City of Pine Bluff, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF PINE BLUFF, ARKANSAS

TABLE OF CONTENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

REGULATORY BASIS FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Pine Bluff, Arkansas, as of and for the year ended December 31, 2013, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility 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 Arkansas Code, as described in Note 1, to meet the requirements permitted by the State of Arkansas. 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Arkansas Code, 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.

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" paragraph, the 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 City of Pine Bluff, Arkansas, as of December 31, 2013, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

Basis for Adverse Opinion on Regulatory Basis of Accounting

The Wastewater Utility Commission, Civic Auditorium Complex Commission, Advertising and Tourist Promotion Commission, and Aviation Commission Funds have not been included in the City's regulatory basis financial statements. The regulatory basis as prescribed or permitted by Arkansas Code requires the Wastewater Utility Commission, Civic Auditorium Complex Commission, Advertising and Tourist Promotion Commission, and Aviation Commission Funds to be presented as part of the other funds in the aggregate, thus increasing the column's assets, liabilities, revenues, and expenditures. The amount by which this departure would affect the assets, liabilities, revenues, and expenditures of the other funds in the aggregate column is not reasonably determinable. The City's financial statements also do not disclose all the required information concerning deposit and investment risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, because of the omissions described in the "Basis for Adverse Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting, as described in Note 1, the financial position of the other funds in the aggregate of the City of Pine Bluff, Arkansas, as of December 31, 2013, and the regulatory basis revenues, expenditures, and changes in net position for the year then ended.

Basis for Qualified Opinions on Regulatory Basis of Accounting

The City's financial statements do not disclose all the required information concerning deposit risks. In our opinion, disclosure of this information is required by the regulatory basis of accounting described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the omission of the information described in the "Basis for Qualified Opinions on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the general fund and street fund of the City of Pine Bluff, Arkansas, as of December 31, 2013, and the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and street fund for the year then ended in accordance with the financial reporting provisions of the Arkansas Code described in Note 1.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the accompanying regulatory basis financial statements. The accompanying supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

Because of the omissions described above, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The other information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the state constitution, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That 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.

DIVISION OF LEGISLATIVE AUDIT

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

Little Rock, Arkansas
July 30, 2014
LOM107613

Arkansas

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

LEGISLATIVE JOINT AUDITING COMMITTEE
DIVISION OF LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, COMPLIANCE AND OTHER MATTERS,
AND OTHER ISSUES 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 accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the City of Pine Bluff, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated July 30, 2014. We issued an adverse opinion because the financial statements are prepared by the City on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effect 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 opinion on the other funds in the aggregate was adverse because of the effects on the financial statements of not including the Wastewater Utility Commission, Civic Auditorium Complex Commission, Advertising and Tourist Promotion Commission, and Aviation Commission Funds, which are material to other funds in the aggregate. Our opinions on the general fund and street fund were qualified because required disclosures were not made concerning deposit risks.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency to be a material weakness:

2013-1 To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, depositing, disbursing, and recording transactions should be distributed among appropriate employees. The City officials, as specified in the Other Issues section of this report, did not segregate these duties to sufficiently reduce the risks of fraud or error and properly safeguard the City's assets, because of limited financial resources. We recommend that the financial accounting duties in each office be segregated among employees to the extent possible.

The City officials, as specified in the Other Issues section of this report, responded and indicated that their offices will segregate the duties relating to initiating, receipting, depositing, disbursing, and recording transactions to the extent possible with the current staffing levels.

172 STATE CAPITOL • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE (501) 683-8600 • FAX (501) 683-8605
www.arklegaudit.gov

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 the state constitution, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.*

Entity's Response to Findings

The City's response to the finding identified in our audit is described above. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Other Issues

The following issues are not significant deficiencies, material weaknesses, or material instances of noncompliance, but are issues that are presented to assist in the efficient operation of the City.

The commentary contained in this section relates to the following officials that held office during 2013:

Mayor: Debe Hollingsworth
City Collector: Albert Ridgell (January 1, 2013 - October 21, 2013)
Sharon Johnson (Appointed October 21, 2013)
Finance Director: Steve Miller
City Clerk: Loretta Whitfield
District Court Clerk (Division 1): Debbie Drake
District Court Clerk (Division 2): Veronica Young
Police Chief: Jeff Hubanks

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

Our audit procedures indicated that the Offices of **City Collector**, **City Clerk, District Court Clerk (Division 1), District Court Clerk (Division 2),** and **Police Chief** were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the Offices of **Mayor** and **Finance Director**.

Mayor

1. Funds totaling $2,189 were improperly disbursed for nonbusiness travel reimbursements for a trip to the Fallen Firefighters Memorial in Edenburg, MD. A similar finding was issued in the prior audit report.

2. The City paid $16,913 to Class A Apparel Graphics, owned by a city employee, for monogrammed shirts without obtaining an authorizing ordinance, as required by Ark. Code Ann. § 14-42-107.

Finance Director

The City outsourced payroll to a private company. This agreement included the private company disbursing electronic fund transfers for salary payments directly to the employees' bank accounts, in noncompliance with Ark. Code Ann. § 14-59-115, which prohibits the governing body of a municipality from assigning duties relating to the collecting or disbursing of funds to anyone other than an employee of the municipality.

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 result 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.

