City of Pine Bluff, Arkansas

Regulatory Basis Financial Statements
and Other Reports

December 31, 2019

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF PINE BLUFF, ARKANSAS
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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, 2019, and the related notes to the financial statements as listed in the table of contents.

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 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 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 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.

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, 2019, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the 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, 2019, the regulatory basis revenues, expenditures, and changes in net position, and the budgetary comparisons for the general fund and street fund for the year then ended, in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-412 described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City would have included some funds under accounting principles generally accepted in the United States of America (GAAP) as established by the *Government 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.

Other Matters

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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2020, 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.

ARKANSAS LEGISLATIVE AUDIT

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

Little Rock, Arkansas
September 1, 2020
LOM107619

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 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, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2020. 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.

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.

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. 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 may exist that have not been identified.

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.*

We also reported to management of the City in a separate letter dated September 1, 2020.

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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.

ARKANSAS LEGISLATIVE AUDIT

Marti Steel

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 1, 2020

Arkansas

Sen. Jason Rapert
Senate Chair
Sen. Eddie Cheatham
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. DeAnn Vaught
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

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

The commentary contained in this letter relates to the following officials who held office during 2019:

Mayor: Shirley Washington
City Collector: Sharon Johnson
Finance Director: Steve Miller
City Clerk: Loretta Whitfield
District Court Clerk (Division 1): Debbie Drake (Retired September 30, 2019)
Brooke Stayton (Appointed October 1, 2019)
District Court Clerk (Division 2): Veronica Young
Police Chief: Kelvin Sergeant

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

Mayor

The City paid $38,650 to a business owned by the spouse of a Police Department employee for blight removal and demolition services without an authorizing ordinance, in apparent conflict with Ark. Code Ann. § 14-42-107.

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

ARKANSAS LEGISLATIVE AUDIT

Marti Steel

Marti Steel, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 1, 2020

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Exhibit A

CITY OF PINE BLUFF, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2019

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 12,783,131	$ 1,609,569	$ 20,883,579
Investments			25,638,700
Accounts receivable	2,250,602	30,368	974,434
Interfund receivables	1,212,687		10,000
TOTAL ASSETS	$ 16,246,420	$ 1,639,937	$ 47,506,713
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 824,417	$ 80,204	$ 1,758,909
Interfund payables	10,000	15,838	1,196,849
Settlements pending			384,971
Total Liabilities	834,417	96,042	3,340,729
Fund Balances:			
Nonspendable			513,660
Restricted	182,529	1,455,782	43,428,262
Committed			352,477
Assigned	4,332,269	88,113	524,606
Unassigned	10,897,205		(653,021)
Total Fund Balances	15,412,003	1,543,895	44,165,984
TOTAL LIABILITIES AND FUND BALANCES	$ 16,246,420	$ 1,639,937	$ 47,506,713

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, 2019

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 2,126,197	$ 3,519,235	$ 212,387
Federal aid	15,594	27,282	1,718,797
Property taxes	3,223,386	559,577	1,092,458
Franchise fees	235,406		2,824,420
Sales taxes	18,103,375		4,534,105
Fines, forfeitures, and costs	693,827		195,934
Interest	147,220	13,272	1,080,775
Local permits and fees	1,472,315		101,161
Sanitation fees	2,767,941		
Employer contribution			512,758
Employee contribution			219,653
Transit fees			54,676
Donations			170,093
Park and recreation fees	253,398		
Casino gaming tax	230,090		
Net increase (decrease) in the fair value of investments			3,294,280
Other	472,320	76,903	517,652
TOTAL REVENUES	29,741,069	4,196,269	16,529,149
EXPENDITURES			
Current:			
General government	10,178,665		3,893,324
Law enforcement	10,509,867		187,184
Highways and streets		4,034,454	277,227
Public safety	8,339,828		
Sanitation	2,672,753		
Health	53,051		
Recreation and culture	2,971,850		11,495,903
Social services	219,234		2,763
Public transit			1,011,228
Airport	135,985		
Economic development	2,941,874		
Total Current	38,023,107	4,034,454	16,867,629
Debt Service:			
Bond principal			2,015,000
Bond interest and other charges			1,091,762
Note principal	333,932	42,242	38,675
Note interest	27,183	2,851	7,483
TOTAL EXPENDITURES	38,384,222	4,079,547	20,020,549

