

City of Jonesboro, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF JONESBORO, ARKANSAS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Independent Auditor's Report
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*
Management Letter

REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
Balance Sheet – Regulatory Basis	A
Statement of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Street Funds – Regulatory Basis	C
Notes to Financial Statements	

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Combining Balance Sheet – Other Funds in the Aggregate – Regulatory Basis	1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Funds in the Aggregate – Regulatory Basis	2
Notes to Schedules 1 and 2	

OTHER INFORMATION

Schedule of Capital Assets (Unaudited)	3
Schedule of Selected Information for the Last Five Years – General Fund - Regulatory Basis (Unaudited)	4-1
Schedule of Selected Information for the Last Five Years – Street Fund - Regulatory Basis (Unaudited)	4-2
Schedule of Selected Information for the Last Five Years – Other Funds in the Aggregate – Regulatory Basis (Unaudited)	4-3



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Sen. Gary Stubblefield
Senate Vice Chair



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House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the regulatory basis financial statements of the City of Jonesboro, Arkansas (City), which are comprised of the Balance Sheet – Regulatory Basis for the general fund, street fund, and other funds in the aggregate as of December 31, 2021, and the related Statements of Revenues, Expenses, and Changes in Fund Balances and Budget and Actual – General and Street Funds – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas as of December 31, 2021; the regulatory basis revenues, expenditures, and changes in net position; and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying regulatory basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas, as of December 31, 2021, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements

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

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

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script, reading "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
August 23, 2022
LOM104921

Arkansas

Sen. Ronald Caldwell
Senate Chair

Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair

Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Jonesboro, Arkansas (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements, and have issued our report thereon dated August 23, 2022. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, with respect to the regulatory basis of accounting described in Note 1, our opinions on the general fund, street fund, and other funds in the aggregate were unmodified.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We also reported to management of the City in a separate letter dated August 23, 2022.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

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

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 23, 2022



Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2021:

Mayor: Harold Copenhaver
Finance Director: Steve Purtee
Police Chief: Rick Elliot

We noted the following issue for disclosure in this report.

Other Issues

The City discovered that an employee's payroll direct deposit had been fraudulently diverted to another bank account. It was determined that the City made the direct deposit change request after receiving an email from what appeared to be the employee's email account. This transaction resulted in a \$1,446 loss to the City. This loss and security incident was properly reported to Arkansas Legislative Audit in accordance with Arkansas Act 260 of 2021.

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

ARKANSAS LEGISLATIVE AUDIT

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
August 23, 2022

CITY OF JONESBORO, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2021

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 27,868,765	\$ 4,295,690	\$ 27,544,020
Investments			14,526,409
Accounts receivable	4,560,564	139,957	615,404
Interfund receivables	154,154		11,881
	<u>32,583,483</u>	<u>4,435,647</u>	<u>42,697,714</u>
TOTAL ASSETS	<u>\$ 32,583,483</u>	<u>\$ 4,435,647</u>	<u>\$ 42,697,714</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,101,144	\$ 96,992	\$ 598,856
Interfund payables	11,881		154,154
Settlements pending			58,247
Total Liabilities	<u>1,113,025</u>	<u>96,992</u>	<u>811,257</u>
Fund Balances:			
Restricted	118,285	3,043,998	33,536,638
Committed			656,413
Assigned	1,400	1,294,657	7,697,126
Unassigned	31,350,773		(3,720)
Total Fund Balances	<u>31,470,458</u>	<u>4,338,655</u>	<u>41,886,457</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,583,483</u>	<u>\$ 4,435,647</u>	<u>\$ 42,697,714</u>

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

CITY OF JONESBORO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 1,126,889	\$ 5,818,908	\$ 800,459
Federal aid			14,487,605
Property taxes	1,420,701	1,774,855	2,824,103
Franchise fees	1,578,177		
Sales taxes	41,686,630		43,400
Fines, forfeitures, and costs	1,700,769		148,493
Interest and dividends	142,095	20,982	187,913
Local permits and fees	3,096,149	200,783	41,740
Sanitation fees	91,033		
Advertising and promotion taxes			775,539
Employer/employee contributions			358,812
Park fees, rentals, and sales	669,335		
911 fees			1,570,292
Hangar leases and rentals			403,969
Fuel commissions			97,978
Bus fares			56,996
Insurance proceeds	246,026	332,745	
Net increase/(decrease) in fair value of investments			1,201,111
Other	2,737,160	197,219	297,222
TOTAL REVENUES	54,494,964	8,345,492	23,295,632
EXPENDITURES			
Current:			
General government	9,909,693		2,869,281
Law enforcement	18,425,735		528,200
Highways and streets	21,677	6,277,937	4,218
Public safety	11,987,002		1,528,701
Sanitation	4,921,849		46,668
Recreation and culture	3,448,670		2,850,501
Social services	270,128		795,199
Advertising and promotion			508,321
Community development			274,362
Public transit			1,597,934
Airport			5,178,597
TOTAL EXPENDITURES	48,984,754	6,277,937	16,181,982

CITY OF JONESBORO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 5,510,210</u>	<u>\$ 2,067,555</u>	<u>\$ 7,113,650</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,256,177		8,877,572
Transfers out	(6,664,264)	(2,213,308)	(1,256,177)
Contribution from water department	<u>700,000</u>		
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,708,087)</u>	<u>(2,213,308)</u>	<u>7,621,395</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	802,123	(145,753)	14,735,045
FUND BALANCES - JANUARY 1	<u>30,668,335</u>	<u>4,484,408</u>	<u>27,151,412</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 31,470,458</u></u>	<u><u>\$ 4,338,655</u></u>	<u><u>\$ 41,886,457</u></u>