DIVISION OF LEGISLATIVE AUDIT

June M. Barron

June M. Barron, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
July 30, 2014

Exhibit A

CITY OF PINE BLUFF, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 6,002,442	$ 329,423	$ 15,377,964
Investments			34,268,461
Accounts receivable	1,999,874	25,219	838,206
Interfund receivables	710,740		54,307
TOTAL ASSETS	$ 8,713,056	$ 354,642	$ 50,538,938
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 384,379		$ 187,550
Interfund payables	54,307	$ 264,909	445,831
Settlements pending	69,786		713,343
Total Liabilities	508,472	264,909	1,346,724
Fund Balances: (Note 10)			
Nonspendable			468,275
Restricted	157,709		47,152,394
Committed			1,409,045
Assigned	362,228	89,733	162,500
Unassigned	7,684,647		
Total Fund Balances	8,204,584	89,733	49,192,214
TOTAL LIABILITIES AND FUND BALANCES	$ 8,713,056	$ 354,642	$ 50,538,938

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, 2013

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 1,971,338	$ 2,517,219	$ 666,031
Federal aid	1,697,719		777,927
Property taxes	2,507,320	565,676	738,482
Franchise fees	2,829,732		470,926
Sales taxes	15,718,180	200,000	1,150,008
Fines, forfeitures, and costs	800,122		317,412
Interest	8,811	419	1,258,262
Local permits and fees	1,224,326		138,328
Sanitation fees	2,602,582		
Transit fees	59,259		
Parks and recreation fees	214,015		
Employer contribution			561,706
Employee contribution			244,908
Donations	35,000		201,316
Other	415,778	143,613	222,941
TOTAL REVENUES	30,084,182	3,426,927	6,748,247
EXPENDITURES			
Current:			
General government	4,362,814		4,563,749
Law enforcement	11,072,994		2,176,235
Highways and streets	84,832	3,816,361	186,339
Public safety	7,129,935		4,864,134
Sanitation	2,672,486		
Health	55,290		
Recreation and culture	1,934,652		720,143
Social services	195,272		4,476
Airport	139,353		
Transit	1,223,048		
Total Current	28,870,676	3,816,361	12,515,076
Debt Service:			
Bond principal			930,000
Bond interest and other charges			716,584
Lease principal	4,626		1,539
Lease interest	289		69
Note principal	208,309	50,191	
Note interest	8,305	4,881	
TOTAL EXPENDITURES	29,092,205	3,871,433	14,163,268

Exhibit B

CITY OF PINE BLUFF, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 991,977	$ (444,506)	$ (7,415,021)
OTHER FINANCING SOURCES (USES)			
Transfers in	89,205		86,577
Transfers out	(86,577)		(89,205)
Contribution from civic auditorium complex commission	160,125		
Loan proceeds	143,674		
Net gain/loss on sale of investments			2,837,818
Transfer to Arkansas Local Police and Fire Retirement System			(8,850,859)
TOTAL OTHER FINANCING SOURCES (USES)	306,427		(6,015,669)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,298,404	(444,506)	(13,430,690)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	7,232,867	707,939	62,448,576
Restatement adjustment	(326,687)	(173,700)	174,328
FUND BALANCES - JANUARY 1, AS RESTATED	6,906,180	534,239	62,622,904
FUND BALANCES - DECEMBER 31	$ 8,204,584	$ 89,733	$ 49,192,214

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, 2013

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 1,749,546	$ 1,971,338	$ 221,792	$ 2,265,000	$ 2,517,219	$ 252,219
Federal aid	2,274,420	1,697,719	(576,701)			
Property taxes	1,892,748	2,507,320	614,572	562,680	565,676	2,996
Franchise fees	3,247,441	2,829,732	(417,709)			
Sales taxes	17,129,202	15,718,180	(1,411,022)	252,777	200,000	(52,777)
Fines, forfeitures, and costs	899,753	800,122	(99,631)			
Interest	7,785	8,811	1,026	1,000	419	(581)
Local permits and fees	1,408,286	1,224,326	(183,960)			
Sanitation fees	2,732,037	2,602,582	(129,455)			
Transit fees	50,000	59,259	9,259			
Parks and recreation fees		214,015	214,015			
Donations		35,000	35,000			
Other	635,831	415,778	(220,053)	277,000	143,613	(133,387)
TOTAL REVENUES	32,027,049	30,084,182	(1,942,867)	3,358,457	3,426,927	68,470
EXPENDITURES						
Current:						
General government	5,245,091	4,362,814	882,277			
Law enforcement	11,935,331	11,072,994	862,337			
Highways and streets	155,729	84,832	70,897	4,143,467	3,816,361	327,106
Public safety	7,745,739	7,129,935	615,804			
Sanitation	2,942,448	2,672,486	269,962			
Health	55,290	55,290				
Recreation and culture	1,491,243	1,934,652	(443,409)			
Social services	225,001	195,272	29,729			
Airport	149,353	139,353	10,000			
Transit	1,526,314	1,223,048	303,266			
Total Current	31,471,539	28,870,676	2,600,863	4,143,467	3,816,361	327,106
Debt Service:						
Lease principal		4,626	(4,626)			
Lease interest		289	(289)			
Note principal	424,409	208,309	216,100		50,191	(50,191)
Note interest		8,305	(8,305)		4,881	(4,881)
TOTAL EXPENDITURES	31,895,948	29,092,205	2,803,743	4,143,467	3,871,433	272,034

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, 2013

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 131,101	$ 991,977	$ 860,876	$ (785,010)	$ (444,506)	$ 340,504
OTHER FINANCING SOURCES (USES)						
Transfers in	1,189,833	89,205	(1,100,628)	668,687		(668,687)
Transfers out	(1,709,734)	(86,577)	1,623,157			
Contribution from civic auditorium complex commission	324,541	160,125	(164,416)			
Loan proceeds	130,834	143,674	12,840			
TOTAL OTHER FINANCING SOURCES (USES)	(64,526)	306,427	370,953	668,687		(668,687)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	66,575	1,298,404	1,231,829	(116,323)	(444,506)	(328,183)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED		7,232,867	7,232,867		707,939	707,939
Restatement adjustment		(326,687)	(326,687)		(173,700)	(173,700)
FUND BALANCES - JANUARY 1, AS RESTATED		6,906,180	6,906,180		534,239	534,239
FUND BALANCES - DECEMBER 31	$ 66,575	$ 8,204,584	$ 8,138,009	$ (116,323)	$ 89,733	$ 206,056

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

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. The following funds of the City are not presented in this report: Wastewater Utility Commission, Civic Auditorium Complex Commission, Advertising and Tourist Promotion Commission, and Aviation Commission.

