL ASSETS				
Construction in progress	11,533,146	6,824,244	10,497,283	28,854,673
Utility plant in service	512,204,572	96,011,675	220,847,174	829,063,421
	523,737,718	102,835,919	231,344,457	857,918,094
Less accumulated depreciation	365,412,654	56,851,948	69,107,266	491,371,868
Total Capital Assets	<u>158,325,064</u>	<u>45,983,971</u>	<u>162,237,191</u>	<u>366,546,226</u>
DEFERRED OUTFLOWS				
Pension	8,481,524	4,737,195	3,988,674	17,207,393
OPEB	5,348,365	2,987,228	2,515,218	10,850,811
Total Deferred Outflows	<u>13,829,889</u>	<u>7,724,423</u>	<u>6,503,892</u>	<u>28,058,204</u>
INTERDEPARTMENT RECEIVABLE (PAYABLE)				
	<u>79,994,662</u>	<u>7,828,012</u>	<u>(87,822,674)</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS				
	<u>\$ 431,566,500</u>	<u>\$ 71,559,483</u>	<u>\$ 87,093,952</u>	<u>\$ 590,219,935</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
DECEMBER 31, 2024

	Electric Department	Water Department	Wastewater Department	Total
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 2,623,877		\$ 973,849	\$ 3,597,726
Unearned revenue	2,197,392			2,197,392
Accounts payable	7,068,688	\$ 91,148	440,489	7,600,325
Customer deposits	3,720,450	21,377	26,299	3,768,126
Accrued interest	119,492		55,191	174,683
Accrued taxes	147,393	47,099	39,656	234,148
Accrued salaries and leave	1,102,299	615,668	518,387	2,236,354
Total Current Liabilities	<u>16,979,591</u>	<u>775,292</u>	<u>2,053,871</u>	<u>19,808,754</u>
NONCURRENT LIABILITIES				
Long-term debt	32,918,538		14,846,363	47,764,901
Net Pension Liability				-
Total Noncurrent Liabilities	<u>32,918,538</u>		<u>14,846,363</u>	<u>47,764,901</u>
TOTAL LIABILITIES	<u>49,898,129</u>	<u>775,292</u>	<u>16,900,234</u>	<u>67,573,655</u>
DEFERRED INFLOWS				
Pension	4,555,246	2,544,247	2,142,231	9,241,724
OPEB	5,048,201	2,819,577	2,374,058	10,241,836
Total Deferred Outflows	<u>9,603,447</u>	<u>5,363,824</u>	<u>4,516,289</u>	<u>19,483,560</u>
NET POSITION				
Net capital assets	122,782,648	45,983,971	146,416,981	315,183,600
Restricted	2,486,216			2,486,216
Unrestricted	246,796,060	19,436,396	(80,739,552)	185,492,904
Total Net Position	<u>372,064,924</u>	<u>65,420,367</u>	<u>65,677,429</u>	<u>503,162,720</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 431,566,500</u>	<u>\$ 71,559,483</u>	<u>\$ 87,093,952</u>	<u>\$ 590,219,935</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
DECEMBER 31, 2023