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

CITY OF JONESBORO, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND STREET FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,000,000	\$ 1,126,889	\$ 126,889	\$ 5,260,000	\$ 5,818,908	\$ 558,908
Property taxes	1,280,250	1,420,701	140,451	1,450,000	1,774,855	324,855
Franchise fees	1,500,000	1,578,177	78,177			
Sales taxes	36,000,000	41,686,630	5,686,630			
Fines, forfeitures, and costs	1,821,500	1,700,769	(120,731)			
Interest and dividends	356,700	142,095	(214,605)	60,000	20,982	(39,018)
Local permits and fees	2,594,000	3,096,149	502,149	141,000	200,783	59,783
Sanitation fees	74,000	91,033	17,033			
Park fees, rentals, and sales	704,000	669,335	(34,665)			
Insurance proceeds		246,026	246,026		332,745	332,745
Other	1,623,660	2,737,160	1,113,500	510,000	197,219	(312,781)
TOTAL REVENUES	46,954,110	54,494,964	7,540,854	7,421,000	8,345,492	924,492
EXPENDITURES						
Current:						
General government	9,016,745	9,909,693	(892,948)			
Law enforcement	20,339,501	18,425,735	1,913,766			
Highways and streets	412,048	21,677	390,371	9,322,189	6,277,937	3,044,252
Public safety	12,503,937	11,987,002	516,935			
Sanitation	5,835,787	4,921,849	913,938			
Recreation and culture	7,092,597	3,448,670	3,643,927			
Social services	263,513	270,128	(6,615)			
Airport	15,000		15,000			
TOTAL EXPENDITURES	55,479,128	48,984,754	6,494,374	9,322,189	6,277,937	3,044,252
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,525,018)	5,510,210	14,035,228	(1,901,189)	2,067,555	3,968,744
OTHER FINANCING SOURCES (USES)						
Transfers in		1,256,177	1,256,177			
Transfers out		(6,664,264)	(6,664,264)		(2,213,308)	(2,213,308)
Contribution from water department	698,962	700,000	1,038			
TOTAL OTHER FINANCING SOURCES (USES)	698,962	(4,708,087)	(5,407,049)		(2,213,308)	(2,213,308)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,826,056)	802,123	8,628,179	(1,901,189)	(145,753)	1,755,436
FUND BALANCES - JANUARY 1	23,613,778	30,668,335	7,054,557	4,150,936	4,484,408	333,472
FUND BALANCES - DECEMBER 31	\$ 15,787,722	\$ 31,470,458	\$ 15,682,736	\$ 2,249,747	\$ 4,338,655	\$ 2,088,908

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

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Jonesboro was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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

Pension Trust Funds - Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of pension plans. See Schedules 1 and 2 for Pension Trust Funds as reported with other funds in the aggregate.

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

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand accounts and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Settlements Pending

Settlements pending are considered unremitted payroll related items and clearing account balances not distributed to the appropriate agency, individual, or vendor.

Fund Balance Classifications

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

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Property Taxes

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

F. Budget Law

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

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

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

The Municipality does have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The Municipality does have a policy addressing which resources to use within the unrestricted fund balance when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

The Municipality has a minimum fund balance policy for the general fund. The City will maintain a minimum unassigned fund balance in its general fund of at least 15% of budget year appropriate expenditures. This minimum fund balance is to protect against cash flow shortfalls related to the timing of projected revenue.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2: Cash Deposits with Financial Institutions

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 7,834,321	\$ 7,834,321
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	51,790,725	52,203,565
Uncollateralized	77,362	77,362
Total Deposits	<u>\$ 59,702,408</u>	<u>\$ 60,115,248</u>

The above total deposits do not include cash on hand of \$6,067.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2021, \$77,362 of the City's bank balances were exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of Federated Treasury Obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

State law generally requires that pension funds be deposited in banks. Pension funds may be invested in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust, in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state. State law also provides that if the total assets of the pension trust fund exceed \$100,000, the board may employ an investment advisor to invest the assets, subject to terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System.

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2021 Fair Value
Pension Trust	<u>\$ 14,526,409</u>

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4: Public Fund Investments (Continued)

Trust Fund Investments

	December 31, 2021
Investments in the Defined Benefit Pension Plan include:	
Separate Accounts	\$ 10,970,984
Mutual Funds	393,714
Exchange Traded funds (ETF)	493,135
Total Defined Benefit Investments	<u>11,857,833</u>
Investments in the Defined Contribution Pension Plan include:	
Mutual Funds	2,668,576
Total Trust Fund Investments	<u>\$ 14,526,409</u>

Investments are reported at fair value. Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

- **Level I** – quoted prices in active markets for identical assets
- **Level II** – significant other observable assumptions (e.g., quoted prices for similar instruments in active or inactive markets, etc.)
- **Level III** – significant unobservable assumptions (i.e., prices or valuations using unobservable techniques supported by little or no market activity.)

The City's investments are composed of the following:

	12/31/2021	Quoted Prices in Active Markets for Identical Investments Level I
Investments by fair value level		
Mutual Funds	\$ 3,062,290	\$ 3,062,290
Exchange Traded Funds	493,135	493,135
Total investments by fair value level	<u>3,555,425</u>	<u>\$ 3,555,425</u>
Investments measured at the net asset value (NAV)		
Equity long/short hedge funds	4,067,499	
Event-driven hedge funds	4,202,230	
Global opportunities hedge funds	2,002,410	
Real estate funds	698,844	
Total investment measured at the NAV	<u>10,970,983</u>	
Total investments measured at fair value	<u>\$ 14,526,409</u>	

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4: Public Fund Investments (Continued)

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investments measured at NAV	Fair Value	Unfunded Commitments	(if Currently Eligible)	Redemption Notice Period
Equity long/short hedge funds ⁽¹⁾	\$ 4,067,499	-	daily	one-day
Event-driven hedge funds ⁽²⁾	4,202,230	-	daily	one-day
Global opportunities hedge funds ⁽³⁾	2,002,410	-	daily	one-day
Real estate funds ⁽⁴⁾	698,844	-	daily	one-day
Total	<u>\$ 10,970,983</u>			

1. Equity long/short hedge funds. This type includes investments in 7 hedge funds that invest both long and short term strategies primarily in U.S. common stocks and bonds. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments.
2. Event-driven hedge funds. This type includes 3 investment funds. One fund invests approximately 80% of its net assets, plus any borrowings for investment purposes, in debt securities held by the Barclays U.S. aggregate Bond index which includes investment grade, fixed rate debt issues. The second fund invests primarily in intermediate-term, fixed-income investments such as public and private corporate bonds, commercial and residential mortgages, asset-backed securities, and US government and agency backed securities. The third fund invests approximately 80% of its net assets, plus any borrowings for investment purposes, in below investment grade bonds (sometimes called "high yield bonds" or "junk bonds"). The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the investments.
3. Global opportunities hedge. This type includes investments in 4 hedge funds. The first holds at least 80% of its net assets in value equity securities of small, medium, and large market capitalization companies outside the U.S. The second holds securities in companies with their principal place of business outside the U.S.; companies for which the principal securities market is outside the U.S.; or companies, regardless of where their securities are traded, derive 50% of their total revenue outside of the U.S. This hedge fund invests at least 80% in companies similar in size to companies included in the Citigroup Extended Market Index (EMI) World ex US. The third hedge fund invests in equity securities of companies with small to medium market capitalization in emerging market countries. The fourth holds securities with assets in companies in at least three different countries and which derive 50% or more of total revenue from goods or services produced outside of the U.S. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.
4. Real estate funds. This type includes one fund. One fund that invests primarily in commercial real estate holdings. It focuses on properties that return both lease income and appreciation of the buildings' marketable value. This investment option is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Investors may not be able to immediately withdraw funds contributed to the separate account.