B. Basis of Presentation – Regulatory

The financial statements are presented in accordance with the regulatory basis of presentation as prescribed or permitted by Arkansas Code. 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.

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, Transit, Sewer Improvement District Loan, Capital Projects, Public Safety Facility Building, Grants, Drainage Grant, Parks and Recreation Commission, Police Department Special Projects, Police Athletic League, and Summer Academic and Cultural Enrichment Program.

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

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

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following Special Revenue Funds are reported with other funds in the aggregate: Community Development, Historic District Commission, Jail Fee, Administration of Justice, Southeast Arkansas Arts and Science Center Commission, Vice Intelligence Narcotics, and Emergency Vehicle.

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. The following Capital Projects Funds are reported with other funds in the aggregate: Sales and Use Tax Capital Improvement Series 2012, Equipment Acquisition and Improvements, and Sales and Use Tax Capital Improvement Series 2011.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The following Debt Service Funds are reported with other funds in the aggregate: Franchise Fee Revenue Refunding and Acquisition Bonds and Sales and Use Tax Improvement Bonds Series 2011 - 2012.

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. The following Permanent Fund is reported with other funds in the aggregate: Cemetery Trust.

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. The following Pension Trust Funds are reported with other funds in the aggregate: City Retirement, Firemen's Pension and Relief, and Police Pension and Relief.

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). The following Agency Funds are reported with other funds in the aggregate: District Court (Division 1), District Court (Division 2), Payroll, and Health Insurance Premium.

C. Basis of Accounting - Regulatory

The financial statements are prepared on the regulatory basis of accounting as prescribed or permitted by Arkansas Code. 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. 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.

D. Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents

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

Investments

Investments are reported at cost.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, interest, and insurance premiums that have not been transferred to the appropriate entities.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Classifications (Continued)

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 Special Revenue Funds.

G. Fund Balance Classification Policies and Procedures

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

The Municipality does 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 and Investments

Deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk have not been provided as required by Governmental Accounting Standards Board Statement no. 40.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund type is as follows:

	December 31, 2013	
Fund Type	Reported Amount	Fair Value
Trust	$ 34,268,461	$ 40,323,080

These investments are composed of the following:

	December 31, 2013	
Investment Type	Reported Amount	Fair Value
Federal agency obligations	$ 5,127,870	$ 5,011,069
Bonds	11,124,686	11,475,695
Stocks	8,519,288	11,220,700
Municipal obligations	551,119	558,998
Mutual funds	8,945,498	12,056,618
Totals	$ 34,268,461	$ 40,323,080

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2013 is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid	$ 268,770		$ 248,568
Property taxes	79,916	$ 24,576	31,932
Franchise fees	520,101		
Sales taxes	1,041,686		356,693
Interest			187,737
Other	89,401	643	13,276
Totals	$ 1,999,874	$ 25,219	$ 838,206

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2013 is composed of the following:

Description	General Fund	Other Funds in the Aggregate
Vendor payables	$ 384,379	$ 187,550

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2013	
Fund	Interfund Receivables	Interfund Payables
General	$ 710,740	$ 54,307
Street		264,909
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development	48,800	396,446
Jail Fees		49,385
Agency:		
Health Insurance	5,507	
Totals	$ 765,047	$ 765,047

Interfund receivables and payables consist of errors in depositing revenues, matching grant funds, and reimbursement for expenses paid by the General Fund. These balances are expected to be repaid in 2014.

NOTE 8: 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, 2013, the legal debt limit for the bonded debt was $74,327,865. There were no property tax secured bond issues.

NOTE 8: Legal Debt Limit (Continued)

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, 2013, the legal debt limit for short-term financing obligations was $19,906,301. The amount of short-term financing obligations was $260,574 leaving a legal debt margin of $19,645,727.

NOTE 9: Federal Funds Program Compliance

The federal grants of the City have not yet received a compliance audit in accordance with federal program requirements and therefore, any instances of noncompliance with federal grant requirements have not been determined. However, a federal compliance audit is currently being conducted for 2013 federal funds. A separate report was issued for 2012 federal funds. The following material instances of noncompliance were reported for the Supportive Housing Program:

Finding 2012-1 Two drawdowns tested indicated excess cash balances. Funds are not being disbursed in a reasonable time period (i.e., three business days from receipt).

Finding 2012-2 Two participants of the six tested were found to not have documentation in their file to support that they were disabled. Also, no third-party verification of income was performed on any participants. Finally, there was no documentation to support the calculation of the proper rent subsidy in the participation files.

Finding 2012-3 The City exceeded the five percent earmarking requirements for administrative expenses.

Finding 2012-4 Rent rates for six out of six participants tested are not being compared to similar units in the area not receiving a subsidy. Also, there was no documentation indicating the size of the unit being subsidized in the tenants file. One lease could not be located, one lease was signed but not dated, and one lease did not agree to unit.

Finding 2012-5 Checklists are required to be completed and maintained in participant files to ensure that all required documents are obtained and that eligibility requirements are met.

Disbursements that are not in accordance with the federal program requirements are subject to reimbursement by the City.

