

City of Pine Bluff, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PINE BLUFF, 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

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**

Independent Auditor's Report

City of Pine Bluff, 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 Pine Bluff, 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 Pine Bluff, 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 Pine Bluff, 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.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements. 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 September 26, 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



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

Little Rock, Arkansas
September 26, 2022
LOM107621

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 Pine Bluff, Arkansas Officials and Council Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of City of Pine Bluff, 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 September 26, 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 September 26, 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, appearing to read "Timothy R. Jones".

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
September 26, 2022

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

MANAGEMENT LETTER

City of Pine Bluff, 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: Shirley Washington
City Collector: Sharon Johnson
Finance Director: Steve Miller (Retired February 6, 2021)
Gina Devers (Appointed Interim February 7, 2021)
City Clerk: Janice Roberts
District Court Clerk – Division II: Veronica Young
Police Chief: Kelvin Sergeant (Retired June 30, 2021)
Kelven Hadley (Interim July 1, 2021 – July 19, 2021)
Lloyd Franklin Sr. (Appointed Interim July 20, 2021, hired effective March 7, 2022 – July 19, 2022)

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management in maintaining a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with City officials during the course of our audit fieldwork and at the exit conference.

Mayor

As of report date, Arkansas Legislative Audit and a law enforcement agency are in the process of investigating certain financial transactions of the City. We will issue a report concerning these transactions at the completion of the investigation.

Mayor and Police Chief

During the period May through July 2021, Derrell Ray, a Police Department employee who served as fleet manager until he resigned from employment on July 19, 2021, sold 30 Department vehicles, valued at \$20,850 that had been removed from service, without management authorization. Proceeds from the vehicle sales were not remitted to the City, and Mr. Ray was charged with theft of property on March 4, 2022. A court date is scheduled for March 29, 2023.

District Court Clerk – Division II

District Court personnel discovered the following discrepancies concerning fees collected by a Probation Officer:

- The Probation Officer began collecting and receipting funds before his newly created position was formally approved by the Jefferson County Quorum Court.
- The amounts charged for probation and drug test fees were higher than the amounts authorized by the District Judge.
- The funds collected were deposited in the Probation Officer's personal bank account.

When Court personnel discussed these discrepancies with the Probation Officer, he indicated that he was never told what to do with the funds he collected. Court personnel determined, and we verified, the receipts issued by the Probation Officer during the period August 17, 2021 through September 30, 2021, totaled \$4,300. On October 1, 2021, the Probation Officer reimbursed \$4,300 to the District Court. Per City officials, citizens who were over charged will be refunded at the conclusion of the audit.

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Timothy R. Jones". The signature is fluid and cursive, with the first name "Timothy" being more prominent.

Timothy R. Jones, CPA, CFF
Deputy Legislative Auditor

Little Rock, Arkansas
September 26, 2022

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

Exhibit A

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	\$ 19,694,588	\$ 2,197,864	\$ 17,276,541
Investments			31,813,939
Accounts receivable	2,651,215	40,149	902,411
Interfund receivables	1,364,167		23,699
TOTAL ASSETS	<u>\$ 23,709,970</u>	<u>\$ 2,238,013</u>	<u>\$ 50,016,590</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,062,228	\$ 230,244	\$ 277,624
Interfund payables	23,514	1,408	1,362,944
Settlements pending			254,139
Total Liabilities	<u>1,085,742</u>	<u>231,652</u>	<u>1,894,707</u>
Fund Balances:			
Nonspendable			527,525
Restricted	652,178	2,006,361	46,879,925
Committed			376,996
Assigned	6,480,584		662,606
Unassigned	15,491,466		(325,169)
Total Fund Balances	<u>22,624,228</u>	<u>2,006,361</u>	<u>48,121,883</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,709,970</u>	<u>\$ 2,238,013</u>	<u>\$ 50,016,590</u>

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

CITY OF PINE BLUFF, 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	\$ 2,219,708	\$ 3,888,645	\$ 1,039,020
Federal aid	19,899		11,134,365
Property taxes	3,371,492	585,066	1,141,988
Franchise fees	104,656		3,047,956
Sales taxes	20,262,790		5,041,211
Fines, forfeitures, and costs	603,813		123,515
Interest	142,388	14,221	802,021
Local permits and fees	1,431,368		100,495
Sanitation fees	2,826,526		
Casino gaming tax	3,790,651		
Parks and recreation fees	224,990		
Transit fees			34,780
Donations			421,567
Employer contributions			578,783
Employee contributions			370,894
Home program revenue			114,823
Points of light grant			250,000
Net increase/(decrease) in fair value of investments			2,581,216
Other	587,517	112,281	364,161
TOTAL REVENUES	35,585,798	4,600,213	27,146,795
EXPENDITURES			
Current:			
General government	8,512,010		3,997,875
Law enforcement	10,787,169		662,173
Highways and streets		4,207,083	1,207,511
Public safety	8,415,106		343,888
Sanitation	2,518,111		
Health	45,500		
Recreation and culture	3,479,679		1,458,129
Social services	226,848		2,438
Economic development	1,884,111		
Public transit			1,180,158
Airport	149,742		
Total Current	36,018,276	4,207,083	8,852,172
Debt Service:			
Bond principal			2,159,378
Bond interest and other charges			1,045,681
Lease principal	241,527		
Lease interest	17,457		
Note principal	1,342,731		37,146
Note interest	437,085		4,132
TOTAL EXPENDITURES	38,057,076	4,207,083	12,098,509

CITY OF PINE BLUFF, 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	\$ (2,471,278)	\$ 393,130	\$ 15,048,286
OTHER FINANCING SOURCES (USES)			
Transfers in	6,072,822		638,970
Transfers out	(239,394)	(399,541)	(6,072,857)
Contribution from civic auditorium complex commission	84,686		
Bond proceeds			3,585,000
Payment to refunding bond escrow agents			(3,594,036)
TOTAL OTHER FINANCING SOURCES (USES)	5,918,114	(399,541)	(5,442,923)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,446,836	(6,411)	9,605,363
FUND BALANCES - JANUARY 1	19,177,392	2,012,772	38,516,520
FUND BALANCES - DECEMBER 31	<u>\$ 22,624,228</u>	<u>\$ 2,006,361</u>	<u>\$ 48,121,883</u>

