

City of Pine Bluff, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

December 31, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



CITY OF PINE BLUFF, ARKANSAS
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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, 2023; the related Statements of Revenues, Expenditures, and Changes in Fund Balances – Regulatory Basis and Statement of Revenues, Expenditures, and Change in Fund Balance – 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, 2023; the regulatory basis revenues, expenditures, and changes in fund balance; 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, 2023, or the revenues, expenditures, and changes in fund balance 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 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 other 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 as a whole. 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 12, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 12, 2024
LOM107623

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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, 2023, 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 12, 2024. 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

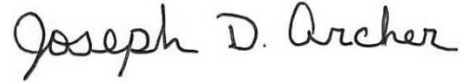
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 12, 2024.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Joseph D. Archer". The signature is written in a cursive style with a large initial "J".

Joseph D. Archer, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 12, 2024

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
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Kevin William White, CPA, JD
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 2023:

Mayor: Shirley Washington
City Clerk: Janice Roberts
Finance Director: Gina Devers (Appointed June 5, 2023)
Yaminah Roberts (Resigned June 2, 2023)
Treasurer: Greg Gustek
District Court Clerk: Veronica Young
Urban Renewal Director: Chandra Griffin
Police Chief: Denise Richardson
Parks and Recreation Director: Trudy Redus (Appointed Interim February 13, 2023)
Samuel Glover (Resigned February 10, 2023)

No issues came to our attention that we considered necessary to report to management.

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 that reads "Joseph D. Archer".

Joseph D. Archer, CPA,
Deputy Legislative Auditor

Little Rock, Arkansas
September 12, 2024

CITY OF PINE BLUFF, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2023

Exhibit A

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
ASSETS			
Cash and cash equivalents	\$ 33,191,339	\$ 1,345,143	\$ 17,834,116
Investments			27,298,742
Accounts receivable	2,853,597	46,103	1,574,308
Interfund receivables	<u>1,166,323</u>		
TOTAL ASSETS	<u><u>\$ 37,211,259</u></u>	<u><u>\$ 1,391,246</u></u>	<u><u>\$ 46,707,166</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,693,959	\$ 67,474	\$ 389,400
Interfund payables		18,972	1,147,351
Settlements pending			566,532
Total Liabilities	<u>2,693,959</u>	<u>86,446</u>	<u>2,103,283</u>
Fund Balances:			
Nonspendable			533,588
Restricted	651,759	954,800	43,430,319
Committed			10,607
Assigned	5,996,170	350,000	661,044
Unassigned	<u>27,869,371</u>		<u>(31,675)</u>
Total Fund Balances	<u>34,517,300</u>	<u>1,304,800</u>	<u>44,603,883</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 37,211,259</u></u>	<u><u>\$ 1,391,246</u></u>	<u><u>\$ 46,707,166</u></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, 2023

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	\$ 2,221,238	\$ 3,479,961	\$ 598,233
Federal aid			3,100,725
Property taxes	3,779,271	654,704	1,288,480
Franchise fees	104,273		3,237,346
Sales taxes	21,468,017		5,425,819
Fines, forfeitures, and costs	592,043		125,886
Investment income	414,189	13,044	1,185,597
Local permits and fees	1,318,941		122,719
Sanitation fees	2,707,524		
Casino gaming tax	4,906,827		
Parks and recreation fees	467,577		
Transit fees			42,976
Donations	2,985		410,761
Employer contributions			755,746
Employee contributions			345,952
Net increase/(decrease) in fair value of investments			1,902,237
Other	122,641	112,632	320,603
	<u>38,105,526</u>	<u>4,260,341</u>	<u>18,863,080</u>
TOTAL REVENUES			
EXPENDITURES			
Current:			
General government	10,934,359		3,407,405
Law enforcement	10,578,892		577,769
Highways and streets	9,554	4,509,252	
Public safety	9,186,523		49,466
Sanitation	2,945,710		
Health	55,000		
Recreation and culture	4,506,221		1,744,557
Social services	260,269		4,421
Economic development	5,731,104		
Public transit			1,457,014
Airport	169,788		
Total Current	<u>44,377,420</u>	<u>4,509,252</u>	<u>7,240,632</u>
Debt Service:			
Bond principal			2,102,448
Bond interest and other charges			901,410
Financed purchase principal	1,986,132		41,949
Financed purchase interest	68,944		1,489
	<u>46,432,496</u>	<u>4,509,252</u>	<u>10,287,928</u>
TOTAL EXPENDITURES			

CITY OF PINE BLUFF, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Exhibit B

	<u>General</u>	<u>Street</u>	<u>Other Funds in the Aggregate</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (8,326,970)	\$ (248,911)	\$ 8,575,152
OTHER FINANCING SOURCES (USES)			
Transfers in	6,871,983	350,000	1,103,884
Transfers out	(1,223,684)	(200,000)	(6,902,183)
Contribution from civic auditorium complex commission	136,107		
Auction sales proceeds	124,649		
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,909,055</u>	<u>150,000</u>	<u>(5,798,299)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,417,915)	(98,911)	2,776,853
FUND BALANCES - JANUARY 1	<u>36,935,215</u>	<u>1,403,711</u>	<u>41,827,030</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 34,517,300</u></u>	<u><u>\$ 1,304,800</u></u>	<u><u>\$ 44,603,883</u></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, 2023