NOTE 10: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2013 are composed of the following:

Description	General	Street	Other Funds in the Aggregate
Fund Balances:			
Nonspendable:			
Cemetery trust			$ 468,275
Restricted for:			
General government	$ 146,000		75,078
Law enforcement			462,739
Capital outlay			7,167,247
Pension benefits			39,447,330
Recreation and culture	11,709		
Total Restricted	157,709		47,152,394
Committed for:			
Debt service			1,239,863
Recreation and culture			169,182
Total Committed			1,409,045
Assigned to:			
General government	31,724		
Law enforcement	48,733		
Highways and streets		$ 89,733	
Transit	220,328		
Capital outlay	61,443		
Recreation and culture			162,500
Total Assigned	362,228	89,733	162,500
Unassigned	7,684,647		
Totals	$ 8,204,584	$ 89,733	$ 49,192,214

NOTE 11: Commitments

Total commitments consist of the following at December 31, 2013:

	December 31, 2013
Long-Term liabilities	$19,185,574
United States Department of Housing and Urban Development Grant Repayment	367,236
Construction contracts	192,093
Total Commitments	$19,744,903

NOTE 11: Commitments (Continued)

Long-Term liabilities

Long-Term liabilities at December 31, 2013 are comprised of the following:

	December 31, 2013
Franchise Fee Revenue Refunding and Acquisition Bonds, Series 2009; annual installments beginning May 1, 2010 with the final installment due May 1, 2029, interest at 3.15% - 4.5%. Payments are to be made from the Debt Service Fund.	$ 5,130,000
Sales and Use Tax Improvement Bonds, Series 2011; annual installments beginning October 1, 2012 with the final installment due October 1, 2036, interest at 2.0% - 4.625%. Payments are to be made from the Debt Service Fund.	8,575,000
Sales and Use Tax Improvement Bonds, Series 2012; annual installments beginning October 1, 2013 with the final installment due October 1, 2036, interest at 1.0% - 4.125%. Payments are to be made from the Debt Service Fund.	5,220,000
2009 lease-purchase agreement with Union Bank on the purchase of one Sharp MX-2600N digital color copier and accessories; monthly installments of $134 for 60 months at 6.14% interest with the final installment due February 6, 2014. Payments are to be made from the Community Development Fund.	266
2012 promissory note with Pine Bluff National Bank on the purchase of four 2013 Dodge Chargers; one annual installment of $32,870 and two of $34,447 at 3.02% interest with the final payment due December 11, 2014. Payments are to be made from the General Fund.	33,396
2009 promissory note with Pine Bluff National Bank for the purchase of elevator jacks; annual installments of $18,000 for five years at 4.75% interest with the final installment due February 17, 2014. Payments are to be made from the General Fund.	17,177
2009 promissory note with Pine Bluff National Bank for the purchase of equipment for the Street Department; annual installments of $55,072 for five years at 4.75% interest with the final installment due February 17, 2014. Payments are to be made from the Street Fund.	52,561
2013 promissory note with Simmons First National Bank for the purchase of one 2013 Ford Fusion, one 2013 Ford 150, and one 2013 Chevy Silverado; annual installments of $26,468 for three years at 2.17% with the final installment due March 5, 2016. Payments are to be made from the General Fund.	76,000
2013 promissory note with Simmons First National Bank for the purchase of two 2014 Dodge Durangos, two 2013 Dodge Chargers, and one Dodge Ram Pick Up; annual installments of $40,561 on October 15, 2013, $41,954 on October 15, 2014, and $41,970 on October 15, 2015 at 2.25%. Payments are to be made from the General Fund.	81,174
Total	$ 19,185,574

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

NOTE 11: Commitments (Continued)

Compensated Absences

Compensated absences do vest or accumulate. The amount of compensated absences was not determined.

Post Employment Benefits Other Than Pensions

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

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2013:

Years Ending December 31,	Bonds	Notes	Leases	Total
2014	$ 1,648,084	$ 175,937	$ 268	$ 1,824,289
2015	1,574,159	68,438		1,642,597
2016	1,567,081	26,384		1,593,465
2017	1,574,211			1,574,211
2018	1,569,801			1,569,801
2019 through 2023	6,906,139			6,906,139
2024 through 2028	6,050,561			6,050,561
2029 through 2033	3,976,750			3,976,750
2034 through 2036	2,134,319			2,134,319
Total Obligations	27,001,105	270,759	268	27,272,132
Less Interest	8,076,105	10,451	2	8,086,558
Total Principal	$ 18,925,000	$ 260,308	$ 266	$ 19,185,574

United States Department of Housing and Urban Development Grant Repayment

The City of Pine Bluff's Community Development Department received notification from the United States Department of Housing and Urban Development of instances of noncompliance within the City's Community Development Block Grant and Home Investment Partnerships (HOME) Program. These instances of noncompliance will result in repayment of non federal funds of $367,236 over the next two years:

Years Ending December 31,	Total
2014	$ 210,438
2015	156,798
Total	$ 367,236

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2013:

Project Name	Completed Date	Contract Balance December 31, 2013
Fire Station #3	March 27, 2014	$ 116,136
Regional Park Restroom	March 27, 2014	75,957
Total		$ 192,093

NOTE 12: **Interfund Transfers**

The General Fund transferred $86,577 to Other Funds in the Aggregate for the following: $36,577 to the Community Development Fund to provide matching funds for a community development grant and $50,000 to supplement the Southeast Arkansas Arts and Science Center Commission Fund. The Other Funds in the Aggregate transferred $89,205 to the General Fund as reimbursement of expenses from the Jail Fee Fund.

NOTE 13: Prior Year Restatement

The fund balance for the General Fund decreased at January 1, 2013 by $326,687. This included a decrease of $153,821 due to a change in the method of accruing state aid, a decrease of $174,328 to reflect the Vice Intelligence Narcotics Fund as part of the Other Funds in the Aggregate (this fund had previously been reflected in the General Fund), and an increase of $1,462 to reflect a Drug Buy bank account previously not included in the General Fund.

The January 1, 2013 fund balance for the Street Fund decreased by $173,700 due to a change in the method of accruing state aid.