	Electric Department	Water Department	Wastewater Department	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 33,050,901			\$ 33,050,901
Investments, current	35,918,590			35,918,590
Accounts receivable, less credit losses				
from doubtful accounts	6,545,109	\$ 831,659	\$ 683,123	8,059,891
Accrued utility revenues	2,224,928	509,913	393,934	3,128,775
Accrued interest receivables	1,135,310	10,587	7,233	1,153,130
Inventories	26,317,780	5,159,577	1,081,520	32,558,877
Prepaid expenses	1,578,208			1,578,208
Total Current Assets	<u>106,770,826</u>	<u>6,511,736</u>	<u>2,165,810</u>	<u>115,448,372</u>
INVESTMENTS AND LONG-TERM RECEIVABLES				
Non-utility property	7,026,334			7,026,334
Investments, net of current	72,562,570	1,997,000	2,000,000	76,559,570
Restricted cash deposits	2,005,339			2,005,339
Installment receivables		862	41,384	42,246
Total Investments and Long-term Receivables	<u>81,594,243</u>	<u>1,997,862</u>	<u>2,041,384</u>	<u>85,633,489</u>
NONCURRENT ASSETS				
Net OPEB Asset	<u>2,841,846</u>			<u>2,841,846</u>
Total Noncurrent Assets	<u>2,841,846</u>			<u>2,841,846</u>
CAPITAL ASSETS				
Construction in progress	10,510,582	3,997,461	63,743,605	78,251,648
Utility plant in service	<u>502,010,490</u>	<u>93,899,912</u>	<u>143,631,092</u>	<u>739,541,494</u>
	512,521,072	97,897,373	207,374,697	817,793,142
Less accumulated depreciation	<u>362,030,948</u>	<u>54,800,196</u>	<u>64,285,602</u>	<u>481,116,746</u>
Total Capital Assets	<u>150,490,124</u>	<u>43,097,177</u>	<u>143,089,095</u>	<u>336,676,396</u>
DEFERRED OUTFLOWS				
Pension	20,080,768			20,080,768
OPEB	<u>12,133,024</u>			<u>12,133,024</u>
Total Deferred Outflows	<u>32,213,792</u>			<u>32,213,792</u>
INTERDEPARTMENT RECEIVABLE (PAYABLE)				
	<u>56,585,803</u>	<u>10,920,538</u>	<u>(67,506,341)</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS				
	<u>\$ 430,496,634</u>	<u>\$ 62,527,313</u>	<u>\$ 79,789,948</u>	<u>\$ 572,813,895</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF NET POSITION
DECEMBER 31, 2023

	Electric Department	Water Department	Wastewater Department	Total
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 3,502,420			\$ 3,502,420
Unearned revenue	6,057,911			6,057,911
Accounts payable	6,127,138			6,127,138
Customer deposits	3,446,383			3,446,383
Accrued interest	186,391			186,391
Accrued taxes	113,716			113,716
Accrued salaries and vacations	911,487	\$ 432,351	\$ 304,981	1,648,819
Total Current Liabilities	<u>20,345,446</u>	<u>432,351</u>	<u>304,981</u>	<u>21,082,778</u>
NONCURRENT LIABILITIES				
Long-term debt	35,542,416		15,820,211	51,362,627
Net Pension Liability	7,705,909			7,705,909
Total Noncurrent Liabilities	<u>43,248,325</u>		<u>15,820,211</u>	<u>59,068,536</u>
TOTAL LIABILITIES	<u>63,593,771</u>	<u>432,351</u>	<u>16,125,192</u>	<u>80,151,314</u>
DEFERRED INFLOWS				
Pension	3,825,794			3,825,794
OPEB	6,897,863			6,897,863
Total Deferred Outflows	<u>10,723,657</u>			<u>10,723,657</u>
NET POSITION				
Net capital assets	111,445,288	43,097,177	127,268,884	281,811,349
Restricted	2,005,339			2,005,339
Unrestricted	242,728,579	18,997,785	(63,604,128)	198,122,236
Total Net Position	<u>356,179,206</u>	<u>62,094,962</u>	<u>63,664,756</u>	<u>481,938,924</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 430,496,634</u>	<u>\$ 62,527,313</u>	<u>\$ 79,789,948</u>	<u>\$ 572,813,895</u>

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR YEAR ENDED DECEMBER 31, 2024**