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 2,076,762	\$ 2,221,238	\$ 144,476	\$ 3,432,000	\$ 3,479,961	\$ 47,961
Federal aid	420,861		(420,861)			
Property taxes	2,600,000	3,779,271	1,179,271	575,000	654,704	79,704
Franchise fees	2,881,000	104,273	(2,776,727)			
Sales taxes	18,927,550	21,468,017	2,540,467			
Fines, forfeitures, and costs	515,000	592,043	77,043			
Investment income	92,325	414,189	321,864	10,000	13,044	3,044
Local permits and fees	1,438,892	1,318,941	(119,951)			
Sanitation fees	3,267,570	2,707,524	(560,046)			
Casino gaming tax	3,900,000	4,906,827	1,006,827			
Parks and recreation fees	481,000	467,577	(13,423)			
Donations		2,985	2,985			
Other	203,631	122,641	(80,990)	111,000	112,632	1,632
TOTAL REVENUES	36,804,591	38,105,526	1,300,935	4,128,000	4,260,341	132,341
EXPENDITURES						
Current:						
General government	15,158,031	10,934,359	4,223,672			
Law enforcement	13,061,124	10,578,892	2,482,232			
Highways and streets	103,505	9,554	93,951	5,735,405	4,509,252	1,226,153
Public safety	9,970,866	9,186,523	784,343			
Sanitation	3,170,999	2,945,710	225,289			
Health	55,000	55,000	0			
Recreation and culture	4,902,692	4,506,221	396,471			
Social services	287,329	260,269	27,060			
Economic development	3,998,000	5,731,104	(1,733,104)			
Airport	176,672	169,788	6,884			
Total Current	50,884,218	44,377,420	6,506,798	5,735,405	4,509,252	1,226,153
Debt Service:						
Bond principal	1,900,000		1,900,000			
Financed purchase principal		1,986,132	(1,986,132)			
Financed purchase interest		68,944	(68,944)			
TOTAL EXPENDITURES	52,784,218	46,432,496	6,351,722	5,735,405	4,509,252	1,226,153

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, 2023

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (15,979,627)	\$ (8,326,970)	\$ 7,652,657	\$ (1,607,405)	\$ (248,911)	\$ 1,358,494
OTHER FINANCING SOURCES (USES)						
Transfers in	8,870,550	6,871,983	(1,998,567)	350,000	350,000	0
Transfers out	(14,263,770)	(1,223,684)	13,040,086		(200,000)	(200,000)
Contribution from civic auditorium complex commission	110,795	136,107	25,312			
Auction sales proceeds		124,649	124,649			
TOTAL OTHER FINANCING SOURCES (USES)	(5,282,425)	5,909,055	11,191,480	350,000	150,000	(200,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(21,262,052)	(2,417,915)	18,844,137	(1,257,405)	(98,911)	1,158,494
FUND BALANCES - JANUARY 1	36,935,215	36,935,215	0		1,403,711	1,403,711
FUND BALANCES - DECEMBER 31	\$ 15,673,163	\$ 34,517,300	\$ 18,844,137	\$ (1,257,405)	\$ 1,304,800	\$ 2,562,205

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

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2017 Sales Tax, Urban Renewal, Police Special Projects, and Community Enhancement.

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 fund(s) in the aggregate.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 as reported with other funds in the aggregate.

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

Custodial Funds - Custodial Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). See Schedule 1 for 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, 2023

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, 2023

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)	\$ 5,947,303	\$ 5,979,616
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	40,700,575	41,612,942
Uncollateralized	5,701,570	5,701,570
Total Deposits	\$ 52,349,448	\$ 53,294,128

The above total deposits do not include cash on hand of \$21,150.

Custodial 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, 2023, \$5,701,570 of the City’s bank balances were exposed to custodial risk. The balances exposed to custodial risk were deposited in money market accounts consisting of federated treasury obligations, which are not insured or collateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

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

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2023	
	Fair Value	
Pension Trust	\$	27,216,555
Permanent		82,187
Total	\$	<u>27,298,742</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, 2023	Quoted Prices in		Total
	Active Markets for Identical Level I	Other Observable Level II	
Mortgage-backed Bonds		\$ 2,576,168	\$ 2,576,168
Corporate Bonds		6,624,819	6,624,819
Stocks	\$ 4,144,012		4,144,012
Municipal Obligations		673,092	673,092
Mutual Funds	13,280,651		13,280,651
Totals	\$ 17,424,663	\$ 9,874,079	\$ 27,298,742

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 or 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, 2023

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2023, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid			\$ 596,564
Property taxes	\$ 223,919	\$ 39,449	59,914
Franchise fees			312,338
Sales taxes	1,815,868		460,829
Investment income			133,758
Sanitation fees	403,688		
Casino gaming tax	363,264		
Donations			6,591
Other	46,858	6,654	4,314
Totals	\$ 2,853,597	\$ 46,103	\$ 1,574,308

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2023, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	\$ 2,667,505	\$ 67,474	\$ 389,400
Retirement Payable	26,454		
Totals	\$ 2,693,959	\$ 67,474	\$ 389,400

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2023	
	Interfund Receivables	Interfund Payables
General Fund	\$ 1,166,323	
Street Fund		\$ 18,972
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development		446,875
Jail Fee		46,390
Administration of Justice (AOJ)		507
Grants		434,368
Transit		218,988
Arts & Science Center for Southeast Arkansas		223
Totals	\$ 1,166,323	\$ 1,166,323