Other required disclosures for investments:

- Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investments subject to credit risk at December 31, 2021, was \$5,894,550 (41%). Morningstar Rating Service rates the fixed income funds on five levels ranging from low to high. The Morningstar rating for these investments were rated as follows: \$4,518,486 (77%) above average, \$429,026 (7%) average, and \$947,038 (16%) below average.
- Interest rate risk is the risk that the value of investments will be reduced when market interest rates climb higher than the interest rate of the investment. The City invests in separate accounts and mutual funds which hold investments in both government and corporate bonds. The City had invested a total of \$5,894,550 (41%) in such funds at December 31, 2021.
- Foreign currency risk relates to the adverse effect on the fair value of an investment from changes in exchange rates. The City has investments totaling \$ 2,477,802 (17%) in mutual funds and separate accounts that may be affected by such changes in exchange rates.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid			\$ 130,478
Federal aid			220,413
Property taxes	\$ 116,403	\$ 132,881	217,235
Franchise fees	284,350		
Sales taxes	3,697,195		5,302
Fines, forfeitures, and costs	95,096		
Interest and dividends	250		
Local permits and fees	85,183	5,975	1,972
Sanitation fees	8,665		
Advertising and promotion taxes			14,727
Park fees, rentals, and sales	7,651		
911 fees			4,780
Fuel commissions			7,558
Bus fares			1,236
Insurance proceeds	4,981		
Other	260,790	1,101	11,703
Totals	<u>\$ 4,560,564</u>	<u>\$ 139,957</u>	<u>\$ 615,404</u>

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2021, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 1,101,144	\$ 96,992	\$ 586,090
Salaries payable			8,012
Payroll taxes payable			4,754
Totals	<u>\$ 1,101,144</u>	<u>\$ 96,992</u>	<u>\$ 598,856</u>

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 154,154	\$ 11,881
Other Funds in the Aggregate:		
Special Revenue Funds:		
Emergency 911	10,686	
Federal Grants	1,195	52,444
Community Development Block Grant		100,000
Restricted		1,710
Totals	<u>\$ 166,035</u>	<u>\$ 166,035</u>

Interfund receivables and payables consist of interfund loans, matching portion of grant obligations, and interest due between funds. These balances are expected to be repaid in 2022 as funds become available.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2021, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Restricted for:			
General government			\$ 7,950,701
Law enforcement	\$ 118,285		246,432
Highways and streets		\$ 3,043,998	2,271,020
Public safety			539,787
Sanitation			41,269
Recreation and culture			109,847
Advertising and promotion			732,692
Community development			73,045
Public transit			242,701
Airport			6,685,935
Pension benefits			14,643,209
Total Restricted	<u>118,285</u>	<u>3,043,998</u>	<u>33,536,638</u>
Committed for:			
Social services			<u>656,413</u>
Assigned to:			
General government	1,400		5,096,083
Law enforcement			1,178,535
Highways and streets		1,294,657	
Public safety			556,003
Recreation and culture			22
Public transit			166,483
Airport			700,000
Total Assigned	<u>1,400</u>	<u>1,294,657</u>	<u>7,697,126</u>
Unassigned	<u>31,350,773</u>		<u>(3,720)</u>
Totals	<u>\$ 31,470,458</u>	<u>\$ 4,338,655</u>	<u>\$ 41,886,457</u>

NOTE 9: Legal Debt Limit

A. Property Tax Secured Bonded Debt

The City is subject to a constitutional limitation for bonded indebtedness equal to 20% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. At December 31, 2021, the legal debt limit for the bonded debt was \$326,004,764. There were no property tax secured bond issues.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2021, the legal debt limit for short-term financing obligations was \$83,382,915. There were no short-term financing obligations.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments

Total commitments consist of the following at December 31, 2021:

	December 31, 2021
Long-term liabilities	\$ 5,148,446
Construction contracts	3,723,385
Refundable contractor deposits	460,686
	<hr/>
Total Commitments	<u>\$ 9,332,517</u>

Long-term liabilities

Long-term liabilities at December 31, 2021, are comprised of the following:

	December 31, 2021
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.	<hr/>
	<u>\$ 5,148,446</u>

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

Post Employment Benefits Other Than Pensions

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

Landfill Closure and Postclosure Care Costs

State and federal laws require that the City of Jonesboro place a final cover on its Class IV landfill when closed and perform certain maintenance and monitoring functions at the landfill site after closure. On March 29, 2007, FTN Associates, Ltd submitted a closure and post closure plan for the City's Class IV landfill with an estimated cost of \$7,500 based on the most expensive costs of post closure care for a two-year period. At the end of the two-year period, the Arkansas Department of Environmental Quality (ADEQ) confirmed the presence of methane gas and requires the City to monitor the gas and ascertain compliance with Regulation 22.415 Explosive Gas Control. Included in the postclosure care requirements, the landfill gas monitoring and landfill gas collection and control systems will be operated until such time that three consecutive quarterly monitoring events indicate no exceedances of the regulatory limits. Until the gas extraction and monitoring requirements of the postclosure care plan have been completed, the facility must remain in postclosure care status according to Regulation 22.1302(c) (4) (ii). On April 7, 2021, the City renewed a letter of credit from Centennial Bank in the amount of \$25,000 to satisfy financial assurance requirement of \$120,013 in estimated two year post closure costs for the Arkansas Department of Environmental Quality. The City now has permission from the ADEQ to monitor the methane gas and provide a report to the ADEQ annually. On April 3, 2020, the Arkansas Department of Energy and Arkansas Department of Environmental Quality (ADEQ) granted the City interim authority to construct and commence use of the landfill due to tornado damage debris. The landfill received approximately 15,000 cubic yards of class IV waste in 2020. Final cover has been placed on the tornado debris site but has not entered into post closure care as of the report date.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2021:

Project Name	Completed or Estimated Completion Date	Contract Balance December 31, 2021
Shooting Sports Complex	January 2025	\$ 236,117
Veteran's Village	May 2022	58,811
Range Building Shooting Complex	October 2022	981,676
Maintenance Facility	August 2022	1,152,847
South Caraway Road	December 2023	148,087
Industrial Rail Expansion	June 2022	576,557
Maintenance Hangar & ARFF Facility Reconstruction	April 2022	493,390
Phase F Hangar Construction	December 2022	75,900
		<hr/>
Total Construction Contracts		\$ 3,723,385

Refundable Contractor Deposits

The City receives deposits from contractors in lieu of bonds to ensure the completion of subdivisions. The deposits are held by the City until completion of the projects. The balance of contractor deposits at December 31, 2021 is \$460,686.

NOTE 11: Interfund Transfers

The General Fund transferred \$6,664,264 to Other Funds in the Aggregate (\$27,351 to Metropolitan Planning Organization) for the City's portion of a grant, (\$70,000 to Airport Commission) to supplement operations, (\$5,076,312 to Restricted Fund) for automobiles and capital improvement projects previously budgeted, and (\$1,490,601 to Restricted Fund) to maintain earmarked funds separately. The Street Fund transferred \$2,213,308 to Other Funds in the Aggregate (\$2,210,020 to Restricted Fund) for automobiles and capital improvement projects previously budgeted and (\$3,288 to Capital Improvement) for reimbursement of prior year highway and street expenditures. The Capital Improvement Fund transferred \$1,256,177 to the General Fund to close the fund.

NOTE 12: Related Party Transactions

City Water and Light provides residents of the City of Jonesboro electrical, water, and wastewater services. Although City Water and Light operates as a separate organization, the City Council appoints six of its sixteen board members. Separate financial statements are available at 400 East Monroe Avenue, Jonesboro, Arkansas 72401. During 2021, City Water and Light contributed in lieu of taxes a total of \$700,000 to the City's General Fund for the purchase of a fire truck and capital expenditures. City Water and Light also provided street lights, fire hydrants, and free utility service to city buildings for a total value of \$2,383,497.

NOTE 13: Joint Ventures

A. Craighead County – Jonesboro Public Library

Craighead County and the City of Jonesboro entered into an agreement in July 1941 in accordance with Ark. Code Ann. § 13-2-401 to establish the Craighead County – Jonesboro Public Library. The agreement stated that resources would be consolidated in order to provide more complete, efficient and economical service. The County and City were given equal representation on the library board and each entity retained title to all books, bookcases, shelves, desks, etc. that were moved to the Craighead County - Jonesboro Public Library location. Separate financial statements are available at 315 West Oak Avenue, Jonesboro, Arkansas 72401. The City of Jonesboro paid \$2,824,103 to the Craighead County – Jonesboro Public Library for the year ending December 31, 2021.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13: Joint Ventures (Continued)

B. Crowley's Ridge Regional Library

The Craighead County – Jonesboro Public Library and the Poinsett County Library entered into an agreement in February 1978 in accordance with Ark. Code Ann. § 13-2-401 to establish the Crowley's Ridge Regional Library. The agreements states that each county shall provide its own quarters and county and branch library staff members are to be employed by the county library boards with salaries to be paid from county library funds. Regional staff members are to be selected by the regional board and the approval of the Arkansas Library Commission. The Craighead County librarian shall serve as the regional librarian and may employ a regional staff with the salaries being provided by regional funds. The Arkansas Library Commission shall supervise the Crowley's Ridge Regional Library for the period of this agreement. Separate financial statements are available at 315 West Oak Avenue, Jonesboro, Arkansas 72401.

NOTE 14: Risk Management

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

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

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

Municipal Vehicle Program

- A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: \$25,000 because of bodily injury to or death of one person in any one accident; \$50,000 because of bodily injury to or death of two or more persons in any one accident; and \$25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.
- B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$10,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

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

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 14: Risk Management (Continued)

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

**NOTE 15: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)**

Plan Description

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

On October 1, 1997 and December 31, 2012, administration of the City of Jonesboro Firemen's Pension and Relief Fund and the City of Jonesboro Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

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

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was \$3,088,743 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$1,821,990 for the year ended December 31, 2021.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2021 (actuarial valuation date and measurement date) was \$19,631,568.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

**NOTE 16: Nonuniformed Employee's Pension Plan
(A Defined Benefit Plan)**

Plan Description

Paid nonuniformed employees participate in the Nonuniformed Employee's Pension Plan, a single employer pension plan. Any pension plan member who has attained the age of sixty five years and has served as an employee for at least five years is entitled to receive a monthly pension. Benefits are based on years of service and are equal to 1.5% for each year of service times the career average earnings. Retired employees shall receive a monthly benefit of not less than \$50. The plan allows for early retirement at age fifty-five with reduced benefits. The plan also provides for similar benefits upon the physical or mental disability of participant. The plan provides for survivor benefits equal to the employee's contribution plus interest.

The City contributes the annual required contribution necessary to fund the unfunded actuarial accrued liability over 30 years.

On December 20, 2011, the Jonesboro City Council approved resolution no. 11:228 to freeze the Nonuniformed Employee's Defined Benefit Pension Plan. Employees will not earn any additional benefits after the effective date (December 31, 2011), and the employees' service with the City after the effective date will not be included in the determination of the employees benefits under the Plan. Employees who are first hired after December 31, 2011 will not be eligible to participate in the Plan. Employees that have accrued a benefit under the Plan will continue to have their service with the City counted for purposes of vesting under the plan. This means that if an employee has less than five years of service, then their service after December 31, 2011, will still be counted towards the employee becoming 100% vested in their accrued benefits under the Plan (i.e., attaining five years of service).

Net Pension Liability

The City did not have a net pension liability at December 31, 2020 (actuarial valuation date and measurement date).