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

CITY OF PINE BLUFF, 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	\$ 2,100,306	\$ 2,219,708	\$ 119,402	\$ 3,225,175	\$ 3,888,645	\$ 663,470
Federal aid	267,710	19,899	(247,811)			
Property taxes	2,710,000	3,371,492	661,492	575,000	585,066	10,066
Franchise fees	2,709,000	104,656	(2,604,344)			
Sales taxes	21,016,146	20,262,790	(753,356)			
Fines, forfeitures, and costs	683,000	603,813	(79,187)			
Interest	95,240	142,388	47,148	6,000	14,221	8,221
Local permits and fees	1,434,250	1,431,368	(2,882)			
Sanitation fees	2,963,782	2,826,526	(137,256)			
Casino gaming tax		3,790,651	3,790,651			
Parks and recreation fees	768,687	224,990	(543,697)			
Other	1,991,711	587,517	(1,404,194)	94,500	112,281	17,781
TOTAL REVENUES	36,739,832	35,585,798	(1,154,034)	3,900,675	4,600,213	699,538
EXPENDITURES						
Current:						
General government	16,418,613	8,512,010	7,906,603			
Law enforcement	13,593,582	10,787,169	2,806,413			
Highways and streets	88,856		88,856	5,699,539	4,207,083	1,492,456
Public safety	10,079,831	8,415,106	1,664,725			
Sanitation	2,875,577	2,518,111	357,466			
Health	45,500	45,500				
Recreation and culture	8,212,285	3,479,679	4,732,606			
Social services	254,903	226,848	28,055			
Economic development		1,884,111	(1,884,111)			
Airport	164,742	149,742	15,000			
Total Current	51,733,889	36,018,276	15,715,613	5,699,539	4,207,083	1,492,456
Debt Service:						
Bond principal	1,630,000		1,630,000			
Lease principal		241,527	(241,527)			
Lease interest		17,457	(17,457)			
Note principal	629,339	1,342,731	(713,392)			
Note interest		437,085	(437,085)			
TOTAL EXPENDITURES	53,993,228	38,057,076	15,936,152	5,699,539	4,207,083	1,492,456

CITY OF PINE BLUFF, 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)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (17,253,396)</u>	<u>\$ (2,471,278)</u>	<u>\$ 14,782,118</u>	<u>\$ (1,798,864)</u>	<u>\$ 393,130</u>	<u>\$ 2,191,994</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	6,411,286	6,072,822	(338,464)	146,235		(146,235)
Transfers out	(385,629)	(239,394)	146,235		(399,541)	(399,541)
Contribution from civic auditorium complex commission	110,795	84,686	(26,109)			
Insurance proceeds	691,208		(691,208)			
FEMA reimbursement	97,007		(97,007)			
Payroll expense reimbursement	851,925		(851,925)			
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,776,592</u>	<u>5,918,114</u>	<u>(1,858,478)</u>	<u>146,235</u>	<u>(399,541)</u>	<u>(545,776)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(9,476,804)</u>	<u>3,446,836</u>	<u>12,923,640</u>	<u>(1,652,629)</u>	<u>(6,411)</u>	<u>1,646,218</u>
FUND BALANCES - JANUARY 1	<u></u>	<u>19,177,392</u>	<u>19,177,392</u>	<u></u>	<u>2,012,772</u>	<u>2,012,772</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ (9,476,804)</u></u>	<u><u>\$ 22,624,228</u></u>	<u><u>\$ 32,101,032</u></u>	<u><u>\$ (1,652,629)</u></u>	<u><u>\$ 2,006,361</u></u>	<u><u>\$ 3,658,990</u></u>

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

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Basis of Presentation – Regulatory

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

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

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

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

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund heading, as it appears in the financial statements, includes the following accounts: General, Sewer Improvement District Loan, Public Safety Building Fund, Summer Academic and Culture Enrichment Program, 2017 Sales Tax, Urban Renewal, and Police Department Special Projects.

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 Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

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

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Permanent Funds – Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. See Schedules 1 and 2 for the Permanent Fund 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 the Pension Trust Fund 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 Custodial Funds as reported with other funds in the aggregate.

C. Basis of Accounting - Regulatory

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

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

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand, savings, and money market accounts, certificates of deposit, treasury bills, 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 fines, forfeitures, costs, and insurance premiums that have not been transferred to the appropriate entities.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Fund Balances (Continued)

Fund Balance Classifications

1. Nonspendable fund balance - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. 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.
3. 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).
4. 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.
5. 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.

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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Fund Balance Classification Policies and Procedures

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

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

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)	\$ 2,363,154	\$ 2,374,387
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	30,908,077	31,374,657
U.S. government guaranteed accounts		
Uncollateralized	<u>5,878,157</u>	<u>5,878,157</u>
Total Deposits	<u>\$ 39,149,388</u>	<u>\$ 39,627,201</u>

The above total deposits do not include cash on hand of \$19,605.

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 formal deposit policy for custodial credit risk. As of December 31, 2021, \$5,878,157 of the City's bank balances of \$39,627,201 was 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 no 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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2021 Fair Value
Permanent	\$ 118,810
Pension Trust	31,695,129
Totals	<u>\$ 31,813,939</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:

December 31, 2021 Investment Type	Quoted Prices in Active Markets for Identical Level I	Other Observable Level II	Total
Mortgage-backed bonds		\$ 3,646,482	\$ 3,646,482
Corporate bonds		6,308,570	6,308,570
Stocks	\$ 5,579,599		5,579,599
Municipal Obligations		942,960	942,960
Mutual Funds	15,336,328		15,336,328
Totals	<u>\$ 20,915,927</u>	<u>\$ 10,898,012</u>	<u>\$ 31,813,939</u>

The fair value of stocks and mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources, and as a result, these were classified as Level I inputs. Mortgage-backed bonds, corporate bonds, and municipal obligations are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields of similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

CITY OF PINE BLUFF, 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			\$ 1,812
Federal aid			67,237
Property taxes	\$ 147,362	\$ 39,943	51,328
Franchise fees			289,529
Sales taxes	1,668,767		415,181
Interest			66,750
Sanitation fees	248,549		
Casino gaming tax	312,443		
Donations			4,519
Other	274,094	206	6,055
Totals	<u>\$ 2,651,215</u>	<u>\$ 40,149</u>	<u>\$ 902,411</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	\$ 1,031,935	\$ 230,244	\$ 264,249
Retirement payable	30,293		13,375
Totals	<u>\$ 1,062,228</u>	<u>\$ 230,244</u>	<u>\$ 277,624</u>

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2021	
	Interfund Receivables	Interfund Payables
General Fund	\$ 1,364,167	\$ 23,514
Street Fund		1,408
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development	10,000	86,484
Jail Fee		41,709
Administration of Justice (AOJ)	185	14,632
Grants		1,164,681
Emergency Vehicle	13,514	185
Transit		53,541
Arts & Science Center for Southeast Arkansas		1,712
Totals	<u>\$ 1,387,866</u>	<u>\$ 1,387,866</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7: Interfund Balances (Continued)

Interfund receivables and payables consist of matching grants and reimbursements for expenditures paid by the General Fund. All interfund receivables and payables have been repaid as of exit date except for \$187,491 payable to the General Fund. These payables consists of the following: Transit Fund - \$25,038, Jail Fund - \$41,709, Community Development Fund - \$63,270, Grants Fund - \$55,485, Administration of Justice - \$277, and Arts and Science Center Fund - \$1,712. These balances are expected to be repaid when funds become available.