NOTE 14: Subsequent Events

On May 1, 2014, the City issued $4,930,000 (Series 2014A) in Franchise Fee Revenue Refunding Bonds and $1,085,000 (Series 2014B) in Franchise Fee Revenue Improvement Bonds for the improvement and repair of the Civic Center Complex and the Joe Thomas Public Safety Facility.

NOTE 15: Pledged Revenues

A Franchise Fees

The City pledged future franchise fees to repay $6,000,000 in refunding and acquisition bonds that were issued in 2009 to refund certain outstanding lease-purchase agreements and to provide funding for equipment acquisition and various capital improvements. Total principal and interest remaining on the bonds are $5,130,000 and $1,883,474, respectively, payable through May, 2029. For 2013, principal and interest paid were $265,000 and $203,926, respectively.

Franchise fees are deposited into the General Fund and transfers are made to the Bond Fund. Franchise fees in excess of debt service requirements are permitted to be used for other city expenditures. The City received $3,300,658 in franchise fees.

B. Sales and Use Tax

The City pledged future five-eighths percent sales and use taxes to repay $9,640,000 bonds that were issued in 2011 for various capital improvements and to repay $5,355,000 bonds that were issued in 2012 for various capital improvements. Total principal and interest remaining on the bonds are $8,575,000 and $3,584,515 for the 2011 bond issue and $5,220,000 and $2,608,116 for the 2012 bond issue, respectively, payable October 1, 2012 through October 1, 2036. For 2013, principal and interest paid were $530,000 and $294,330, respectively, for the 2011 bond issue. For 2013, principal and interest paid were $135,000 and $205,818, respectively, for the 2012 bond issue.

Any sales taxes collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures. The City received $4,309,172 in sales taxes for the repayment of these bonds.

NOTE 16: Joint Ventures

A. Metropolitan Emergency Communications Association

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

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

The City paid Metropolitan Emergency Communications Association $600,090 in 2013. Separate financial statements are not available.

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 System is composed of five members appointed by the Jefferson County Judge with Quorum Court approval and six 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 the number and salaries of employees of the System. The City paid the Pine Bluff and Jefferson County Library System $602,686 in 2013. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

NOTE 17: Jointly Governed Organization – Tri-County Drug Task Force

The Sheriff's Departments of Arkansas, Jefferson, and Lincoln Counties, the Police Department of Pine Bluff, and the Prosecuting Attorney offices of the 11th Judicial District-East and the 11th Judicial District-West entered into an agreement to establish the Tri-County Drug Task Force. The agreement covers the period July 1, 2013 to June 30, 2014 and may be extended upon written mutual agreement. Funding was provided through a Drug Law Enforcement Program grant applied for by the Tri-County Drug Task Force. No contributions or payments for expenditures were made to the Tri-County Drug Task Force by the City. The 2013 financial statements of the Tri-County Drug Task Force have not been audited.

NOTE 18: 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.

NOTE 18: Risk Management (Continued)

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 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 $250,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a $2,500 deductible per occurrence.

NOTE 19: Firemen's Pension and Relief Plan

Plan Description

The Firemen's Pension and Relief Plan is a single-employer defined benefit pension plan that covers municipal firemen employed prior to January 1, 1983. The plan, administered by the City, provides retirement, disability, and survivor benefits. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. State law does provide that upon actuarial soundness of the plan, the Board may increase retirement benefits. The plan was closed to new entrants on January 1, 1983. The plan does not issue a stand-alone financial report but is included in the City's financial report.

NOTE 19: Firemen's Pension and Relief Plan (Continued)

Contributions

Active participants of the plan are required to make contributions of not less than 6% of their salary to the plan. Active volunteer firemen are required to make contributions of $12 per year. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary and an amount equal to the contribution paid by any volunteer fireman. The plan is also funded with state insurance tax and property tax on real estate and personal property. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, then the funds shall be prorated among those entitled by the proper authorities as may be deemed just and equitable. The City's contribution to the plan was $377,002 for the year ended December 31, 2013. On September 24, 2013 the City agreed to join the Local Police and Fire Retirement System (LOPFI) by transferring $8,850,859 into the LOPFI system. Based on the December 31, 2012 actuarial valuation, the plan has an unfunded actuarial liability of $21,244,644.

Deferred Retirement Option Plan

The local firemen's pension and relief board of trustees approved the participation in the Arkansas Fire Fighter's Deferred Retirement Option Plan (DROP). Any full-paid fire fighter who is a member of the firemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed five years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the fire fighter and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the firemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

At the end of the five years, the participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a fire fighter and start receiving the member's accrued monthly retirement benefit from the firemen's pension and relief fund.

NOTE 20: Policemen's Pension and Relief Plan

Plan Description

The Policemen's Pension and Relief Plan is a single-employer defined benefit pension plan that covers municipal policemen employed prior to January 1, 1983. The plan, administered by the City, provides retirement, disability, and survivor benefits. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. State law does provide that upon actuarial soundness of the plan, the Board may increase retirement benefits. The plan was closed to new entrants on January 1, 1983. The plan does not issue a stand-alone financial report but is included in the City's financial report.

Contributions

Active participants of the plan are required to make contributions of 6% of their salary to the plan, provided that such monthly deduction shall be 4% for policemen contributing to the social security system unless increased, but not to exceed 6%, by the majority of the contributing members of the police department covered by social security. The City is required by state law to contribute an amount equal to but not less than 6% of the participant's salary; provided, however, that the City's contributions shall not exceed the amount contributed by the policemen except where authorized by appropriation of the City's governing body. The plan is also funded with state insurance tax; property tax on real estate and personal property; all forfeitures and fines imposed upon any member of the police department by way of discipline; 10% of all fines and forfeitures collected for violation of ordinances or state law. If the funds in the plan should be insufficient to make full payment of the amount of pensions to all persons entitled, the beneficiaries shall be paid prorating the funds available among them. The City's contribution to the plan was $488,422 for the year ended December 31, 2013. Based on the December 31, 2012 actuarial valuation, the plan has an unfunded actuarial liability of $14,956,819.