Interfund receivables and payables consist of matching grants and reimbursements for expenditures paid by the General Fund. These balances are expected to be repaid when funds become available.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8: Federal Funds Program Compliance

The federal grants of the City for the years ended December 31, 2023, 2022, and 2021, 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 for the year ended December 31, 2021. 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, 2023, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances			
Nonspendable:			
Social services			\$ 533,588
Restricted for:			
General government	\$ 146,000		4,381,327
Law enforcement			227,359
Highways and streets		\$ 954,800	
Public transit			826,430
Pension benefits			34,402,251
Capital outlay			768,975
Debt service			2,823,977
Total Restricted	<u>651,759</u>	<u>954,800</u>	<u>43,430,319</u>
Committed for:			
Capital outlay			<u>10,607</u>
Assigned to:			
General government	5,964,285		
Law enforcement	31,885		
Highways and streets		350,000	
Recreation and culture			642,406
Capital outlay			18,638
Total Assigned	<u>5,996,170</u>	<u>350,000</u>	<u>661,044</u>
Unassigned	<u>27,869,371</u>		<u>(31,675)</u>
Totals	<u>\$ 34,517,300</u>	<u>\$ 1,304,800</u>	<u>\$ 44,603,883</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10: Deficit Fund Balances

The following fund has a deficit fund balance as of December 31, 2023:

	December 31, 2023
Other Funds in the Aggregate:	
Special Revenue Funds:	
Jail Fee	\$ (31,675)

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, 2023, the legal debt limit for the bonded debt was \$86,320,462. There were no property tax secured bond issues. As discussed in Note 14, the City approved an additional 3 mils 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, 2023, the legal debt limit for short-term financing obligations was \$23,602,008. The amount of short-term financing obligations was \$293,961, leaving a legal debt margin of \$23,308,047.

NOTE 12: Commitments

Total commitments consist of the following at December 31, 2023:

	December 31, 2023
Long-term liabilities	\$ 32,303,342
Lease	2,057,155
Construction contracts	6,312,443
Total Commitments	\$ 40,672,940

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2023, are comprised of the following:

	December 31, 2023
<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.	\$ 5,685,000
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.	8,790,000
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.	3,655,000
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.	3,305,000
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.	2,640,984
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.	3,430,000
Total Bonds	<u>27,505,984</u>
<u>Direct Borrowings</u>	
Financed purchase 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.	5,959
Financed purchase 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, 2022, with the final payment due January 6, 2026. Payments are to be made from the General Fund.	288,002
Total Direct Borrowings	<u>293,961</u>
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	4,503,397
Total Long-term liabilities	<u>\$ 32,303,342</u>

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

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Commitments (Continued)

The City's outstanding franchise fee revenue bonds series 2019 and 2021 payable of \$2,640,984 and \$3,430,000, 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 sales and use tax revenue bond series 2016, 2017, and 2017B payable of \$5,685,000, \$3,655,000, and \$3,305,000, 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 \$8,790,000 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 direct borrowings of \$5,959 with Relyance Bank contains 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 \$288,002 with Simmons Bank contains similar provisions; however, the acceleration is limited to amounts to become due during the City's then current fiscal period.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2023	Maturities to December 31, 2023
<u>Bonds</u>					
10/1/16	10/1/36	2-3.5%	\$ 6,805,000	\$ 5,685,000	\$ 1,120,000
5/9/17	2/1/46	2-3.625%	13,355,000	8,790,000	4,565,000
7/27/17	10/1/36	2-3.8%	6,450,000	3,655,000	2,795,000
11/28/17	10/1/36	2-3.75%	4,480,000	3,305,000	1,175,000
9/10/19	5/1/30	2.79%	3,828,800	2,640,984	1,187,816
12/28/21	5/1/46	2-2.625%	3,585,000	3,430,000	155,000
Total Bonds			<u>38,503,800</u>	<u>27,505,984</u>	<u>10,997,816</u>
<u>Direct Borrowings</u>					
8/1/19	8/1/24	3.50%	27,985	5,959	22,026
8/17/20	1/6/26	2.37%	469,984	288,002	181,982
Total Direct Borrowings			<u>497,969</u>	<u>293,961</u>	<u>204,008</u>
Total Long-Term Debt			<u>\$ 39,001,769</u>	<u>\$ 27,799,945</u>	<u>\$ 11,201,824</u>

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2023	Issued	Retired	Balance December 31, 2023
Bonds payable	\$ 29,608,432	\$ 0	\$ 2,102,448	\$ 27,505,984
<u>Direct Borrowings</u>				
Financed purchases	2,388,607	0	2,094,646 *	293,961
Total Long-Term Debt	<u>\$ 31,997,039</u>	<u>\$ 0</u>	<u>\$ 4,197,094</u>	<u>\$ 27,799,945</u>

* Includes principal reduction of \$66,565 for past direct borrowings.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2023:

Years Ending December 31,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,531,863	\$ 901,350	\$ 2,433,213	\$ 100,198	\$ 6,938	\$ 107,136
2025	1,576,540	864,501	2,441,041	96,472	4,592	101,064
2026	1,626,488	821,331	2,447,819	97,291	2,306	99,597
2027	1,526,713	776,433	2,303,146			
2028	1,572,223	732,067	2,304,290			
2029 through 2033	7,347,157	2,936,322	10,283,479			
2034 through 2038	6,160,000	1,768,838	7,928,838			
2039 through 2043	4,725,000	887,034	5,612,034			
2044 through 2046	1,440,000	141,616	1,581,616			
Totals	<u>\$ 27,505,984</u>	<u>\$ 9,829,492</u>	<u>\$ 37,335,476</u>	<u>\$ 293,961</u>	<u>\$ 13,836</u>	<u>\$ 307,797</u>