NOTE 8: Federal Funds Program Compliance

The federal grants of the City have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted. Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

NOTE 9: 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			
Nonspendable:			
Social services			\$ 527,525
Restricted for:			
General government	\$ 652,178		7,361,514
Law enforcement			140,722
Highways and streets		\$ 2,006,361	
Public transit			248,385
Pension benefits			34,877,880
Capital outlay			1,552,559
Debt service			2,698,865
Total Restricted	<u>652,178</u>	<u>2,006,361</u>	<u>46,879,925</u>
Committed for:			
Recreation and culture			295,126
Capital outlay			81,870
Total Committed			<u>376,996</u>
Assigned to:			
General government	6,443,482		
Law enforcement	37,102		
Recreation and culture			643,968
Capital outlay			18,638
Total Assigned	<u>6,480,584</u>		<u>662,606</u>
Unassigned	<u>15,491,466</u>		<u>(325,169)</u>
Totals	<u>\$ 22,624,228</u>	<u>\$ 2,006,361</u>	<u>\$ 48,121,883</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2021:

	December 31, 2021
Other Funds in the Aggregate:	
Special Revenue Funds:	
Jail Fee	\$ (16,358)
Grants	<u>(308,811)</u>
Total	<u>\$ (325,169)</u>

NOTE 11: 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 \$74,897,912. There were no property tax secured bond issues. As discussed in Note 15, the City approved additional 3 mills property tax to secure payment for certain library bonds; however, these are payable solely from the special millage and are not subject to any constitutional or statutory limitation.

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 \$20,679,131. The amount of short-term financing obligations was \$4,143,872, leaving a legal debt margin of \$16,535,259.

NOTE 12: Commitments

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

	December 31, 2021
Long-term liabilities	\$ 39,558,235
Construction contracts	<u>1,392,652</u>
Total Commitments	<u>\$ 40,950,887</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Commitments (Continued)

Long-term liabilities

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

	<u>December 31, 2021</u>
<u>Bonds</u>	
Sales and Use Tax Improvement Bonds, Series 2016, issued October 1, 2016, for \$6,805,000; 20 annual installments beginning October 1, 2017, with the final settlement due October 1, 2036, interest at 2.0% - 3.5%. Payments are to be made from the Debt Service Fund.	\$ 6,025,000
Library Property Tax Construction Bonds, Series 2017, issued May 9, 2017, for \$13,355,000; 30 annual installments beginning February 1, 2018, with the final settlement due February 1, 2046, interest at 2.0 - 3.625%. Payments are to be made from the Debt Service Fund.	10,530,000
Sales and Use Tax Refunding Bonds, Series 2017, issued July 27, 2017, for \$6,450,000; 20 annual installments beginning October 1, 2017, with the final settlement due October 1, 2036, interest at 2.0 - 3.8%. Payments are to be made from the Debt Service Fund.	4,330,000
Sales and Use Tax Refunding Bonds, Series 2017B, issued November 28, 2017, for \$4,480,000; 19 annual installments beginning October 1, 2018, with the final settlement due October 1, 2036, interest at 2.0 - 3.75%. Payments are to be made from the Debt Service Fund.	3,715,000
Franchise Fee Revenue Refunding and Improvement Bonds, Series 2019, issued September 10, 2019, for \$3,828,800; 11 annual installments beginning May 1, 2020, with the final settlement due May 1, 2030, interest at 2.79%. Payments are to be made from the Debt Service Fund.	3,306,721
Franchise Fee Revenue Refunding and Improvement Bonds, Series 2021, issued December 28, 2021, for \$3,585,000; 25 annual installments beginning May 1, 2022, with the final settlement due May 1, 2046, interest at 2.0 - 2.625%. Payments are to be made from the Debt Service Fund.	<u>3,585,000</u>
Total Bonds	<u>31,491,721</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Commitments (Continued)

Long-term liabilities (Continued)

Direct Borrowings

Installment contract with US Bancorp Government Leasing and Finance for the purchase of police car camera system; issued on April 15, 2017, for \$301,360; annual installments of \$64,270 for five years at 2.18% interest with the final installment due April 14, 2022. Payments are to be made from the General Fund. 62,899

Promissory note with Relyance Bank for the purchase of computer equipment for various City offices, police patrol car, 146 police radios, and 42 fire department radios; issued October 4, 2018, for \$545,088; due in four annual installments of \$120,707 and one irregular payment of \$123,641 at 3.9% interest with first payment due November 4, 2019, and final payment November 4, 2023. Payments are to be made from the General Fund and Emergency Vehicle Fund. 231,883

Promissory note with Simmons Bank to finance the acquisition, construction, and installation of improvements for the City's aquatic center; issued November 1, 2018, for \$4,081,115; due in three annual payments of \$570,755, \$1,167,403, and \$3,021,864, at 3.49% interest with the first payment due on December 1, 2021, and final payment due December 1, 2023. Payments are to be made from the General Fund. 2,876,826

Promissory note with Relyance Bank for the purchase of a police van; issued on August 1, 2019, for \$27,985; monthly installments of \$510 for five years at 3.5% interest with the first payment due September 1, 2019, and final payment due August 1, 2024. Payments are to be made from the General Fund. 17,357

Lease purchase agreement with Wells Fargo Equipment leasing for the acquisition of golf course mowing and utility equipment; issued November 6, 2019, for \$146,293 at 5.51%; initial payment of \$19,659 due January 2020, followed by 46 monthly installments of \$3,089, with final payment due November 6, 2023. Payments are to be made from the General Fund. 61,709

Lease purchase agreement with U.S Bancorp Government Leasing and Finance, Inc. for the acquisition of three fire vehicles, 50 breathing apparatuses and other fire department equipment, and one animal control vehicle; issued April 21, 2020, for \$629,409 at 1.74%, initial payment of \$217,146 due April 2021, followed by two annual payments of \$217,146, with the final payment due April 21, 2023. Payments are to be made from the General Fund. 423,214

Promissory note with Simmons Bank for the purchase of 14 police vehicles; authorized on August 17, 2020, for \$469,984 at 2.37%, annual installments of \$101,064 beginning January 6, 2021, with the final payment due January 6, 2026. Payments are to be made from the General Fund. 469,984

Total Direct Borrowings

4,143,872

Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost.

3,922,642

Total Long-term liabilities

\$ 39,558,235

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

The City's outstanding franchise fee revenue bonds series 2019 and 2021 payable of \$3,306,721 and \$3,585,000, respectively, contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Commitments (Continued)

The City's outstanding sales and use tax revenue bond series 2016, 2017, and 2017B payable of \$6,025,000, \$4,330,000, and \$3,715,000, respectively, contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 10% in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

The City's outstanding library property tax bonds payable of \$10,530,000 contain a provision that in an event of default, the Trustee may, and upon written request of the owners of not less than 25% in principal amount of the bonds then outstanding, shall declare with notice in writing to the City and the Board the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration such principal and interest shall be immediately due and payable.