	Electric Department	Water Department	Wastewater Department	Total
OPERATING REVENUE	\$ 100,228,430	\$ 14,128,725	\$ 13,215,353	\$ 127,572,508
OPERATING EXPENSES				
Production and operations	39,935,201	2,210,817	3,393,855	45,539,873
Purchased power	22,548,372			22,548,372
Transmission	184,018			184,018
Distribution	9,561,601	3,580,134	2,305,724	15,447,459
Customers' accounting and collection	2,245,917	1,645,749	512,272	4,403,938
Administrative and general	5,721,412	1,124,859	1,332,960	8,179,231
Depreciation (not provided elsewhere)	13,236,400	2,412,782	4,771,811	20,420,993
Contributions in lieu of taxes	224,350			224,350
Total Operating Expenses	<u>93,657,271</u>	<u>10,974,341</u>	<u>12,316,622</u>	<u>116,948,234</u>
INCOME (LOSS) FROM OPERATIONS	<u>6,571,159</u>	<u>3,154,384</u>	<u>898,731</u>	<u>10,624,274</u>
OTHER INCOME (EXPENSE)				
Interest income	5,703,742	178,695	21,300	5,903,737
Investment income	3,062,526			3,062,526
Rent income	589,845	123,454	114,342	827,641
Miscellaneous income	383,320	16,255	6,325	405,900
Interest expense	(925,155)		(566,045)	(1,491,200)
Bond expense	(28,600)			(28,600)
Contributions to City of Jonesboro	(103,960)	(500,000)		(603,960)
Total Other Income (Expense)	<u>8,681,718</u>	<u>(181,596)</u>	<u>(424,078)</u>	<u>8,076,044</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	15,252,877	2,972,788	474,653	18,700,318
CONTRIBUTIONS	<u>632,841</u>	<u>352,617</u>	<u>1,538,020</u>	<u>2,523,478</u>
CHANGE IN NET POSITION	15,885,718	3,325,405	2,012,673	21,223,796
NET POSITION, JANUARY 1	356,179,206	62,094,962	63,664,756	481,938,924
NET POSITION, DECEMBER 31	<u>\$ 372,064,924</u>	<u>\$ 65,420,367</u>	<u>\$ 65,677,429</u>	<u>\$ 503,162,720</u>

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR YEAR ENDED DECEMBER 31, 2023**

	Electric Department	Water Department	Wastewater Department	Total
OPERATING REVENUE	\$ 96,427,781	\$ 13,575,567	\$ 11,454,027	\$ 121,457,375
OPERATING EXPENSES				
Production and operations	39,332,522	2,431,921	3,521,796	45,286,239
Purchased power	23,596,507			23,596,507
Transmission	562,676			562,676
Distribution	9,229,596	3,532,617	2,575,435	15,337,648
Customers' accounting and collection	2,013,910	1,538,738	454,091	4,006,739
Administrative and general	5,120,236	989,297	1,050,490	7,160,023
Depreciation (not provided elsewhere)	12,446,127	2,333,448	3,604,969	18,384,544
Contributions in lieu of taxes	222,672			222,672
Total Operating Expenses	<u>92,524,246</u>	<u>10,826,021</u>	<u>11,206,781</u>	<u>114,557,048</u>
INCOME (LOSS) FROM OPERATIONS	<u>3,903,535</u>	<u>2,749,546</u>	<u>247,246</u>	<u>6,900,327</u>
OTHER INCOME (EXPENSE)				
Interest income	3,533,448	16	1,624	3,535,088
Investment income	7,477,336			7,477,336
Rent income	602,675	125,792	178,138	906,605
Miscellaneous income	227,357	47,044		274,401
Interest expense	(982,051)		(599,498)	(1,581,549)
Nonoperating expense	(3,742)			(3,742)
Bond expense	(17,600)			(17,600)
Contributions to City of Jonesboro	(182,607)	(500,000)		(682,607)
Total Other Income (Expense)	<u>10,654,816</u>	<u>(327,148)</u>	<u>(419,736)</u>	<u>9,907,932</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	14,558,351	2,422,398	(172,490)	16,808,259
CONTRIBUTIONS	<u>327,837</u>	<u>922,357</u>	<u>6,022,416</u>	<u>7,272,610</u>
CHANGE IN NET POSITION	14,886,188	3,344,755	5,849,926	24,080,869
NET POSITION, JANUARY 1	341,293,018	58,750,207	57,814,830	457,858,055
NET POSITION, DECEMBER 31	<u>\$ 356,179,206</u>	<u>\$ 62,094,962</u>	<u>\$ 63,664,756</u>	<u>\$ 481,938,924</u>