Lease

The City entered into a lease agreement for vehicles on May 23, 2022. Terms of the lease begin for each vehicle on the date the vehicle is delivered ranging from 36 to 60 months for various amounts. The City is obligated for the following amounts for the next five years:

Year	December 31, 2023
2024	\$ 585,462
2025	585,462
2026	536,397
2027	339,984
2028	9,850
Total	<u>\$ 2,057,155</u>

Lease expense for 2023, was \$473,233.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2023:

<u>Project Name</u>	<u>Completed or Estimated Completion</u>	<u>Contract Balance December 31, 2023</u>
Arkansas River Sewer Project	March 2025	\$ 219,380
Opportunity House	April 2024	166,799
Main Street/Downtown Streetscape Project	October 2024	161,179
6th Avenue Plaza	October 2024	3,564,671
Go-Kart & Mini-Golf	June 2025	1,041,399
Highway 63 Sewer Extension	March 2025	55,531
Pine Bluff Main Library Projects	August 2024	639,143
Pine Bluff Comprehensive Plan	November 2024	25,159
Harding Drainage Channelization Project	December 2024	51,380
Regional Park Electrical Replacement Project	April 2024	53,900
P.B. PED/Bike Infrastructure Improvement Project	September 2024	287,154
34th Street Bridge over Interceptor Project	March 2025	46,748
		<hr/>
Total Construction Contracts		<u>\$ 6,312,443</u>

NOTE 13: Interfund Transfers

The General Fund transferred \$350,000 to the Street Fund to supplement city projects. The General Fund also transferred \$873,684 to the Other Funds in the Aggregate for the following: \$133,237 to the Grants Fund to provide matching grant funds; \$149,863 to supplement the Arts and Science Center of Southeast Arkansas Fund; and \$590,584 to the Community Development Fund to supplement the Delta Rhythm and Bayous Cultural District Development effort. The Street Fund transferred \$200,000 to the Other Funds in the Aggregate, Transit Fund, for matching federal transportation funds. The Other Funds in the Aggregate transferred \$6,871,983 to the General Fund for the following: \$2,632,581 from the Franchise Fee Bonds Debt Service Fund for franchise fees collected in excess of debt service requirements, and \$4,239,402 from the Sales and Use Tax Bonds Debt Service Fund for sales tax collected in excess of debt service requirements. Within Other Funds in the Aggregate, the Library Property Tax Bonds 2017 Debt Service Fund transferred \$30,200 to the Library Construction Series 2017 Capital Projects Fund, in accordance with bond terms, for construction period interest.

NOTE 14: 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 \$2,640,984 and \$265,997, respectively, payable through May 1, 2030, for the 2019 series; and \$3,430,000 and \$946,863, respectively, payable through May 1, 2046, for the 2021 series. For the year ended December 31, 2023, principal and interest paid for each of the 2019 and 2021 series were \$337,448 and \$78,391; and \$125,000 and \$79,162, respectively.

The Debt Service Fund received \$3,237,346 in franchise fees in 2023. Any franchise fees collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures.

CITY OF PINE BLUFF, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 14: Pledged Revenues (Continued)

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 \$5,685,000 and \$2,569,276, respectively, for the 2016 issue, and \$6,960,000 and \$1,720,906, respectively, for the 2017 issues, payable through October 1, 2036, for both the 2016 issue and 2017 issues. For 2023, principal and interest paid were \$170,000 and \$186,545, respectively, for the 2016 issue and \$550,000 and \$243,250, respectively, for the 2017 issues.

The Debt Service Fund received \$5,425,819 in sales taxes in 2023. 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 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 \$8,790,000 and \$4,326,450, respectively, payable through February 1, 2046. For 2023, principal and interest paid were \$920,000 and \$295,413, respectively.

The Debt Service Fund received \$1,288,480 in property taxes in 2023. The proceeds of the tax levy cannot be used for any purpose other than payment of debt service on the bonds.

NOTE 15: 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	0.63%
City of Altheimer	0.57%
City of Wabbaseka	0.19%
City of Humphrey	0.21%
City of Sherrill	0.04%
Jefferson County	<u>25.35%</u>
Total	<u>100.00%</u>

The City paid MECA \$587,647 in 2023. 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 \$692,128 in 2023. Separate financial statements are available at 600 South Main Street, Pine Bluff, Arkansas 71601.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16: Risk Management

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

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

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

Municipal Vehicle Program

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

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

**NOTE 17: 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.

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 \$2,444,418 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$1,347,203 for the year ended December 31, 2023.

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, 2023, (actuarial valuation date and measurement date) was \$22,172,446.

NOTE 18: 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. Beginning July 1, 2022, the contribution rates shall be increased in increments of .25% per fiscal year, not to exceed 7%. The contributory rate was increased to 5.5% as of July 1, 2023. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan for the year ended June 30, 2023, (date of APERS Employer Allocation Report) was \$10,384.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 18: Arkansas Public Employees Retirement System (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2023, (actuarial valuation date and measurement date) was \$89,123.