The City's outstanding notes from direct borrowings of \$231,883 and \$17,357 with Relyance Bank contain a provision that in an event of default, outstanding amounts, at the Lender's sole option, may be declared immediately due and payable, and the Lender may exercise any rights and remedies, including the right to immediate possession of the collateral, available to it under applicable law. The direct borrowings of \$62,899 and \$423,214 with US Bancorp, \$469,984 with Simmons Bank, and \$61,709 with Wells Fargo contain similar provisions; however, the acceleration is limited to amounts to become due during the City's then current fiscal period. No default provision was located in the outstanding direct promissory note of \$2,876,826 with Simmons Bank.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2021	Maturities to December 31, 2021
<u>Bonds</u>					
10/1/16	10/1/36	2-3.5%	\$ 6,805,000	\$ 6,025,000	\$ 780,000
5/9/17	2/1/46	2-3.625%	13,355,000	10,530,000	2,825,000
7/27/17	10/1/36	2-3.8%	6,450,000	4,330,000	2,120,000
11/28/17	10/1/36	2-3.75%	4,480,000	3,715,000	765,000
9/10/19	5/1/30	2.79%	3,828,800	3,306,721	522,079
12/28/21	5/1/46	2-2.625%	3,585,000	3,585,000	0
Total Bonds			38,503,800	31,491,721	7,012,079
<u>Direct Borrowings</u>					
4/15/17	4/15/22	2.18%	301,360	62,899	238,461
10/4/18	10/4/23	3.50%	545,088	231,883	313,205
11/1/18	11/1/23	3.90%	4,081,115	2,876,826	1,204,289
8/1/19	8/1/24	3.50%	27,985	17,357	10,628
11/6/19	11/6/23	5.51%	146,293	61,709	84,584
4/21/20	4/21/23	1.74%	629,409	423,214	206,195
8/13/20	1/6/26	2.37%	469,984	469,984	0
Total Direct Borrowings			6,201,234	4,143,872	2,057,362
Total Long-Term Debt			\$ 44,705,034	\$ 35,635,593	\$ 9,069,441

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2021	Issued	Retired	Balance December 31, 2021
Bonds payable	\$ 33,641,099	\$ 3,585,000	\$ 5,734,378 *	\$ 31,491,721
<u>Direct Borrow ings</u>				
Notes payable	5,038,826		1,379,877	3,658,949
Capital leases	726,450		241,527	484,923
Total Direct Borrow ings	5,765,276		1,621,404	4,143,872
Total Long-Term Debt	\$ 39,406,375	\$ 3,585,000	\$ 7,355,782	\$ 35,635,593

*Includes \$3,575,000 early retirement of debt – See Note 13

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2021:

Years Ending December 31,	Bonds			Direct Borrow ings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,373,289	\$ 957,641	\$ 2,330,930	\$ 1,540,806	\$ 168,638	\$ 1,709,444
2023	1,502,448	936,311	2,438,759	2,311,083	120,033	2,431,116
2024	1,531,863	901,350	2,433,213	98,219	6,878	105,097
2025	1,576,540	864,501	2,441,041	96,472	4,592	101,064
2026	1,626,488	821,331	2,447,819	97,292	2,306	99,598
2027 through 2031	7,701,093	3,407,321	11,108,414			
2032 through 2036	7,010,000	2,230,283	9,240,283			
2037 through 2041	4,810,000	1,221,966	6,031,966			
2042 through 2046	4,360,000	419,641	4,779,641			
Totals	\$31,491,721	\$ 11,760,345	\$43,252,066	\$ 4,143,872	\$ 302,447	\$4,446,319

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12: Commitments (Continued)

Construction Contracts

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

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2021
Main Street/Downtown Streetscape Project	April 2022	\$ 25,497
Pine Bluff Comprehensive Plan	July 2022	59,233
Pine Bluff Main Library	December 2022	443,583
University Park Sidewalk Project	November 2022	14,439
W 28th Street Bridge Project	October 2022	22,050
Harding Channelization Project	May 2023	51,381
Regional Park Electrical Replacement Project	July 2022	293,072
P.B. PED/Bike Infrastructure Improvement Project	October 2022	287,154
Regional Park Scoreboard Replacement	March 2022	63,629
Regional Park Softball Building	March 2022	56,260
Plum Street Improvement Trail Project	May 2023	16,459
34th Street Bridge over Interceptor Project	June 2023	59,895
Total Construction Contracts		<u>\$ 1,392,652</u>

NOTE 13: Debt Refunding

On December 28, 2021, the City issued \$3,585,000 in franchise fee refunding and improvement revenue bonds with interest rates from 2 to 2.625 percent to advance refund \$840,000 of outstanding bonds dated May 1, 2014, with interest rates from 1 to 4.25 percent and \$2,735,000 of outstanding bonds dated August 15, 2016, with interest rates from 2 to 3.5 percent. Bond proceeds of \$3,502,051, along with debt service reserves of \$91,985, were remitted to an escrow agent to advance refund both 2014B and 2016 bonds. Net bond issuance costs associated with the refunding, including bond discount of \$53,775, issuance costs of \$39,330, plus net original issue bond premium of \$10,156, were \$82,949.

NOTE 14: Interfund Transfers

The General Fund transferred \$239,394 to the Other Funds in the Aggregate for the following: \$170,394 to the Community Development Fund to provide matching grant funds and \$69,000 to supplement the Southeast Arkansas Arts and Science Center Commission Fund. The Street Fund transferred \$399,541 to the Other Funds in the Aggregate, Transit Fund, for matching federal transportation funds. The Other Funds in the Aggregate transferred \$6,072,822 to the General Fund for the following: \$3,719,576 from the Sales and Use Tax Bonds Debt Service Fund for sales tax collected in excess of debt service requirement and \$2,353,246 from the Franchise Fee Bonds Debt Service Fund for franchise fees collected in excess of debt service requirements. Within Other Funds in the Aggregate, the Library Property Tax Debt Service Fund transferred \$35 to the Library Construction Capital Projects Fund, in accordance with bond terms, for construction period interest.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15: Pledged Revenues

A. Franchise Fees

The City pledged future franchise fees to repay \$3,828,800 of capital improvement and refunding bonds issued in 2019 and \$3,585,000 of capital improvement and refunding bonds issued in 2021. The total principal and interest remaining on the bonds are \$3,306,721 and \$432,066, respectively, payable through May 2030 for the 2019 series; and \$3,585,000 and \$1,093,912 payable through May 2046 for the 2021 issue. For the year ended December 31, 2021, principal and interest paid for the 2019 series was \$319,378 and \$96,713 respectively. There were no payments made for the 2021 series.

The Debt Service Fund received \$3,047,956 in franchise fees in 2021. Any franchise fees collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures.

B. Sales and Use Tax

The City pledged future five-eighths percent sales and use taxes to repay \$6,805,000 in bonds that were issued in 2016 to provide funding for various capital improvements, and to repay \$10,930,000 in refunding bonds that were issued in 2017 to refund capital improvement bonds issued in 2011 and 2012. Total principal and interest remaining on the bonds are \$6,025,000 and \$2,945,766, respectively, for the 2016 issue, and \$8,045,000 and \$2,219,276, respectively, for the 2017 issues payable through October 1, 2036 for both the 2016 and 2017 issue. For 2021, principal and interest paid were \$165,000 and \$193,245, respectively, for the 2016 issue and \$690,000 and \$269,910, respectively, for the 2017 issue.

The Debt Service Fund received \$5,041,211 in sales taxes in 2021. Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures.

C. Property Tax

The City pledged future proceeds of a three mil property tax levy to repay \$13,355,000 in bonds that were issued in 2017 for the construction of a new library. The total principal and interest remaining on the bonds are \$10,530,000 and \$5,069,325, respectively, payable through February 1, 2046. For 2021, principal and interest paid were \$875,000 and \$345,538, respectively.