**NOTE 17: Nonuniformed Employee's Pension Plan
(A Defined Contribution Plan)**

On December 6, 2011, the Jonesboro City Council approved Resolution no 11:212 authorizing a contract to provide services for the Nonuniformed Employees 401 (a) Defined Contribution Plan and 457 (b) Retirement Savings Plan and Trust to be effective January 1, 2012.

Plan Description

The current plan consists of the employer's discretionary matching contribution to the 401(a) plan and the employee's contribution to the 457(b) plan. Employees become eligible to enter the plan once they have reached age 21 and have completed 90 days of service. Vesting is the portion of the City's discretionary matching contributions to the 401(a) plan that the employee has the right to receive and is based upon years of service with the City; one year – 25%, two years – 50%, three years 75%, and four years – 100%. Currently, the discretionary matching contribution made by the City is \$1 for each \$1 deferred up to 5% of the employee's compensation.

Distribution of benefits: Upon termination of employment, attainment of retirement age, death, or disability, participants may take their benefits in a lump sum or rollover.

The City's contribution to the plan was \$358,812 for the year ended December 31, 2021.

NOTE 18: Jonesboro Baseball Boosters Agreement

The Jonesboro Baseball Boosters have agreed to pay the City a total of \$675,000 over a five year period. Payments of \$135,000 will be due on November 1st for the years 2018 through 2022. These payments are to reimburse the City for paying for and installing turf at Joe Mack Campbell Park. The balance at December 31, 2021 was \$135,000.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 19: Advertising and Promotion Tax Abatement

The City of Jonesboro Advertising and Promotion Commission entered into an advertising and promotion tax abatement agreement with Jonesboro Hotel Partners, LLC (Organization) on February 14, 2018. Terms of the agreement state, the Commission agrees to reimburse 3% of the advertising and promotion taxes paid by the organization quarterly over a 10-year period but shall not exceed a total of \$2.5 million over said period. The organization agrees to use the funds received to assist the Commission in its mission of increasing the economic impact of visitors of the City of Jonesboro. The tax abatement was delayed until July 2021 due to corona virus related cancellations. The value of the tax abatement for 2021 was \$96,129. These amounts were remitted in April of 2022.

NOTE 20: Sales and Use Tax Abatement

The City of Jonesboro entered into three sales and use tax abatement agreements with the following businesses during 2021: Nestle Prepared Foods Company, Spirit Manufacturing, Inc., and Camfil USA, Inc. These agreements are authorized by Section 15-4-2706(d) of the Consolidated Incentive Act of 2003. To qualify, the businesses must (1) invest in excess of one hundred thousand dollars and (2) meet the eligibility criteria of the Advantage Arkansas (15-4-2705), Create Rebate (15-4-2707) or ArkPlus (15-4-2706(b)) job creation incentive programs. These agreements permit a refund of state and local sales and use taxes paid on the purchases of the material used in the construction of a building, any addition, modernization or improvement to a new or expanding eligible business, and purchases of taxable machinery or equipment associated with the building or project. It is the responsibility of the qualified business to file a request annually with the Department of Finance and Administration for the refund of sales and use taxes paid on eligible project expenditures. The City does not have access to the amount refunded to these companies. These abatement agreements will end after the completion of each respective project.

NOTE 21: Mayor's Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-123 establishes retirement benefits for mayors in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the mayor at the completion of his or her last term as mayor. Retirement benefits are to be paid monthly from the City's General Fund. A mayor may retire: 1.) upon reaching the age of 60 with a minimum of ten years of service or 2.) upon serving 20 years, regardless of age. The City paid former Mayor Harold Perrin \$62,240 for the year ended December 31, 2021.

NOTE 22: Clerk/Treasurer Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-121 establishes retirement benefits for clerk/treasurers in cities of the first class and death benefits to their spouses at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive a monthly retirement benefit during the remainder of their natural life, a sum equal to one-half (1/2) of the monthly salary received during the last preceding year of service. Retirement benefits are to be paid from the City's General Fund. A clerk/treasurer may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of age. The City paid former Clerk/Treasurer Donna Jackson \$41,018 for the year ended December 31, 2021.

NOTE 23: City Attorney Retirement Benefits

Plan Description

Ark. Code Ann. § 24-12-120 establishes retirement benefits for city attorneys in cities of the first class at the option of the governing body of the City. Benefits and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. A retiree is entitled to receive an annual retirement benefit during the remainder during the remainder of their natural life, payable at the rate of one-half (1/2) of the salary payable to the city attorney at the time of retirement. Retirement benefits are to be paid monthly from the City's General Fund. A city attorney may retire: 1.) upon reaching the age of 60 with a minimum of 10 years of service or 2.) upon serving 20 years, regardless of service. The City paid former City Attorney Phillip Crego \$21,051 for the year ended December 31, 2021.

CITY OF JONESBORO, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 24: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The City was awarded \$15,579,043 in federal aid from the American Rescue Plan Act of 2021. In 2021 and 2022, the City received funds in the amount of \$7,789,521 and \$7,789,522, respectively. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

NOTE 25: Subsequent Events

On January 18th, 2022, the City entered into a \$2,055,173 lease agreement with U.S. Bancorp for seven sanitation trucks.

On April 19th, 2022, the City entered into a \$1,630,500 contract with Wagner General Contractors, Inc., for renovations to the Jonesboro Recreational Center.

On April 19th, 2022, the City entered into a \$1,693,778 contract with Trac-Work, Inc., for the Craighead Technology Park Industrial Rail Yard Expansion Project - Section II Track Construction.