NOTE 20: Policemen's Pension and Relief Plan (Continued)

Deferred Retirement Option Plan

The local policemen's pension and relief board of trustees approved the participation in the Arkansas Police Officer's Deferred Retirement Option Plan (DROP). Any police officer who is a member of the policemen's pension and relief fund who has at least 20 years of credited service and who is eligible to receive a service retirement pension may elect to participate in the plan. The duration of participation shall not exceed five years, except in certain circumstances as allowed by law.

When a member begins participation in the DROP, the contribution of the police officer and the employer contribution shall continue to be paid. Municipal matching contributions for employees who elect the DROP shall be credited equally to the policemen's pension and relief fund and to the deferred retirement plan. The monthly retirement benefits that would have been due had the member elected to cease employment and receive a service retirement shall be paid into the DROP account.

The participant has certain options regarding the method of payment.

At the conclusion of the member's participation, the member shall terminate employment with all participating municipalities as a police officer and start receiving the member's accrued monthly retirement benefit from the policemen's pension and relief fund.

NOTE 21: 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.

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 $8,850,859 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $660,661 for the year ended December 31, 2013.

NOTE 22: Arkansas Public Employees Retirement System

Plan Description

The City contributes to the Arkansas Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan that covers municipal employees whose municipalities have elected coverage under this System. PERS 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 PERS. 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

PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of the system based on the annual actuarial valuation. The City's contribution to the plan was $6,763 for the year ended December 31, 2013.

NOTE 23: City Retirement Plan

Plan Description

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

Funding Policy

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 $553,945 for the year ended December 31, 2013. Based on the December 31, 2013 actuarial valuation, the plan has an unfunded actuarial liability of $761,000.

NOTE 24: Voluntary Grant Reductions in Lieu of Repayment

The City voluntarily requested reductions in grant funding for the City's Community Development Block Grant and HOME Investment Partnership Program to resolve findings of noncompliance by the United States Department of Housing and Urban Development. These reductions will total $308,977 and will be withheld over the next three years as follows:

Years Ending December 31,	Total
2015	$ 103,594
2016	100,000
2017	105,383
Total	$ 308,977

Schedule 1

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS						
	Community Development	Historic District Commission	Jail Fee	Administration of Justice	Southeast Arkansas Arts and Science Center Commission	Vice Intelligence Narcotics	Emergency Vehicle
ASSETS							
Cash and cash equivalents	$ 171,379	$ 2,777	$ 218,683	$ 138,817	$ 333,632	$ 133,811	$ 21,001
Investments							
Accounts receivable	248,568				13,276		
Interfund receivables	48,800						
TOTAL ASSETS	$ 468,747	$ 2,777	$ 218,683	$ 138,817	$ 346,908	$ 133,811	$ 21,001
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable					$ 15,226		$ 188
Interfund payables	$ 396,446		$ 49,385				
Settlements pending							
Total Liabilities	396,446		49,385		15,226		188
Fund Balances:							
Nonspendable							
Restricted	72,301	$ 2,777	169,298	$ 138,817		$ 133,811	20,813
Committed					169,182		
Assigned					162,500		
Total Fund Balances	72,301	2,777	169,298	138,817	331,682	133,811	20,813
TOTAL LIABILITIES AND FUND BALANCES	$ 468,747	$ 2,777	$ 218,683	$ 138,817	$ 346,908	$ 133,811	$ 21,001

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2013

Schedule 1

	CAPITAL PROJECTS FUNDS		DEBT SERVICE FUNDS		PERMANENT FUND
	Sales and Use Tax Capital Improvements Series 2012	Sales and Use Tax Capital Improvements Series 2011	Franchise Fee Revenue Refunding and Acquisition Bonds	Sales and Use Tax Improvement Bonds Series 2011 - 2012	Cemetery Trust
ASSETS					
Cash and cash equivalents	$ 4,111,657	$ 3,055,590	$ 67	$ 883,103	$ 322,563
Investments					145,712
Accounts receivable				356,693	
Interfund receivables					
TOTAL ASSETS	$ 4,111,657	$ 3,055,590	$ 67	$ 1,239,796	$ 468,275
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					
Interfund payables					
Settlements pending					
Total Liabilities					
Fund Balances:					
Nonspendable					$ 468,275
Restricted	$ 4,111,657	$ 3,055,590			
Committed			$ 67	$ 1,239,796	
Assigned					
Total Fund Balances	4,111,657	3,055,590	67	1,239,796	468,275
TOTAL LIABILITIES AND FUND BALANCES	$ 4,111,657	$ 3,055,590	$ 67	$ 1,239,796	$ 468,275

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2013

Schedule 1

	TRUST FUNDS			AGENCY FUNDS				
	City Retirement	Firemen's Pension and Relief	Policemen's Pension and Relief	District Court (Division 1)	District Court (Division 2)	Payroll	Health Insurance Premium	Totals
ASSETS								
Cash and cash equivalents	$ 4,134,064	$ 16,654	$ 1,126,330	$ 141,545	$ 45,935	$ 525,258	$ (4,902)	$ 15,377,964
Investments	21,079,588		13,043,161					34,268,461
Accounts receivable	144,286	15,976	59,407					838,206
Interfund receivables							5,507	54,307
TOTAL ASSETS	$ 25,357,938	$ 32,630	$ 14,228,898	$ 141,545	$ 45,935	$ 525,258	$ 605	$ 50,538,938
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 172,136							$ 187,550
Interfund payables								445,831
Settlements pending				$ 141,545	$ 45,935	$ 525,258	$ 605	713,343
Total Liabilities	172,136			141,545	45,935	525,258	605	1,346,724
Fund Balances:								
Nonspendable								468,275
Restricted	25,185,802	$ 32,630	$ 14,228,898					47,152,394
Committed								1,409,045
Assigned								162,500
Total Fund Balances	25,185,802	32,630	14,228,898					49,192,214
TOTAL LIABILITIES AND FUND BALANCES	$ 25,357,938	$ 32,630	$ 14,228,898	$ 141,545	$ 45,935	$ 525,258	$ 605	$ 50,538,938