The Debt Service Fund received \$1,141,988 in property taxes in 2021. The proceeds of the tax levy cannot be used for any purpose other than payment of debt service on the bonds.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16: Joint Ventures

A. Metropolitan Emergency Communications Association

The City of Pine Bluff belongs to the Metropolitan Emergency Communications Association (MECA), as setup by an amended interlocal agreement dated May 13, 1996, which is composed of the Cities of Pine Bluff, White Hall, Redfield, Altheimer, Wabbaseka, Humphrey, Sherrill, and Jefferson County. The Association is governed by seven commissioners which include the City of Pine Bluff's Mayor, Police Chief, and Fire Chief; Jefferson County's County Judge and Sheriff, the Office of Emergency Services Coordinator; and the Chairman of the 911 Administrative Board by virtue of their term in office or employment with the local government. Pursuant to the aforementioned amended agreement for 1996, the participants' percentage shares of any deficit between 911 telephone fee revenue and operating expenses were as follows:

City of Pine Bluff	70.76%
City of White Hall	2.25%
City of Redfield	.63%
City of Altheimer	.57%
City of Wabbaseka	.19%
City of Humphrey	.21%
City of Sherrill	.04%
Jefferson County	25.35%
Total	<u>100.00%</u>

The City paid MECA \$633,954 in 2021. Financial information may be obtained at 101 East Barraque Street, Pine Bluff, Arkansas 71601.

B. Pine Bluff and Jefferson County Library System

The City of Pine Bluff and Jefferson County entered into an agreement in August 1979, in accordance with Ark. Code Ann. §§ 25-20-101 – 25-20-108, to establish a library system for the Jefferson County, Arkansas area. The Pine Bluff and Jefferson County Library System (System) is composed of five members appointed by the Mayor of Pine Bluff and ratified by the City Council. Title to fixed assets held by the constituent governmental units and used for library purposes at the time of the execution of this agreement shall remain unchanged although additional assets may be acquired in the name of the System. The Board shall fix number and salaries of employees of the System. The City paid the System \$620,563 in 2021. Separate financial statements are available at 600 South Main Street, Pine Bluff, Arkansas 71601.

NOTE 17: 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. Payments made by the City in 2020 and 2019, in excess of Arkansas Municipal League's coverage totaled \$4,000 and \$15,000, respectively. There were no settlements in 2021. 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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17: Risk Management (Continued)

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 \$5,000, or in the case of flood or earthquake, \$100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

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

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

**NOTE 18: 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 July 27, 2017, administration of the City of Pine Bluff Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of this plan was not changed.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

**NOTE 18: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan) (Continued)**

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 \$2,310,742 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$1,416,966 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 \$12,818,882.

NOTE 19: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was \$7,664 for the year ended June 30, 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 June 30, 2021 (actuarial valuation date and measurement date) was \$19,261.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 20: City Non-Uniformed Retirement

Plan Description

The City Retirement Plan for the City of Pine Bluff is a single-employer defined pension plan that covers all non-uniformed full-time employees of the City. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions and contribution requirements may be amended by the City of Pine Bluff Retirement Board and the Pine Bluff City Council.

Funding Policy/Contributions

Funding is provided by contributions of 3% by the employee and 7% by the City of the employee's total annual compensation. The City's contribution to the plan was \$578,783 for the year ended December 31, 2021. Based on the December 31, 2021 actuarial valuation, the plan has a net pension asset of \$4,718,429.

NOTE 21: 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 \$16,044,400 in federal aid from the American Rescue Plan Act of 2021, and as of report date, \$16,044,400 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain.

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

Schedule 1

	SPECIAL REVENUE FUNDS									
	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit	Science Center for Southeast Arkansas	American Rescue Plan Act
ASSETS										
Cash and cash equivalents	\$ 274,417	\$ 1,194	\$ 25,351	\$ 23,947	\$ 112,727	\$ 954,471	\$ 5,354	\$ 329,122	\$ 951,786	\$ 7,223,423
Investments										
Accounts receivable	75,104								4,519	
Interfund receivables	10,000			185			13,514			
TOTAL ASSETS	\$ 359,521	\$ 1,194	\$ 25,351	\$ 24,132	\$ 112,727	\$ 954,471	\$ 18,868	\$ 329,122	\$ 956,305	\$ 7,223,423
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 136,140					\$ 98,601	\$ 188	\$ 27,196	\$ 15,499	
Interfund payables	86,484		\$ 41,709	\$ 14,632		1,164,681	185	53,541	1,712	
Settlements pending										
Total Liabilities	222,624		41,709	14,632		1,263,282	373	80,737	17,211	
Fund Balances:										
Nonspendable										
Restricted	136,897	\$ 1,194		9,500	\$ 112,727		18,495	248,385		\$ 7,223,423
Committed									295,126	
Assigned									643,968	
Unassigned			(16,358)			(308,811)				
Total Fund Balances	136,897	1,194	(16,358)	9,500	112,727	(308,811)	18,495	248,385	939,094	7,223,423
TOTAL LIABILITIES AND FUND BALANCES	\$ 359,521	\$ 1,194	\$ 25,351	\$ 24,132	\$ 112,727	\$ 954,471	\$ 18,868	\$ 329,122	\$ 956,305	\$ 7,223,423

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

Schedule 1

	CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS			PERMANENT FUND
	Capital Projects	Sales & Use Tax Capital Improvement Series 2012	Sales & Use Tax Capital Improvement Series 2016	Capital Improvement Series 2016	Library Construction Series 2017	Sales & Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bonds 2017	Cemetery Trust
ASSETS									
Cash and cash equivalents	\$ 22,451	\$ 234,162	\$ 307,120	\$ 81,870	\$ 1,007,464	\$ 485,875	\$ 300,576	\$ 1,156,376	\$ 408,715
Investments									118,810
Accounts receivable						415,181	289,529	51,328	
Interfund receivables									
TOTAL ASSETS	<u>\$ 22,451</u>	<u>\$ 234,162</u>	<u>\$ 307,120</u>	<u>\$ 81,870</u>	<u>\$ 1,007,464</u>	<u>\$ 901,056</u>	<u>\$ 590,105</u>	<u>\$ 1,207,704</u>	<u>\$ 527,525</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									
Interfund payables									
Settlements pending									
Total Liabilities									
Fund Balances:									
Nonspendable									\$ 527,525
Restricted	\$ 3,813	\$ 234,162	\$ 307,120		\$ 1,007,464	\$ 901,056	\$ 590,105	\$ 1,207,704	
Committed				\$ 81,870					
Assigned	18,638								
Unassigned									
Total Fund Balances	<u>22,451</u>	<u>234,162</u>	<u>307,120</u>	<u>81,870</u>	<u>1,007,464</u>	<u>901,056</u>	<u>590,105</u>	<u>1,207,704</u>	<u>527,525</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,451</u>	<u>\$ 234,162</u>	<u>\$ 307,120</u>	<u>\$ 81,870</u>	<u>\$ 1,007,464</u>	<u>\$ 901,056</u>	<u>\$ 590,105</u>	<u>\$ 1,207,704</u>	<u>\$ 527,525</u>