CITY OF JONESBORO, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2021

Schedule 1

	SPECIAL REVENUE FUNDS								
	Emergency 911	Advertising and Promotion Commission	Federal Grants	Jonesboro Economical Transportation System	Community Development Block Grant	Airport Commission	Metropolitan Planning Organization	Restricted	American Rescue Plan Act (ARPA)
ASSETS									
Cash and cash equivalents	\$ 1,028,344	\$ 719,313	\$ 106,521	\$ 362,286	\$ 166,151	\$ 7,578,472	\$ 129,611	\$ 9,499,195	\$ 7,779,080
Investments									
Accounts receivable	4,780	14,727	137,216	58,110	7,794	137,860	35,595	219,322	
Interfund receivables	10,686		1,195						
TOTAL ASSETS	<u>\$ 1,043,810</u>	<u>\$ 734,040</u>	<u>\$ 244,932</u>	<u>\$ 420,396</u>	<u>\$ 173,945</u>	<u>\$ 7,716,332</u>	<u>\$ 165,206</u>	<u>\$ 9,718,517</u>	<u>\$ 7,779,080</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 12,153	\$ 1,348	\$ 12,300	\$ 11,212	\$ 900	\$ 330,397	\$ 1,237	\$ 229,309	
Interfund payables			52,444		100,000			1,710	
Settlements pending									
Total Liabilities	<u>12,153</u>	<u>1,348</u>	<u>64,744</u>	<u>11,212</u>	<u>100,900</u>	<u>330,397</u>	<u>1,237</u>	<u>231,019</u>	
Fund Balances:									
Restricted	475,654	732,692	180,188	242,701	73,045	6,685,935	163,969	2,560,165	\$ 7,779,080
Committed								656,413	
Assigned	556,003			166,483		700,000		6,274,640	
Unassigned								(3,720)	
Total Fund Balances	<u>1,031,657</u>	<u>732,692</u>	<u>180,188</u>	<u>409,184</u>	<u>73,045</u>	<u>7,385,935</u>	<u>163,969</u>	<u>9,487,498</u>	<u>7,779,080</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,043,810</u>	<u>\$ 734,040</u>	<u>\$ 244,932</u>	<u>\$ 420,396</u>	<u>\$ 173,945</u>	<u>\$ 7,716,332</u>	<u>\$ 165,206</u>	<u>\$ 9,718,517</u>	<u>\$ 7,779,080</u>

CITY OF JONESBORO, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2021

Schedule 1

	TRUST FUNDS		CUSTODIAL FUND	
	Nonuniformed Employee's Pension	Nonuniformed Employee's Defined Contribution Pension	Payroll	Totals
ASSETS				
Cash and cash equivalents	\$ 92,437	\$ 24,363	\$ 58,247	\$ 27,544,020
Investments	11,857,833	2,668,576		14,526,409
Accounts receivable				615,404
Interfund receivables				11,881
TOTAL ASSETS	<u>\$ 11,950,270</u>	<u>\$ 2,692,939</u>	<u>\$ 58,247</u>	<u>\$ 42,697,714</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable				\$ 598,856
Interfund payables				154,154
Settlements pending			\$ 58,247	58,247
Total Liabilities			<u>58,247</u>	<u>811,257</u>
Fund Balances:				
Restricted	\$ 11,950,270	\$ 2,692,939		33,536,638
Committed				656,413
Assigned				7,697,126
Unassigned				(3,720)
Total Fund Balances	<u>11,950,270</u>	<u>2,692,939</u>		<u>41,886,457</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,950,270</u>	<u>\$ 2,692,939</u>	<u>\$ 58,247</u>	<u>\$ 42,697,714</u>

CITY OF JONESBORO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 2

	SPECIAL REVENUE FUNDS							
	Emergency 911	Advertising and Promotion Commission	Federal Grants	Jonesboro Economical Transportation System	Community Development Block Grant	Airport Commission	Metropolitan Planning Organization	American Rescue Plan Act (ARPA)
REVENUES								
State aid			\$ 6,560	\$ 70,019		\$ 569,725		\$ 154,155
Federal aid			3,175,729	1,560,360	\$ 612,894	1,253,612	\$ 95,489	\$ 7,789,521
Property taxes								2,824,103
Sales taxes						43,400		
Fines, forfeitures, and costs								148,493
Interest and dividends	\$ 3,120	\$ 2,508		877		16,916	593	9,094
Local permits and fees								41,740
Advertising and promotion taxes		775,539						
Employer/employee contributions								
911 fees	1,570,292							
Hangar leases and rentals						403,969		
Fuel commissions						97,978		
Bus fares				56,996				
Net increase/(decrease) in fair value of investments								
Other	194		126,836	48,374	9,582	884	6,526	103,603
TOTAL REVENUES	1,573,606	778,047	3,309,125	1,736,626	622,476	2,386,484	102,608	7,798,615
EXPENDITURES								
Current:								
General government			1,886,181				118,898	19,535
Law enforcement			452,074					76,126
Highways and streets								4,218
Public safety	1,358,491							170,210
Sanitation			46,668					
Recreation and culture			16,377					2,834,124
Social services			293,091		333,420			168,688
Advertising and promotion		508,321						
Community development					274,362			
Public transit				1,597,934				
Airport						5,178,597		
TOTAL EXPENDITURES	1,358,491	508,321	2,694,391	1,597,934	607,782	5,178,597	118,898	19,535
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	215,115	269,726	614,734	138,692	14,694	(2,792,113)	(16,290)	7,779,080
OTHER FINANCING SOURCES (USES)								
Transfers in						70,000	27,351	8,776,933
Transfers out								
TOTAL OTHER FINANCING SOURCES (USES)						70,000	27,351	8,776,933
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	215,115	269,726	614,734	138,692	14,694	(2,722,113)	11,061	7,779,080
FUND BALANCES - JANUARY 1	816,542	462,966	(434,546)	270,492	58,351	10,108,048	152,908	783,361
FUND BALANCES - DECEMBER 31	\$ 1,031,657	\$ 732,692	\$ 180,188	\$ 409,184	\$ 73,045	\$ 7,385,935	\$ 163,969	\$ 9,487,498

CITY OF JONESBORO, ARKANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 2

	CAPITAL PROJECTS FUND	TRUST FUNDS		
	Capital Improvement	Nonuniformed Employee's Pension	Nonuniformed Employee's Defined Contribution Pension	Totals
REVENUES				
State aid				\$ 800,459
Federal aid				14,487,605
Property taxes				2,824,103
Sales taxes				43,400
Fines, forfeitures, and costs				148,493
Interest and dividends		\$ 17,690	\$ 137,115	187,913
Local permits and fees				41,740
Advertising and promotion taxes				775,539
Employer/employee contributions			358,812	358,812
911 fees				1,570,292
Hangar leases and rentals				403,969
Fuel commissions				97,978
Bus fares				56,996
Net increase/(decrease) in fair value of investments		1,130,542	70,569	1,201,111
Other		1,223		297,222
TOTAL REVENUES		1,149,455	566,496	23,295,632
EXPENDITURES				
Current:				
General government		501,519	251,624	2,869,281
Law enforcement				528,200
Highways and streets				4,218
Public safety				1,528,701
Sanitation				46,668
Recreation and culture				2,850,501
Social services				795,199
Advertising and promotion				508,321
Community development				274,362
Public transit				1,597,934
Airport				5,178,597
TOTAL EXPENDITURES		501,519	251,624	16,181,982
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		647,936	314,872	7,113,650
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,288			8,877,572
Transfers out	(1,256,177)			(1,256,177)
TOTAL OTHER FINANCING SOURCES (USES)	(1,252,889)			7,621,395
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,252,889)	647,936	314,872	14,735,045
FUND BALANCES - JANUARY 1	1,252,889	11,302,334	2,378,067	27,151,412
FUND BALANCES - DECEMBER 31	\$ 0	\$ 11,950,270	\$ 2,692,939	\$ 41,886,457