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULES OF ENERGY SOURCES AND USES - ELECTRIC DEPARTMENT (UNAUDITED)
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023

	(In Kilowatt-Hours)		
	2024	2023	Increase (Decrease)
ENERGY SOURCES FOR DISTRIBUTION			
Production plant output	772,702,200	738,032,700	34,669,500
Purchased power	803,264,800	807,235,500	(3,970,700)
Energy available	1,575,967,000	1,545,268,200	30,698,800
Less sales to other utilities	82,060,200	92,407,900	(10,347,700)
TOTAL FOR DISTRIBUTION	1,493,906,800	1,452,860,300	41,046,500
ENERGY USES			
Sales to Customers			
City:			
Residential	502,999,070	488,129,317	14,869,753
Commercial	321,898,406	317,491,944	4,406,462
Industrial	577,644,220	558,577,780	19,066,440
Security lighting	2,087,024	2,163,137	(76,113)
	<u>1,404,628,720</u>	<u>1,366,362,178</u>	<u>38,266,542</u>
Rural:			
Residential	107,345	58,827	48,518
Commercial	384,776	473,233	(88,457)
	<u>492,121</u>	<u>532,060</u>	<u>(39,939)</u>
Total Sales to Customers	1,405,120,841	1,366,894,238	38,226,603
Interdepartment Sales	29,315,140	28,040,857	1,274,283
Total Sales	<u>1,434,435,981</u>	<u>1,394,935,095</u>	<u>39,500,886</u>
Contributions to City of Jonesboro			
Street lighting	2,960,458	3,117,887	(157,429)
City department	11,430,155	11,180,984	249,171
Total free service	<u>14,390,613</u>	<u>14,298,871</u>	<u>91,742</u>
Total Usage	1,448,826,594	1,409,233,966	39,592,628
Distribution losses	45,080,206	43,626,334	1,453,872
TOTAL DISTRIBUTED	1,493,906,800	1,452,860,300	41,046,500

**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF CUSTOMER STATISTICAL DATA (UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
AVERAGE NUMBER OF ELECTRIC CUSTOMERS:					
Residential	35,013	34,591	34,116	33,670	33,019
Commercial	5,617	5,595	5,569	5,472	5,399
Industrial	38	38	35	34	34

ELECTRIC ENERGY SALES TO CUSTOMERS (IN KWH):					
Residential	502,999,070	488,129,317	516,373,951	510,920,553	476,632,592
Commercial	321,898,406	317,491,944	329,314,100	323,716,028	309,938,883
Industrial	577,644,220	558,577,780	556,052,126	558,678,220	533,466,020
Security Lighting	2,087,024	2,163,137	2,143,661	1,900,924	5,268,051

AVERAGE BILL FOR ELECTRIC CUSTOMERS:					
Residential	\$ 79.38	\$ 92.92	\$ 107.35	\$ 86.38	\$ 75.34
Commercial	\$ 325.87	\$ 381.93	\$ 428.33	\$ 346.96	\$ 305.42
Industrial	\$ 63,702.86	\$ 77,951.50	\$ 91,262.73	\$ 73,322.91	\$ 61,866.62

AVERAGE PRICE PER KWH FOR ELECTRIC CUSTOMERS:					
Residential	\$ 0.0663	\$ 0.0790	\$ 0.0850	\$ 0.0683	\$ 0.0626
Commercial	\$ 0.0677	\$ 0.0801	\$ 0.0864	\$ 0.0700	\$ 0.0628
Industrial	\$ 0.0508	\$ 0.0636	\$ 0.0689	\$ 0.0535	\$ 0.0473