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

Schedule 1

	PENSION TRUST FUND	CUSTODIAL FUNDS			
	City Retirement	Payroll	Health Insurance Premium	District Court (Division II)	Totals
ASSETS					
Cash and cash equivalents	\$ 3,116,001	\$ 13,630	\$ 197,911	\$ 42,598	\$ 17,276,541
Investments	31,695,129				31,813,939
Accounts receivable	66,750				902,411
Interfund receivables					23,699
TOTAL ASSETS	<u>\$ 34,877,880</u>	<u>\$ 13,630</u>	<u>\$ 197,911</u>	<u>\$ 42,598</u>	<u>\$ 50,016,590</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					\$ 277,624
Interfund payables					1,362,944
Settlements pending		\$ 13,630	\$ 197,911	\$ 42,598	254,139
Total Liabilities		<u>13,630</u>	<u>197,911</u>	<u>42,598</u>	<u>1,894,707</u>
Fund Balances:					
Nonspendable					527,525
Restricted	\$ 34,877,880				46,879,925
Committed					376,996
Assigned					662,606
Unassigned					(325,169)
Total Fund Balances	<u>34,877,880</u>				<u>48,121,883</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,877,880</u>	<u>\$ 13,630</u>	<u>\$ 197,911</u>	<u>\$ 42,598</u>	<u>\$ 50,016,590</u>

CITY OF PINE BLUFF, 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							
	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit
REVENUES								
State aid	\$ 29,806					\$ 756,302		\$ 115,810
Federal aid	879,927				\$ 51,735	1,444,055		736,448
Property taxes								
Franchise fees								
Sales taxes								
Fines, forfeitures, and costs			\$ 62,306	\$ 16,655			\$ 44,554	
Interest			806	8	522		155	1,150
Local permits and fees								
Transit fees								34,780
Donations								
Employer contributions								
Employee contributions								
Home program revenue	114,823							
Points of light grant						250,000		
Net increase/(decrease) in fair value of investments								
Other	74,111					52,250		5,046
TOTAL REVENUES	1,098,667		63,112	16,663	52,257	2,502,607	44,709	893,234
EXPENDITURES								
Current:								
General government	903,012					341,783		
Law enforcement			81,000	32,451	11,398	54,690		
Highways and streets						1,093,990		
Public safety						4,498		
Recreation and culture						358,194		
Social services								
Public transit								1,180,158
Total Current	903,012		81,000	32,451	11,398	1,853,155		1,180,158
Debt Service:								
Bond principal								
Bond interest and other charges								
Note principal							37,146	
Note interest							4,132	
TOTAL EXPENDITURES	903,012		81,000	32,451	11,398	1,853,155	41,278	1,180,158
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	195,655		(17,888)	(15,788)	40,859	649,452	3,431	(286,924)
OTHER FINANCING SOURCES (USES)								
Transfers in	170,394							399,541
Transfers out								
Bond proceeds								
Payment to refunding bond escrow agents								
TOTAL OTHER FINANCING SOURCES (USES)	170,394							399,541
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)								
EXPENDITURES AND OTHER USES	366,049		(17,888)	(15,788)	40,859	649,452	3,431	112,617
FUND BALANCES - JANUARY 1	(229,152)	\$ 1,194	1,530	25,288	71,868	(958,263)	15,064	135,768
FUND BALANCES - DECEMBER 31	\$ 136,897	\$ 1,194	\$ (16,358)	\$ 9,500	\$ 112,727	\$ (308,811)	\$ 18,495	\$ 248,385

CITY OF PINE BLUFF, 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		CAPITAL PROJECTS FUNDS				
	Science Center for Southeast Arkansas	American Rescue Plan Act	Capital Projects	Sales & Use Tax Capital Improvement Series 2012	Sales & Use Tax Capital Improvement Series 2016	Capital Improvement Series 2016	Library Construction Series 2017
REVENUES							
State aid	\$ 137,102						
Federal aid		\$ 8,022,200					
Property taxes							
Franchise fees							
Sales taxes							
Fines, forfeitures, and costs							
Interest	190	27,811	\$ 2,752	\$ 18	\$ 42	\$ 12	\$ 86
Local permits and fees	100,495						
Transit fees							
Donations	421,567						
Employer contributions							
Employee contributions							
Home program revenue							
Points of light grant							
Net increase/(decrease) in fair value of investments							
Other	220,777						
TOTAL REVENUES	880,131	8,050,011	2,752	18	42	12	86
EXPENDITURES							
Current:							
General government		25,301		6,251	408,546		
Law enforcement		482,634				92,784	
Highways and streets							
Public safety		318,653					
Recreation and culture	792,484					17,500	269,214
Social services							
Public transit							
Total Current	792,484	826,588		6,251	408,546	110,284	269,214
Debt Service:							
Bond principal							
Bond interest and other charges							
Note principal							
Note interest							
TOTAL EXPENDITURES	792,484	826,588		6,251	408,546	110,284	269,214
EXCESS OF REVENUES OVER (UNDER)							
EXPENDITURES	87,647	7,223,423	2,752	(6,233)	(408,504)	(110,272)	(269,128)
OTHER FINANCING SOURCES (USES)							
Transfers in	69,000						35
Transfers out							
Bond proceeds							
Payment to refunding bond escrow agents							
TOTAL OTHER FINANCING SOURCES (USES)	69,000						35
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER USES	156,647	7,223,423	2,752	(6,233)	(408,504)	(110,272)	(269,093)
FUND BALANCES - JANUARY 1	782,447		19,699	240,395	715,624	192,142	1,276,557
FUND BALANCES - DECEMBER 31	\$ 939,094	\$ 7,223,423	\$ 22,451	\$ 234,162	\$ 307,120	\$ 81,870	\$ 1,007,464

CITY OF PINE BLUFF, 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

	DEBT SERVICE FUNDS			PERMANENT FUND	PENSION TRUST FUND	
	Sales & Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bonds 2017	Cemetery Trust	City Retirement	Totals
REVENUES						
State aid						\$ 1,039,020
Federal aid						11,134,365
Property taxes			\$ 1,141,988			1,141,988
Franchise fees		\$ 3,047,956				3,047,956
Sales taxes	\$ 5,041,211					5,041,211
Fines, forfeitures, and costs						123,515
Interest	3,170	29	51	\$ 10,086	\$ 755,133	802,021
Local permits and fees						100,495
Transit fees						34,780
Donations						421,567
Employer contributions					578,783	578,783
Employee contributions					370,894	370,894
Home program revenue						114,823
Points of light grant						250,000
Net increase/(decrease) in fair value of investments				(1,192)	2,582,408	2,581,216
Other					11,977	364,161
TOTAL REVENUES	5,044,381	3,047,985	1,142,039	8,894	4,299,195	27,146,795
EXPENDITURES						
Current:						
General government		20,738			2,292,244	3,997,875
Law enforcement						662,173
Highways and streets		20,737				1,207,511
Public safety		20,737				343,888
Recreation and culture		20,737				1,458,129
Social services				2,438		2,438
Public transit						1,180,158
Total Current		82,949		2,438	2,292,244	8,852,172
Debt Service:						
Bond principal	855,000	429,378	875,000			2,159,378
Bond interest and other charges	472,855	223,740	349,086			1,045,681
Note principal						37,146
Note interest						4,132
TOTAL EXPENDITURES	1,327,855	736,067	1,224,086	2,438	2,292,244	12,098,509
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,716,526	2,311,918	(82,047)	6,456	2,006,951	15,048,286
OTHER FINANCING SOURCES (USES)						
Transfers in						638,970
Transfers out	(3,719,576)	(2,353,246)	(35)			(6,072,857)
Bond proceeds		3,585,000				3,585,000
Payment to refunding bond escrow agents		(3,594,036)				(3,594,036)
TOTAL OTHER FINANCING SOURCES (USES)	(3,719,576)	(2,362,282)	(35)			(5,442,923)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,050)	(50,364)	(82,082)	6,456	2,006,951	9,605,363
FUND BALANCES - JANUARY 1	904,106	640,469	1,289,786	521,069	32,870,929	38,516,520
FUND BALANCES - DECEMBER 31	\$ 901,056	\$ 590,105	\$ 1,207,704	\$ 527,525	\$ 34,877,880	\$ 48,121,883