CITY OF JONESBORO, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Emergency 911	Ark. Code Ann. § 12-10-318 established fund to receive fees collected by commercial mobile radio service providers for 911 emergency services.
Advertising and Promotion Commission	Ark. Code Ann. § 26-75-606 established fund to account for the tax levied on gross receipts of hotels, etc. Jonesboro Ordinance no. 73:2435 (May 21, 1973) established fund to account for the tax levied on gross receipts of hotels, restaurants, etc. The tax shall be used for the advertising and promoting of the city and its environs; construction, maintenance, and operation of a convention center, operation of tourist promotion facilities, and payment of principal and interest in connection with bonds issued.
Federal Grants	Established to account for federal grants to be used for specific purposes.
Jonesboro Economical Transportation System	Jonesboro Ordinance no. 05:211 (July 19, 2005) established fund to receive federal grant funds to provide community transportation system.
Community Development Block Grant	Jonesboro Ordinance no. 05:240 (April 5, 2005) established fund to receive grant funds for various city departments.
Airport Commission	Ark. Code Ann. §§ 14-359-101 - 121 established the Municipal Airport Commission to operate and manage the airport. All revenue derived from the operation of the airport or flying field, after paying the operating expenses and maintenance, shall be set aside and used for additional improvements on the airport or for the retirement of bonds and interest thereon issued or advancement made for the purchase and improvement of the airport or flying field.
Metropolitan Planning Organization	Established to account for grant revenue from the United States Department of Transportation that provides transportation planning for this region, which includes Jonesboro, Brookland, Bay, and Bono.
Restricted	Established to account for state aid, property taxes, donations, and other earmarked revenues restricted or designated for various uses.
American Rescue Plan Act (ARPA)	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLRF), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.

CITY OF JONESBORO, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2021

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

<u>Fund Name</u>	<u>Fund Description</u>
Capital Improvement	Voters approved a 0.5% sales and use tax for financing capital improvements and Jonesboro Ordinance no. 00:1021 (May 15, 2000) established fund to account for the taxes and expenditures. Voters approved to remove the sales and use tax restriction on August 12, 2014. Sales and use tax is now assigned by the City for financing capital improvement expenditures.
Nonuniformed Employee's Pension	Established to account for employee retirement plan established pursuant to Internal Revenue Service code § 401(a).
Nonuniformed Employee's Defined Contribution Pension	Established to account for employee retirement plan established pursuant to Internal Revenue Service code §§ 401(a) and 457(b).
Payroll	Established to facilitate payment of payroll expenditures and related tax liabilities.

CITY OF JONESBORO, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2021
(Unaudited)

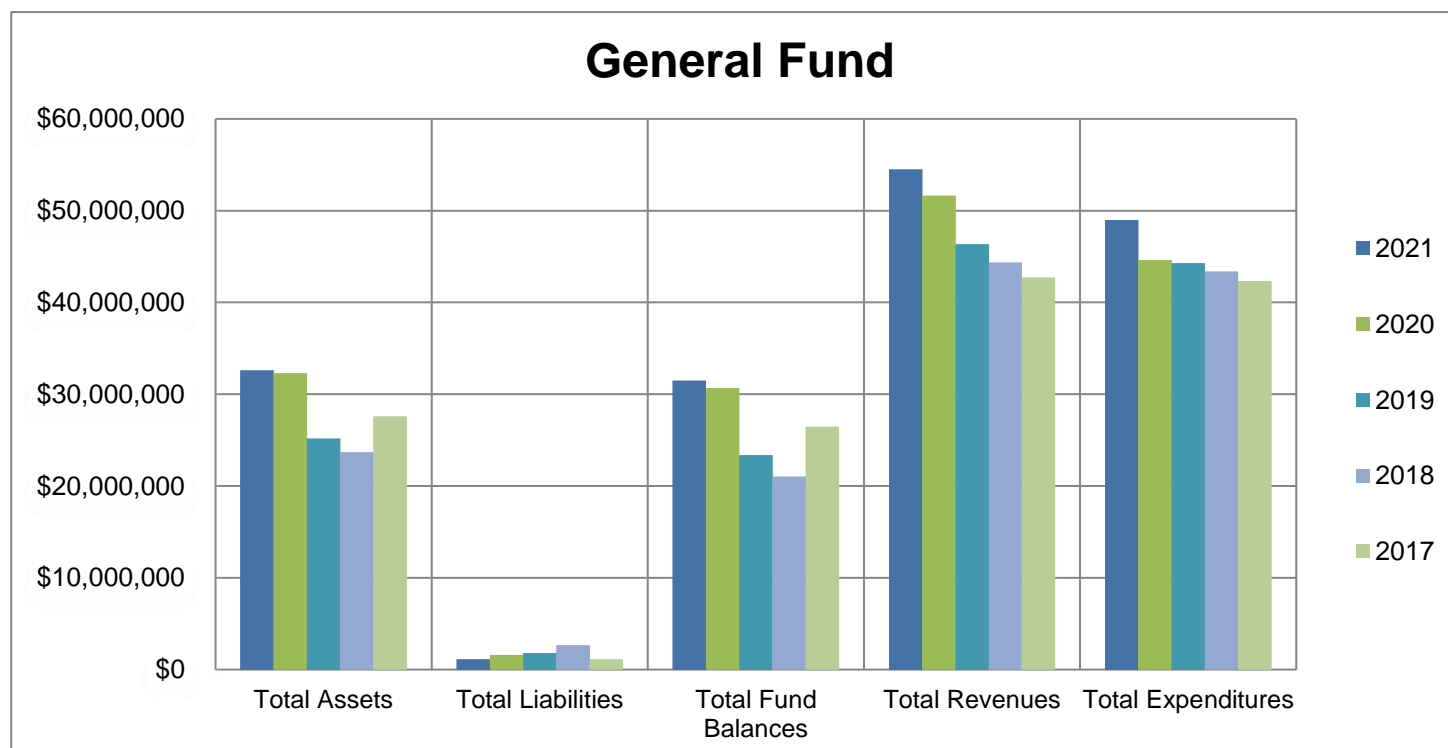
Schedule 3

	December 31, 2021
Land	\$ 21,055,342
Buildings	52,119,884
Equipment	50,412,717
Construction in progress	<u>9,687,578</u>
Total	<u><u>\$ 133,275,521</u></u>