AVERAGE NUMBER OF WATER CUSTOMERS	39,074	38,704	38,320	37,902	37,421
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WATER CONSUMPTION PER CUSTOMER (IN GALLONS)	125,581	125,254	128,742	123,452	120,897
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AVERAGE PRICE PER 1,000 GALLONS OF WATER	\$ 2.86	\$ 2.78	\$ 2.59	\$ 2.46	\$ 2.42
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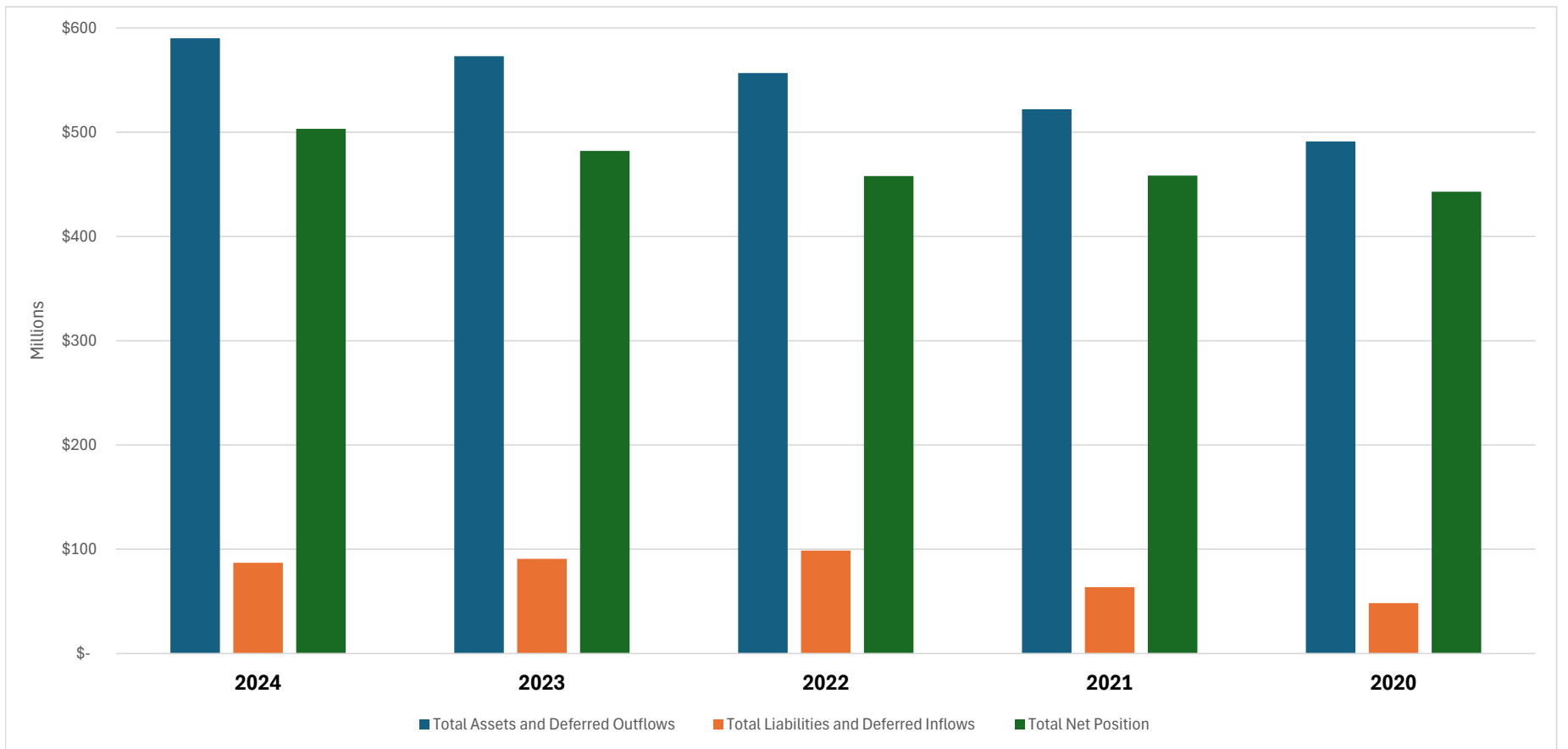
AVERAGE NUMBER OF WASTEWATER CUSTOMERS	26,383	26,034	25,753	25,456	25,101
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CWL's five largest customer's billed for service in each department in 2024 were as follows:

	<u>ELECTRIC</u>	<u>WATER</u>	<u>WASTEWATER</u>	<u>PEAK DEMAND KW</u>
Riceland Foods Inc	\$ 3,429,238	\$ 149,713	\$ 244,894	12,075
Anchor Packaging Inc.	3,820,768			11,164
Frito Lay Inc.	2,410,937	492,125	836,515	7,577
Post Foods LLC	2,326,434	127,129	494,777	7,182
Arkansas State University	2,756,910			9,437
Nestle Prepared Foods		303,286	1,105,272	
Unilever			203,392	
Nice Pak Products Inc.		160,346		
	<u>\$ 14,744,287</u>	<u>\$ 1,232,599</u>	<u>\$ 2,884,850</u>	
% of Sales to Customers	17.41%	8.79%	21.92%	

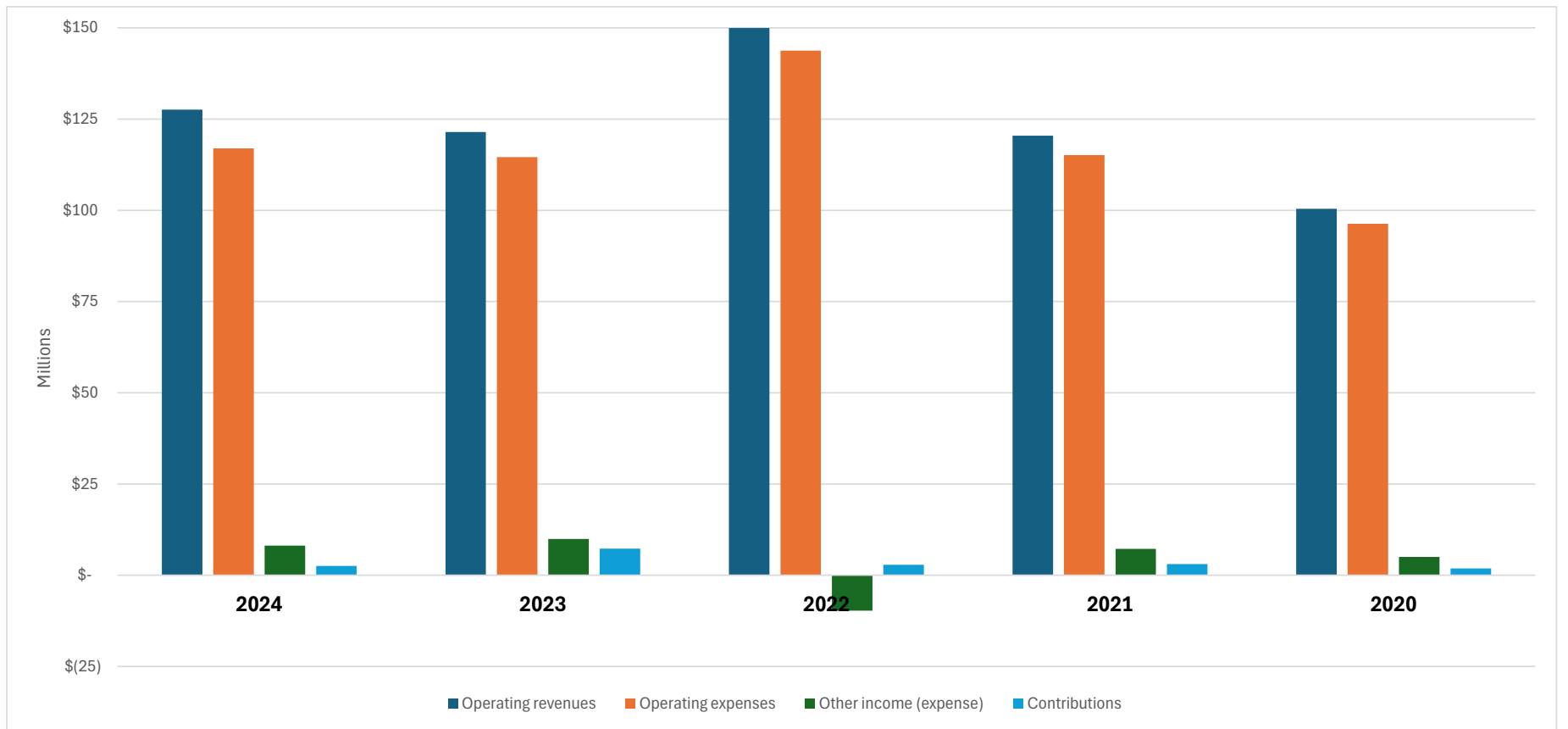
**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF SELECTED FINANCIAL INFORMATION FOR LAST FIVE YEARS (UNAUDITED)**