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS		
	Community Development	Historic District Commission	Jail Fee	Administration of Justice	Southeast Arkansas Arts and Science Center Commission	Vice Intelligence Narcotics	Emergency Vehicle	Sales and Use Tax Capital Improvements Series 2012	Equipment Acquisition and Improvements	Sales and Use Tax Capital Improvements Series 2011
REVENUES										
State aid		$ 2,747			$ 20,480					
Federal aid	$ 712,816					$ 65,111				
Property taxes										
Franchise fees										
Sales taxes										
Fines, forfeitures, and costs			$ 121,314	$ 60,357			$ 21,001			
Interest			98	165	188	81		$ 489	$ 1	$ 500
Local permits and fees					138,328					
Employer contribution										
Employee contribution										
Donations					201,316					
Other	120,378				80,011					
TOTAL REVENUES	833,194	2,747	121,412	60,522	440,323	65,192	21,001	489	1	500
EXPENDITURES										
Current:										
General government	1,195,534	4,942						751,228	172,449	
Law enforcement			46,025	8,180		105,709	188	36,827		26,657
Highways and streets								56,192		130,147
Public safety										2,491,433
Recreation and culture					517,530			19,856		182,757
Social services										
Total Current	1,195,534	4,942	46,025	8,180	517,530	105,709	188	864,103	172,449	2,830,994
Debt Service:										
Bond principal										
Bond interest and other charges										
Lease principal	1,539									
Lease interest	69									
TOTAL EXPENDITURES	1,197,142	4,942	46,025	8,180	517,530	105,709	188	864,103	172,449	2,830,994

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, 2013

Schedule 2

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS		
	Community Development	Historic District Commission	Jail Fee	Administration of Justice	Southeast Arkansas Arts and Science Center Commission	Vice Intelligence Narcotics	Emergency Vehicle	Sales and Use Tax Capital Improvements Series 2012	Equipment Acquisition and Improvements	Sales and Use Tax Capital Improvements Series 2011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (363,948)	$ (2,195)	$ 75,387	$ 52,342	$ (77,207)	$ (40,517)	$ 20,813	$ (863,614)	$ (172,448)	$ (2,830,494)
OTHER FINANCING SOURCES (USES)										
Transfers in	36,577				50,000					
Transfers out			(89,205)							
Net gain/loss on sale of investments										
Transfer to Arkansas Local Police and Fire Retirement System										
TOTAL OTHER FINANCING SOURCES (USES)	36,577		(89,205)		50,000					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(327,371)	(2,195)	(13,818)	52,342	(27,207)	(40,517)	20,813	(863,614)	(172,448)	(2,830,494)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	399,672	4,972	183,116	86,475	358,889			4,975,271	172,448	5,886,084
Restatement adjustment						174,328				
FUND BALANCES - JANUARY 1, AS RESTATED	399,672	4,972	183,116	86,475	358,889	174,328		4,975,271	172,448	5,886,084
FUND BALANCES - DECEMBER 31	$ 72,301	$ 2,777	$ 169,298	$ 138,817	$ 331,682	$ 133,811	$ 20,813	$ 4,111,657	$ 0	$ 3,055,590

Schedule 2

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, 2013

	DEBT SERVICE FUNDS		PERMANENT FUND	TRUST FUNDS			
	Franchise Fee Revenue Refunding and Acquisition Bonds	Sales and Use Tax Improvement Bonds Series 2011 - 2012	Cemetery Trust	City Retirement	Firemen's Pension and Relief	Policemen's Pension and Relief	Totals
REVENUES							
State aid					$ 384,931	$ 257,873	$ 666,031
Federal aid							777,927
Property taxes					369,241	369,241	738,482
Franchise fees	$ 470,926						470,926
Sales taxes		$ 1,150,008					1,150,008
Fines, forfeitures, and costs						114,740	317,412
Interest	6	108	$ 10,704	$ 658,877	150,748	436,297	1,258,262
Local permits and fees							138,328
Employer contribution				553,945	7,761		561,706
Employee contribution				237,147	7,761		244,908
Donations							201,316
Other				708	318	21,526	222,941
TOTAL REVENUES	470,932	1,150,116	10,704	1,450,677	920,760	1,199,677	6,748,247
EXPENDITURES							
Current:							
General government				2,439,596			4,563,749
Law enforcement						1,952,649	2,176,235
Highways and streets							186,339
Public safety					2,372,701		4,864,134
Recreation and culture							720,143
Social services			4,476				4,476
Total Current			4,476	2,439,596	2,372,701	1,952,649	12,515,076
Debt Service:							
Bond principal	265,000	665,000					930,000
Bond interest and other charges	205,926	510,658					716,584
Lease principal							1,539
Lease interest							69
TOTAL EXPENDITURES	470,926	1,175,658	4,476	2,439,596	2,372,701	1,952,649	14,163,268