CITY OF PINE BLUFF, 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>
Community Development	Established to process grants for low-income housing construction and rehabilitation.
Historic District Commission	Ark. Code Ann. § 14-172-206 and Pine Bluff Ordinance no. 6133 (March 21, 2005) established fund to process grants to support the historic significance of the buildings, structures, features, sites, and surroundings of the City.
Jail Fee	Ark. Code Ann. § 16-17-129 and Pine Bluff Ordinance no. 6286 (June 15, 2009) allows a county to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Administration of Justice (AOJ)	Ark. Code Ann. § 16-17-126 authorizes district court fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Vice Intelligence Narcotics (VIN)	Established to process the Department of Justice and the Department of the Treasury's Federal Equitable sharing grants for law enforcement purposes.
Grants	Established to process various state and federal grants.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
Transit	Established to process revenues and expenditures of the City Transit Department including grants issued under the United States Department of Transportation Urban Mass Transportation Act of 1964.
Arts & Science Center for Southeast Arkansas	Pine Bluff Ordinance no. 4139 (May 5, 1969) established fund to provide recreational services and promote cultural growth to the residents of the City.
American Rescue Plan Act	Established to receive and disburse Coronavirus State and Local Fiscal Recovery Funds (SLFR), a part of the American Rescue Plan Act (ARPA) of 2021, to support response to and recovery from the COVID-19 public health emergency.
Capital Projects	Pine Bluff Ordinance no. 6615 (October 15, 2018) authorized the issuance of a promissory note for the construction and installation of improvements to the city's aquatic center. Established to account for the disbursements of the debt proceeds for the aquatic center construction.

CITY OF PINE BLUFF, 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>
Sales & Use Tax Capital Improvement Series 2012	Pine Bluff Ordinance no. 6400 (July 16, 2012) authorized the issuance of sales and use tax improvement bonds as approved by referendum on February 8, 2011. Trustee established fund to account for the disbursement of debt proceeds for capital improvements.
Sales & Use Tax Capital Improvement Series 2016	Pine Bluff Ordinance no. 6545 (July 18, 2016) authorized the issuance of sales and use tax improvement bonds as approved by referendum on February 8, 2011. Trustee established fund to account for the disbursement of debt proceeds for capital improvements.
Capital Improvement Series 2016	Pine Bluff Ordinance no. 6547 (August 15, 2016) authorized the issuance of franchise fee revenue refunding and improvement bonds. Trustee established fund to account for the disbursement of debt proceeds for capital improvements.
Library Construction Series 2017	Pine Bluff Ordinance nos. 6549 (August 26, 2016) and 6566 (April 3, 2017) authorized the issuance of library property tax revenue construction bonds. Established to account for the disbursement of debt proceeds for library construction.
Sales & Use Tax Bonds	Pine Bluff Ordinance nos. 6545 (July 18, 2016), 6576 (June 19, 2017), and 6582 (October 16, 2017), authorized the issuance of sales and use tax bonds. Established to account for the accumulation of resources to retire bonded debt secured by a pledge of future sales and use taxes.
Franchise Fee Bonds	Pine Bluff Ordinance nos. 6481 (March 17, 2014), 6547 (August 15, 2016), and 6634 (August 5, 2019) authorized the issuance of franchise fee revenue bonds. Established to account for the accumulation of resources to retire the debt.
Library Property Tax Bonds 2017	Pine Bluff Ordinance nos. 6549 (August 26, 2016) and 6566 (April 3, 2017) authorized the issuance of library property tax revenue construction bonds. Established to account for the accumulation of resources to retire the debt.
Cemetery Trust	Ark. Code Ann. §§ 20-17-1013 - 1016 established fund to invest 20% of revenue generated from plot sales to provide permanent maintenance of the City's cemetery.
City Retirement	Pine Bluff City Code § 19-36 (1993) established fund to process the self-supported retirement plan for nonuniformed employees.
Payroll	Established to process the payroll of all employees.
Health Insurance Premium	Established to process insurance premiums withheld from employees' earnings and forwarded to the insurance provider.
District Court (Division II)	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the district court.