NOTE 19: City Non-Uniformed Retirement

Plan Description

The City Retirement Plan for the City of Pine Bluff is a single employer defined 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 \$755,746 for the year ended December 31, 2023. Based on the December 31, 2023, actuarial valuation, the plan has a net pension liability of \$349,784.

CITY OF PINE BLUFF, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

SPECIAL REVENUE FUNDS

	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit
ASSETS								
Cash and cash equivalents	\$ 758,974	\$ 629	\$ 14,715	\$ 33,239	\$ 180,536	\$ 508,424	\$ 14,279	\$ 497,467
Investments								
Accounts receivable	39,082							561,796
TOTAL ASSETS	<u>\$ 798,056</u>	<u>\$ 629</u>	<u>\$ 14,715</u>	<u>\$ 33,239</u>	<u>\$ 180,536</u>	<u>\$ 508,424</u>	<u>\$ 14,279</u>	<u>\$ 1,059,263</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 24,866					\$ 14,648	\$ 188	\$ 13,845
Interfund payables	446,875		\$ 46,390	\$ 507		434,368		218,988
Settlements pending								
Total Liabilities	<u>471,741</u>		<u>46,390</u>	<u>507</u>		<u>449,016</u>	<u>188</u>	<u>232,833</u>
Fund Balances:								
Nonspendable								
Restricted	326,315	\$ 629		32,732	\$ 180,536	59,408	14,091	826,430
Committed								
Assigned								
Unassigned			(31,675)					
Total Fund Balances	<u>326,315</u>	<u>629</u>	<u>(31,675)</u>	<u>32,732</u>	<u>180,536</u>	<u>59,408</u>	<u>14,091</u>	<u>826,430</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 798,056</u>	<u>\$ 629</u>	<u>\$ 14,715</u>	<u>\$ 33,239</u>	<u>\$ 180,536</u>	<u>\$ 508,424</u>	<u>\$ 14,279</u>	<u>\$ 1,059,263</u>

CITY OF PINE BLUFF, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				
	Arts & 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
ASSETS							
Cash and cash equivalents	\$ 664,058	\$ 3,996,175	\$ 22,808	\$ 84	\$ 157,488	\$ 10,607	\$ 607,233
Investments							
Accounts receivable	6,591						
TOTAL ASSETS	<u>\$ 670,649</u>	<u>\$ 3,996,175</u>	<u>\$ 22,808</u>	<u>\$ 84</u>	<u>\$ 157,488</u>	<u>\$ 10,607</u>	<u>\$ 607,233</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 28,020	\$ 1,200					
Interfund payables	223						
Settlements pending							
Total Liabilities	<u>28,243</u>	<u>1,200</u>					
Fund Balances:							
Nonspendable							
Restricted		3,994,975	\$ 4,170	\$ 84	\$ 157,488		\$ 607,233
Committed						\$ 10,607	
Assigned	642,406		18,638				
Unassigned							
Total Fund Balances	<u>642,406</u>	<u>3,994,975</u>	<u>22,808</u>	<u>84</u>	<u>157,488</u>	<u>10,607</u>	<u>607,233</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 670,649</u>	<u>\$ 3,996,175</u>	<u>\$ 22,808</u>	<u>\$ 84</u>	<u>\$ 157,488</u>	<u>\$ 10,607</u>	<u>\$ 607,233</u>

CITY OF PINE BLUFF, ARKANSAS
 COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
 REGULATORY BASIS
 DECEMBER 31, 2023

Schedule 1

	DEBT SERVICE FUNDS			PERMANENT FUND	TRUST FUND	CUSTODIAL FUNDS			Totals
	Sales & Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bonds 2017	Cemetery Trust	City Retirement	Payroll	Health Insurance Premium	District Court (Division II)	
ASSETS									
Cash and cash equivalents	\$ 313,089	\$ 370,857	\$ 1,306,950	\$ 451,401	\$ 7,358,571	\$ 21,376	\$ 506,468	\$ 38,688	\$ 17,834,116
Investments				82,187	27,216,555				27,298,742
Accounts receivable	460,829	312,338	59,914		133,758				1,574,308
TOTAL ASSETS	\$ 773,918	\$ 683,195	\$ 1,366,864	\$ 533,588	\$ 34,708,884	\$ 21,376	\$ 506,468	\$ 38,688	\$ 46,707,166
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable					\$ 306,633				\$ 389,400
Interfund payables									1,147,351
Settlements pending						\$ 21,376	\$ 506,468	\$ 38,688	566,532
Total Liabilities					306,633	21,376	506,468	38,688	2,103,283
Fund Balances:									
Nonspendable				\$ 533,588					533,588
Restricted	\$ 773,918	\$ 683,195	\$ 1,366,864		34,402,251				43,430,319
Committed									10,607
Assigned									661,044
Unassigned									(31,675)
Total Fund Balances	773,918	683,195	1,366,864	533,588	34,402,251				44,603,883
TOTAL LIABILITIES AND FUND BALANCES	\$ 773,918	\$ 683,195	\$ 1,366,864	\$ 533,588	\$ 34,708,884	\$ 21,376	\$ 506,468	\$ 38,688	\$ 46,707,166