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, 2013

Schedule 2

	DEBT SERVICE FUNDS		PERMANENT FUND	TRUST FUNDS			
	Franchise Fee Revenue Refunding and Acquisition Bonds	Sales and Use Tax Improvement Bonds Series 2011 - 2012	Cemetery Trust	City Retirement	Firemen's Pension and Relief	Policemen's Pension and Relief	Totals
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 6	$ (25,542)	$ 6,228	$ (988,919)	$ (1,451,941)	$ (752,972)	$ (7,415,021)
OTHER FINANCING SOURCES (USES)							
Transfers in							86,577
Transfers out							(89,205)
Net gain/loss on sale of investments			(348)	506,398	1,121,654	1,210,114	2,837,818
Transfer to Arkansas Local Police and Fire Retirement System					(8,850,859)		(8,850,859)
TOTAL OTHER FINANCING SOURCES (USES)			(348)	506,398	(7,729,205)	1,210,114	(6,015,669)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6	(25,542)	5,880	(482,521)	(9,181,146)	457,142	(13,430,690)
FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED	61	1,265,338	462,395	25,668,323	9,213,776	13,771,756	62,448,576
Restatement adjustment							174,328
FUND BALANCES - JANUARY 1, AS RESTATED	61	1,265,338	462,395	25,668,323	9,213,776	13,771,756	62,622,904
FUND BALANCES - DECEMBER 31	$ 67	$ 1,239,796	$ 468,275	$ 25,185,802	$ 32,630	$ 14,228,898	$ 49,192,214

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

Fund Name	Fund Description
Community Development	City established fund 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 city to levy an additional fine not to exceed $20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners, including construction and maintenance of the county jail.
Administration of Justice	Ark. Code Ann. § 16-17-126 authorizes District Court filing fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the District Court.
Southeast Arkansas Arts and Science Center Commission	Pine Bluff Ordinance no. 4139 (May 5,1969) established fund to provide recreational services and promote cultural growth to the residents of the City.
Vice Intelligence Narcotics	City established fund to process the Department of Justice and The Department of the Treasury's Federal Equitable Sharing Grants for law enforcement purposes. This fund was moved to a Special Revenue Fund as of January 1, 2013.
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.
Sales and Use Tax Capital Improvements 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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

Fund Name	Fund Description
Equipment Acquisition and Improvements	Pine Bluff Ordinance no. 6290 (September 21, 2009) authorized the issuance of franchise fee revenue refunding and acquisition bonds. Trustee established fund to account for the disbursement of debt proceeds for equipment acquisition and improvements.
Sales and Use Tax Capital Improvements Series 2011	Pine Bluff Ordinance no. 6363 (September 19, 2011) 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.
Franchise Fee Revenue Refunding and Acquisition Bonds	Pine Bluff Ordinance no. 6290 (September 21, 2009) authorized the issuance of franchise fee revenue refunding and acquisition bonds. Trustee established fund to process the payments on the bonded debt.
Sales and Use Tax Improvement Bonds Series 2011 - 2012	Pine Bluff Ordinance no. 6363 (September 19, 2011) and 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 process the payments on the bonded debt.
Cemetery Trust	Ark. Code Ann. §§ 20-17-1013, -1016 established fund to invest 20% of revenue generated from plot sales to provide permanent maintenance of the City's cemetery.
City Retirement	Pine Bluff City Code § 19-36 (1993) established fund to process the self-supported retirement plan for nonuniformed employees.
Firemen's Pension and Relief	Ark. Code Ann. § 24-11-801 established fund to receive property taxes, state aid, and other revenues allowed by law for support of firefighter retirement programs.
Policemen's Pension and Relief	Ark. Code Ann. § 24-11-403 established fund to receive property taxes, state aid, and other revenues allowed by law for support of police retirement programs.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2013

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

Fund Name	Fund Description
District Court (Division 1)	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the District Court.
District Court (Division 2)	Ark. Code Ann. § 16-10-204 established account to receive fines, forfeitures, and costs collected by the District Court.
Payroll	City established fund to process the payroll of all employees.
Health Insurance Premium	City established fund to process insurance premiums withheld from employees' earnings and forwarded to the insurance provider.

CITY OF PINE BLUFF, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2013
(Unaudited)

Schedule 3

	December 31, 2013
Land	$ 435,354
Buildings	17,882,766
Infrastructure	17,795,381
Improvements	2,373,934
Heavy equipment	8,974,681
Vehicles	6,296,147
Equipment	4,023,736
Total	$ 57,781,999

Schedule 4

CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
DECEMBER 31, 2013
(Unaudited)

General	2013	2012	2011	2010	2009
Total Assets	$ 8,713,056	$ 7,534,522	$ 6,831,167	$ 6,314,189	$ 6,526,749
Total Liabilities	508,472	301,655	246,755	565,325	614,759
Total Fund Balances	8,204,584	7,232,867	6,584,412	5,748,864	5,911,990
Total Revenues	30,084,182	29,653,407	29,074,106	27,805,755	28,549,262
Total Expenditures	29,092,205	29,270,290	28,605,810	26,871,078	27,743,825
Total Other Financing Sources/Uses	306,427	265,338	354,004	(1,097,804)	(815,225)
Street					
Total Assets	$ 354,642	$ 748,675	$ 1,038,188	$ 1,108,325	$ 814,685
Total Liabilities	264,909	40,736	14,707	89,581	8,655
Total Fund Balances	89,733	707,939	1,023,481	1,018,744	806,030
Total Revenues	3,426,927	3,441,064	3,384,678	3,496,034	3,262,972
Total Expenditures	3,871,433	3,756,606	3,379,941	3,283,320	3,296,432
Total Other Financing Sources/Uses					240,012
Other Funds in the Aggregate					
Total Assets	$ 50,538,938	$ 63,169,796	$ 61,052,939	$ 54,424,156	$ 57,592,551
Total Liabilities	1,346,724	721,220	490,012	668,954	500,448
Total Fund Balances	49,192,214	62,448,576	60,562,927	53,755,202	57,092,103
Total Revenues	6,748,247	7,862,158	7,561,521	6,158,541	6,591,991
Total Expenditures	14,163,268	11,575,608	10,395,707	11,458,413	9,202,796
Total Other Financing Sources/Uses	(6,015,669)	5,599,099	9,655,159	1,938,769	2,364,579