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

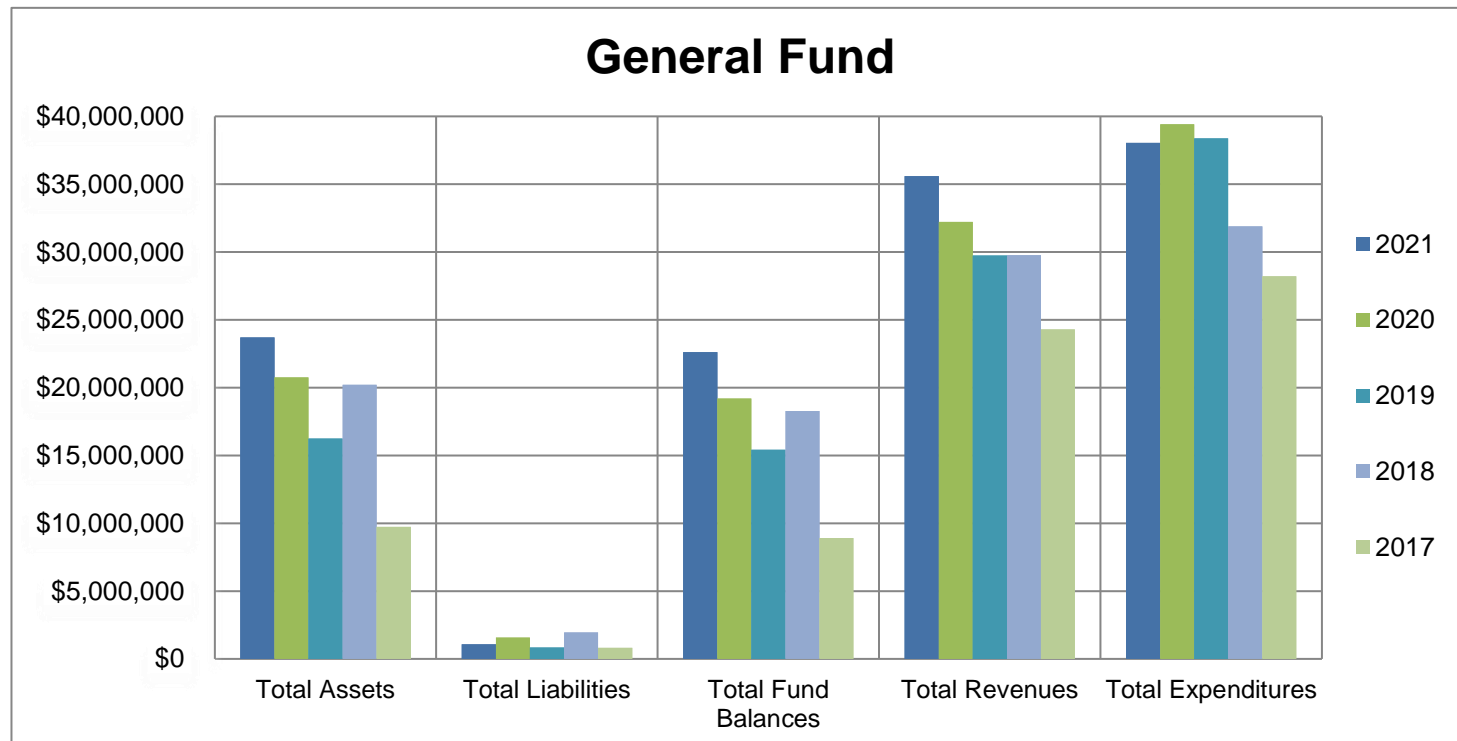
Schedule 3

	December 31, 2021
	<hr/>
Land	\$ 684,625
Buildings	49,356,002
Infrastructure	20,730,807
Improvements	13,508,626
Heavy Equipment	12,249,656
Vehicles	6,592,418
Equipment	<hr/> 4,965,338
	<hr/>
Total	<u><u>\$ 108,087,472</u></u>

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

Schedule 4-1

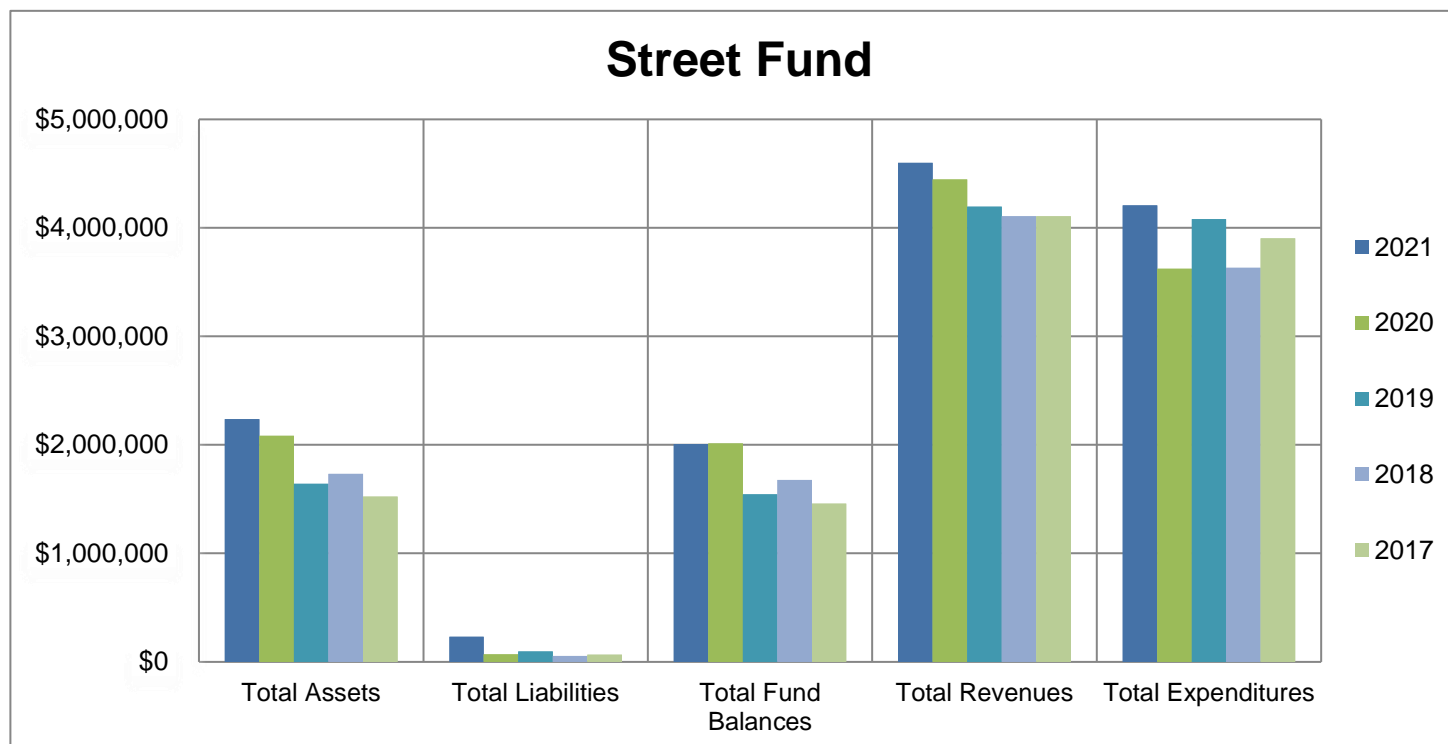
<u>General</u>	2021	2020	2019	2018	2017
Total Assets	\$ 23,709,970	\$ 20,752,208	\$ 16,246,420	\$ 20,210,634	\$ 9,730,755
Total Liabilities	1,085,742	1,564,051	834,417	1,940,423	821,746
Total Fund Balances	22,624,228	19,188,157	15,412,003	18,270,211	8,909,009
Total Revenues	35,585,798	32,218,877	29,741,069	29,768,977	24,291,134
Total Expenditures	38,057,076	39,424,079	38,384,222	31,894,454	28,201,035
Total Other Financing Sources/Uses	5,918,114	10,981,356	5,784,945	11,510,738	5,587,842



CITY OF PINE BLUFF, 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	\$ 2,238,013	\$ 2,083,116	\$ 1,639,937	\$ 1,731,753	\$ 1,524,807
Total Liabilities	231,652	70,344	96,042	55,747	65,046
Total Fund Balances	2,006,361	2,012,772	1,543,895	1,676,006	1,459,761
Total Revenues	4,600,213	4,447,228	4,196,269	4,105,925	4,105,976
Total Expenditures	4,207,083	3,623,177	4,079,547	3,633,452	3,903,652
Total Other Financing Sources/Uses	(399,541)	(355,174)	(248,833)	(256,228)	(245,514)



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

Schedule 4-3

Other Funds in the Aggregate	2021	2020	2019	2018	2017
Total Assets	\$ 50,016,590	\$ 40,928,710	\$ 47,506,713	\$ 53,313,589	\$ 57,320,316
Total Liabilities	1,894,707	2,198,642	3,340,729	1,195,815	1,051,979
Total Fund Balances	48,121,883	38,730,068	44,165,984	52,117,774	56,268,337
Total Revenues	27,146,795	17,574,617	16,529,149	11,943,560	16,823,043
Total Expenditures	12,098,509	17,770,380	20,020,549	15,595,980	12,123,841
Total Other Financing Sources/Uses	(5,442,923)	(5,240,153)	(4,460,390)	(522,202)	(6,380,982)