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, 2023

Schedule 2

	SPECIAL REVENUE FUNDS									
	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit	Arts & Science Center for Southeast Arkansas	American Rescue Plan Act
REVENUES										
State aid	\$ 7,304					\$ 466,465		\$ 106,120	\$ 18,344	
Federal aid	1,268,232				\$ 6,257	426,281		1,399,955		
Property taxes										
Franchise fees										
Sales taxes										
Fines, forfeitures, and costs			\$ 60,093	\$ 21,954			\$ 43,839			
Investment income			437	3	1,588		511	2,912	4	\$ 41,077
Local permits and fees									122,719	
Transit fees								42,976		
Donations									410,761	
Employer contributions										
Employee contributions										
Net increase/(decrease) in fair value of investments										
Other	65,791	\$ 50			29,925	32,618			189,633	
TOTAL REVENUES	1,341,327	50	60,530	21,957	37,770	925,364	44,350	1,551,963	741,461	41,077
EXPENDITURES										
Current:										
General government	1,646,620					310,313				96,412
Law enforcement			67,177	9,621	13,614	485,828	1,529			
Public safety						49,466				
Recreation and culture						90,793			1,153,062	
Social services										
Public transit								1,457,014		
Total Current	1,646,620		67,177	9,621	13,614	936,400	1,529	1,457,014	1,153,062	96,412
Debt Service:										
Bond principal										
Bond interest and other charges										
Financed purchase principal								41,949		
Financed purchase interest and other charges								1,489		
TOTAL EXPENDITURES	1,646,620		67,177	9,621	13,614	936,400	44,967	1,457,014	1,153,062	96,412
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(305,293)	50	(6,647)	12,336	24,156	(11,036)	(617)	94,949	(411,601)	(55,335)
OTHER FINANCING SOURCES (USES)										
Transfers in	590,584					133,237		200,000	149,863	
Transfers out										
TOTAL OTHER FINANCING SOURCES (USES)	590,584					133,237		200,000	149,863	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	285,291	50	(6,647)	12,336	24,156	122,201	(617)	294,949	(261,738)	(55,335)
FUND BALANCES - JANUARY 1	41,024	579	(25,028)	20,396	156,380	(62,793)	14,708	531,481	904,144	4,050,310
FUND BALANCES - DECEMBER 31	\$ 326,315	\$ 629	\$ (31,675)	\$ 32,732	\$ 180,536	\$ 59,408	\$ 14,091	\$ 826,430	\$ 642,406	\$ 3,994,975

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, 2023

Schedule 2

	CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS		
	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
REVENUES								
State aid								
Federal aid								
Property taxes								\$ 1,288,480
Franchise fees							\$ 3,237,346	
Sales taxes						\$ 5,425,819		
Fines, forfeitures, and costs								
Investment income	\$ 233	\$ 2,072	\$ 9,148	\$ 2,836	\$ 43,074	21,759	17,723	31,069
Local permits and fees								
Transit fees								
Donations								
Employer contributions								
Employee contributions								
Net increase/(decrease) in fair value of investments						(179,900)		
Other						2,519		
TOTAL REVENUES	233	2,072	9,148	2,836	43,074	5,270,197	3,255,069	1,319,549
EXPENDITURES								
Current:								
General government		75,004	73,848					
Law enforcement								
Public safety								
Recreation and culture				64,927	435,775			
Social services								
Public transit								
Total Current		75,004	73,848	64,927	435,775			
Debt Service:								
Bond principal						720,000	462,448	920,000
Bond interest and other charges						439,595	162,853	298,962
Financed purchase principal								
Financed purchase interest and other charges								
TOTAL EXPENDITURES		75,004	73,848	64,927	435,775	1,159,595	625,301	1,218,962
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	233	(72,932)	(64,700)	(62,091)	(392,701)	4,110,602	2,629,768	100,587
OTHER FINANCING SOURCES (USES)								
Transfers in					30,200			
Transfers out						(4,239,402)	(2,632,581)	(30,200)
TOTAL OTHER FINANCING SOURCES (USES)					30,200	(4,239,402)	(2,632,581)	(30,200)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	233	(72,932)	(64,700)	(62,091)	(362,501)	(128,800)	(2,813)	70,387
FUND BALANCES - JANUARY 1	22,575	73,016	222,188	72,698	969,734	902,718	686,008	1,296,477
FUND BALANCES - DECEMBER 31	<u>\$ 22,808</u>	<u>\$ 84</u>	<u>\$ 157,488</u>	<u>\$ 10,607</u>	<u>\$ 607,233</u>	<u>\$ 773,918</u>	<u>\$ 683,195</u>	<u>\$ 1,366,864</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, 2023

Schedule 2

	<u>PERMANENT FUND</u>		<u>TRUST FUND</u>	
	<u>Cemetery Trust</u>		<u>City Retirement</u>	<u>Totals</u>
REVENUES				
State aid				\$ 598,233
Federal aid				3,100,725
Property taxes				1,288,480
Franchise fees				3,237,346
Sales taxes				5,425,819
Fines, forfeitures, and costs				125,886
Investment income	\$ 11,836		\$ 999,315	1,185,597
Local permits and fees				122,719
Transit fees				42,976
Donations				410,761
Employer contributions			755,746	755,746
Employee contributions			345,952	345,952
Net increase/(decrease) in fair value of investments	2,865		2,079,272	1,902,237
Other			67	320,603
TOTAL REVENUES	14,701		4,180,352	18,863,080
EXPENDITURES				
Current:				
General government			1,205,208	3,407,405
Law enforcement				577,769
Public safety				49,466
Recreation and culture				1,744,557
Social services	4,421			4,421
Public transit				1,457,014
Total Current	4,421		1,205,208	7,240,632
Debt Service:				
Bond principal				2,102,448
Bond interest and other charges				901,410
Financed purchase principal				41,949
Financed purchase interest and other charges				1,489
TOTAL EXPENDITURES	4,421		1,205,208	10,287,928
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,280		2,975,144	8,575,152
OTHER FINANCING SOURCES (USES)				
Transfers in				1,103,884
Transfers out				(6,902,183)
TOTAL OTHER FINANCING SOURCES (USES)				(5,798,299)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,280		2,975,144	2,776,853
FUND BALANCES - JANUARY 1	523,308		31,427,107	41,827,030
FUND BALANCES - DECEMBER 31	\$ 533,588		\$ 34,402,251	\$ 44,603,883