	2024	2023	2022	2021	2020
Total Assets and Deferred Outflows	\$ 590,219,935	\$ 572,813,895	\$ 556,658,746	\$ 522,118,319	\$ 491,133,935
Total Liabilities and Deferred Inflows	87,057,215	90,874,971	98,800,691	63,666,290	48,293,488
Total Net Position	503,162,720	481,938,924	457,858,055	458,452,029	442,840,447



**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF SELECTED FINANCIAL INFORMATION FOR LAST FIVE YEARS (UNAUDITED)**

	2024	2023	2022	2021	2020
Operating revenues	\$ 127,572,508	\$ 121,457,375	\$ 149,983,516	\$ 120,447,014	\$ 100,389,430
Operating expenses	116,948,234	114,557,048	143,749,156	115,111,959	96,297,261
Other income (expense)	8,076,044	9,907,932	(9,701,949)	7,236,278	5,025,283
Contributions	2,523,478	7,272,610	2,873,615	3,040,249	1,847,267



**CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS
SCHEDULE OF FINANCIAL AND OPERATING RATIOS (UNAUDITED)
FOR YEARS ENDED DECEMBER 31, 2024 AND 2023**

Financial and Operating Ratios:

	<u>2024</u>	<u>2023</u>
1. Debt to Equity Ratio	14.75%	15.90%
2. Current Ratio	5.45	5.48
3. Return on Investment	3.80%	3.58%
4. Operating Margin	8.33%	5.68%
5. Plant In Service Per Retail Customer	\$ 7,073	\$ 3,208

Definition of Financial and Operating Ratios:

1. Debt to Equity Ratio
Total liabilities divided by total assets. A financial leverage ratio that indicates the proportion of a company's assets that are being funded through debt.
2. Current Ratio
Total current assets divided by total current liabilities. A liquidity ratio that measures a company's ability to cover its short-term obligations with its current assets.
3. Return on Investment
Income before contributions divided by average net position. A performance measure used to evaluate the efficiency of investments.
4. Operating Margin

Income from operations divided by operating revenues. A profitability ratio that measures the profit a company makes on a dollar of sales after accounting for the direct costs involved in earning those revenues.
5. Plant In Service Per Retail Customer
Undepreciated cost of utility plant divided by the average number of customers.