CITY OF JONESBORO, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-1

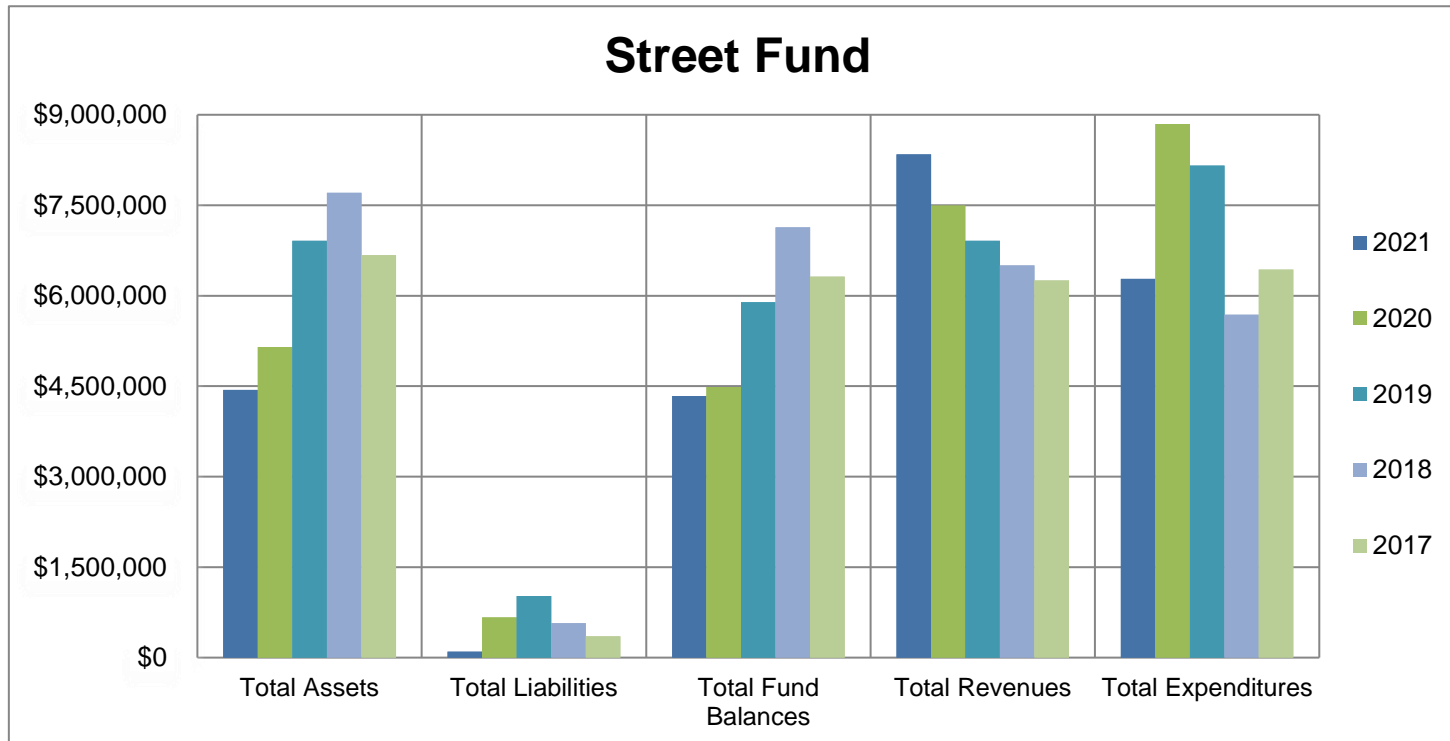
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 32,583,483	\$ 32,264,927	\$ 25,161,626	\$ 23,673,181	\$ 27,580,830
Total Liabilities	1,113,025	1,596,592	1,814,246	2,651,203	1,115,700
Total Fund Balances	31,470,458	30,668,335	23,347,380	21,021,978	26,465,130
Total Revenues	54,494,964	51,608,581	46,323,984	44,321,725	42,693,320
Total Expenditures	48,984,754	44,621,192	44,265,798	43,377,905	42,316,617
Total Other Financing Sources/Uses	(4,708,087)	424,826	267,216	(6,386,972)	(3,093,266)



CITY OF JONESBORO, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-2

Street	2021	2020	2019	2018	2017
Total Assets	\$ 4,435,647	\$ 5,151,587	\$ 6,911,718	\$ 7,703,821	\$ 6,670,281
Total Liabilities	96,992	667,179	1,021,595	571,329	355,661
Total Fund Balances	4,338,655	4,484,408	5,890,123	7,132,492	6,314,620
Total Revenues	8,345,492	7,492,288	6,912,792	6,503,026	6,250,450
Total Expenditures	6,277,937	8,848,484	8,155,161	5,685,154	6,430,817
Total Other Financing Sources/Uses	(2,213,308)	(528,147)			



CITY OF JONESBORO, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2021
(Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	2021	2020	2019	2018	2017
Total Assets	\$ 42,697,714	\$ 28,698,476	\$ 21,064,391	\$ 19,297,291	\$ 24,890,337
Total Liabilities	811,257	1,547,064	567,039	703,736	1,169,608
Total Fund Balances	41,886,457	27,151,412	20,497,352	18,593,555	23,720,729
Total Revenues	23,295,632	21,843,705	12,131,553	7,755,386	9,151,820
Total Expenditures	16,181,982	16,067,564	10,660,540	19,919,532	11,481,893
Total Other Financing Sources/Uses	7,621,395	803,321	432,784	7,036,972	3,711,758