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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 town or city to levy an additional fine, not to exceed \$20. Funds shall be used exclusively to defray the cost of incarcerating town or city prisoners; construction, maintenance, and operation of the town or city jail and payments to other entities for incarcerating town or city prisoners; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers.
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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
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.
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), 6634 (August 5, 2019), and 6728 (December 28, 2021) 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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2023

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

<u>Fund Name</u>	<u>Fund Description</u>
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, 2023
(Unaudited)

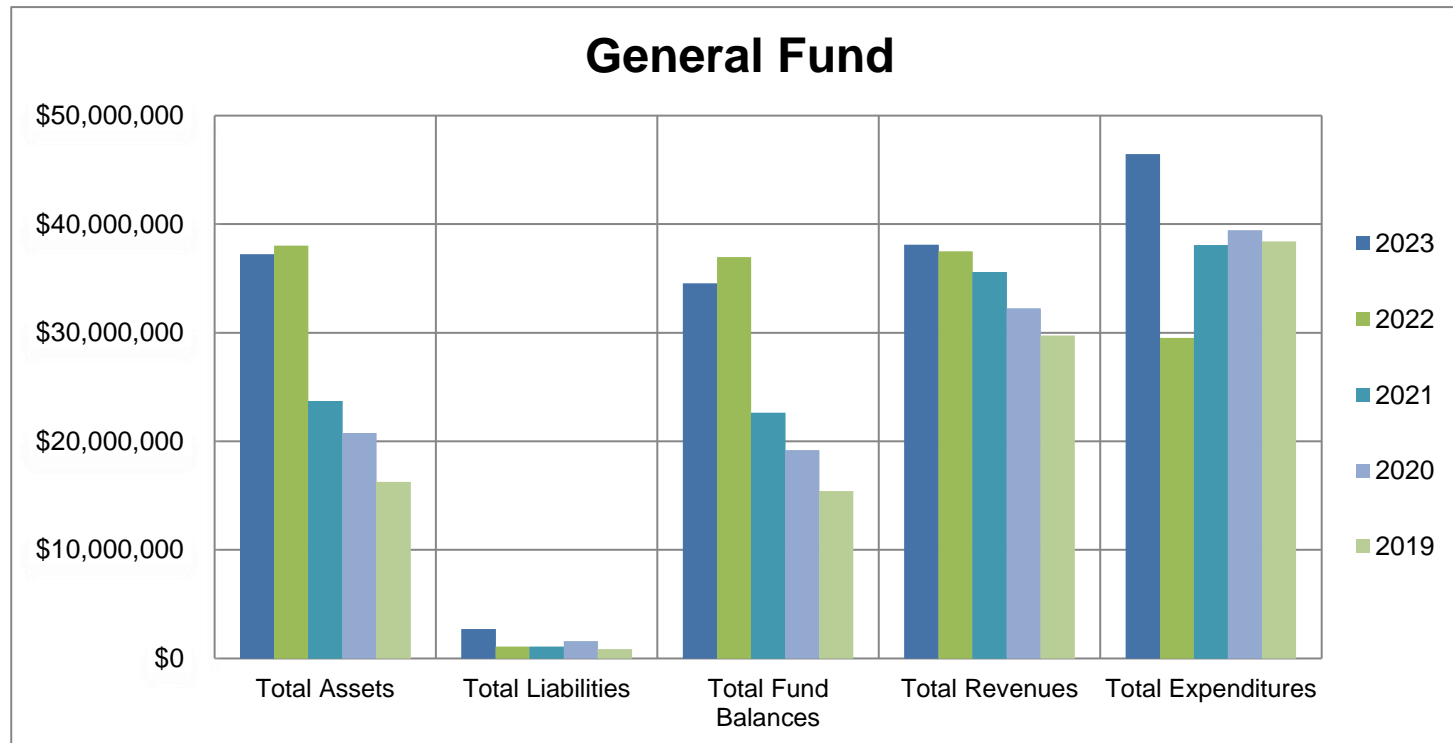
Schedule 3

	<u>December 31, 2023</u>
Land	\$ 1,109,904
Buildings	48,947,195
Infrastructure	21,094,551
Improvements	13,726,264
Vehicles	6,058,771
Heavy Equipment	12,920,438
Equipment	<u>5,687,550</u>
Total	<u>\$ 109,544,673</u>

CITY OF PINE BLUFF, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-1

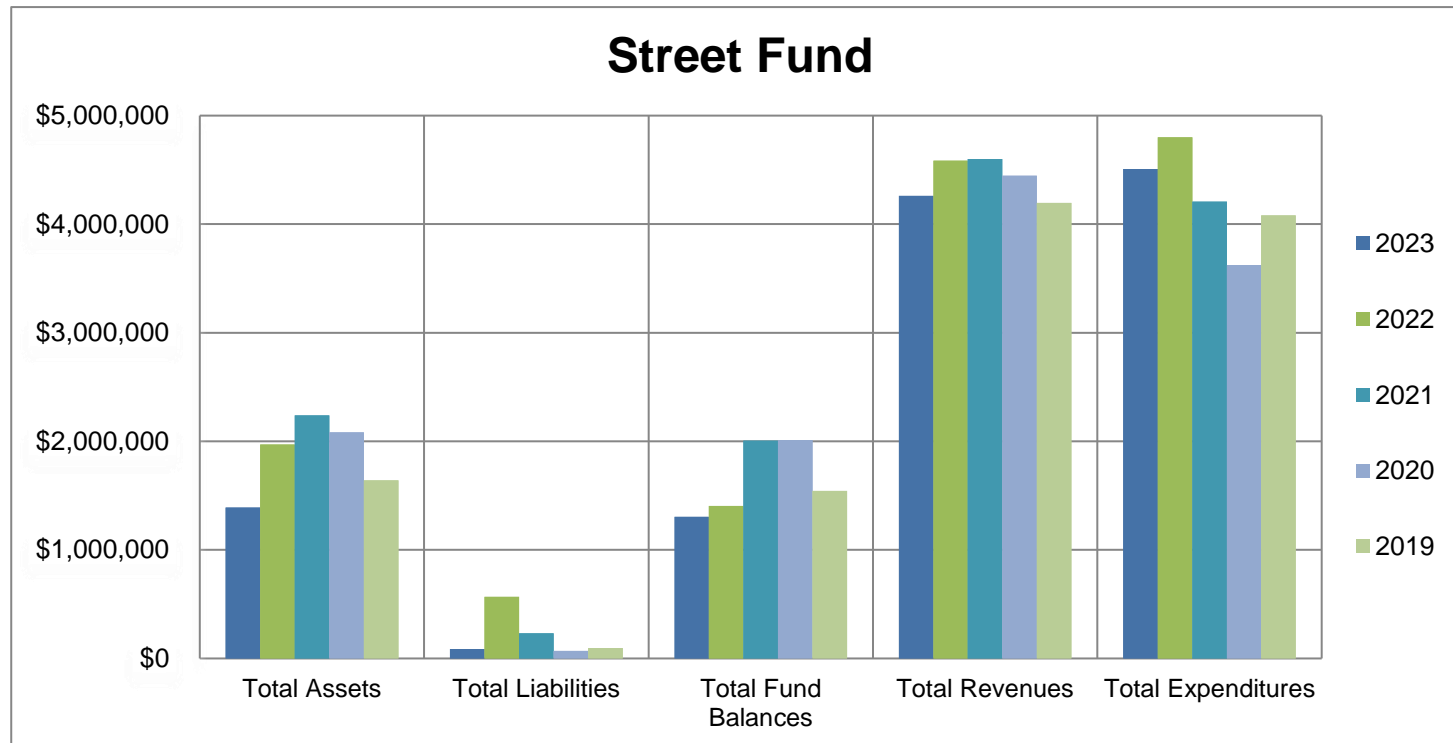
<u>General</u>	2023	2022	2021	2020	2019
Total Assets	\$ 37,211,259	\$ 38,014,744	\$ 23,709,970	\$ 20,752,208	\$ 16,246,420
Total Liabilities	2,693,959	1,079,529	1,085,742	1,564,051	834,417
Total Fund Balances	34,517,300	36,935,215	22,624,228	19,188,157	15,412,003
Total Revenues	38,105,526	37,487,848	35,585,798	32,218,877	29,741,069
Total Expenditures	46,432,496	29,520,666	38,057,076	39,424,079	38,384,222
Total Other Financing Sources/Uses	5,909,055	6,339,302	5,918,114	10,981,356	5,784,945



CITY OF PINE BLUFF, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-2

<u>Street</u>	2023	2022	2021	2020	2019
Total Assets	\$ 1,391,246	\$ 1,970,052	\$ 2,238,013	\$ 2,083,116	\$ 1,639,937
Total Liabilities	86,446	566,341	231,652	70,344	96,042
Total Fund Balances	1,304,800	1,403,711	2,006,361	2,012,772	1,543,895
Total Revenues	4,260,341	4,584,287	4,600,213	4,447,228	4,196,269
Total Expenditures	4,509,252	4,799,333	4,207,083	3,623,177	4,079,547
Total Other Financing Sources/Uses	150,000	(387,604)	(399,541)	(355,174)	(248,833)



CITY OF PINE BLUFF, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
 DECEMBER 31, 2023
 (Unaudited)

Schedule 4-3

<u>Other Funds in the Aggregate</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$ 46,707,166	\$ 43,752,316	\$ 50,016,590	\$ 40,928,710	\$ 47,506,713
Total Liabilities	2,103,283	1,920,455	1,894,707	2,198,642	3,340,729
Total Fund Balances	44,603,883	41,831,861	48,121,883	38,730,068	44,165,984
Total Revenues	18,863,080	20,156,740	27,146,795	17,574,617	16,529,149
Total Expenditures	10,287,928	20,634,785	12,098,509	17,770,380	20,020,549
Total Other Financing Sources/Uses	(5,798,299)	(5,840,377)	(5,442,923)	(5,240,153)	(4,460,390)