CITY OF PINE BLUFF, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Exhibit B

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (8,643,153)	$ 116,722	$ (3,491,400)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,262,456		754,458
Transfers out	(244,332)	(248,833)	(5,523,749)
Contribution from civic auditorium complex commision	111,195		
Bond proceeds			3,828,800
Payment to refunding bond escrow agent			(3,519,899)
Insurance proceeds	509,333		
Capital lease proceeds	146,293		
TOTAL OTHER FINANCING SOURCES (USES)	5,784,945	(248,833)	(4,460,390)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,858,208)	(132,111)	(7,951,790)
FUND BALANCES - JANUARY 1	18,270,211	1,676,006	52,117,774
FUND BALANCES - DECEMBER 31	$ 15,412,003	$ 1,543,895	$ 44,165,984

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, 2019

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 1,962,616	$ 2,126,197	$ 163,581	$ 3,404,498	$ 3,519,235	$ 114,737
Federal aid	33,600	15,594	(18,006)		27,282	27,282
Property taxes	2,710,000	3,223,386	513,386	575,000	559,577	(15,423)
Franchise fees	130,000	235,406	105,406			
Sales taxes	17,465,346	18,103,375	638,029			
Fines, forfeitures, and costs	743,740	693,827	(49,913)			
Interest	58,416	147,220	88,804	3,700	13,272	9,572
Local permits and fees	1,230,455	1,472,315	241,860			
Sanitation fees	2,851,545	2,767,941	(83,604)			
Park and recreation fees	315,815	253,398	(62,417)			
Casino gaming tax		230,090	230,090			
Other	318,789	472,320	153,531	125,670	76,903	(48,767)
TOTAL REVENUES	27,820,322	29,741,069	1,920,747	4,108,868	4,196,269	87,401
EXPENDITURES						
Current:						
General government	13,768,644	10,178,665	3,589,979			
Law enforcement	11,560,182	10,509,867	1,050,315			
Highways and streets	88,856		88,856	5,163,113	4,034,454	1,128,659
Public safety	8,074,234	8,339,828	(265,594)			
Sanitation	2,766,681	2,672,753	93,928			
Health	53,051	53,051	0			
Recreation and culture	3,336,340	2,971,850	364,490			
Social services	236,630	219,234	17,396			
Airport	184,895	135,985	48,910			
Economic development	4,497,730	2,941,874	1,555,856			
	44,567,243	38,023,107	6,544,136	5,163,113	4,034,454	1,128,659
Debt Service:						
Note principal	210,872	333,932	(123,060)		42,242	(42,242)
Note interest		27,183	(27,183)		2,851	(2,851)
TOTAL EXPENDITURES	44,778,115	38,384,222	6,393,893	5,163,113	4,079,547	1,083,566

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, 2019

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (16,957,793)	$ (8,643,153)	$ 8,314,640	$ (1,054,245)	$ 116,722	$ 1,170,967
OTHER FINANCING SOURCES (USES)						
Transfers in	7,851,101	5,262,456	(2,588,645)			
Transfers out	(379,619)	(244,332)	135,287	(248,833)	(248,833)	0
Contribution from civic auditorium complex commision	110,795	111,195	400			
Insurance proceeds	50,146	509,333	459,187	25,068		(25,068)
Capital lease proceeds		146,293	146,293			
TOTAL OTHER FINANCING SOURCES (USES)	7,632,423	5,784,945	(1,847,478)	(223,765)	(248,833)	(25,068)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,325,370)	(2,858,208)	6,467,162	(1,278,010)	(132,111)	1,145,899
FUND BALANCES - JANUARY 1		18,270,211	18,270,211		1,676,006	1,676,006
FUND BALANCES - DECEMBER 31	$ (9,325,370)	$ 15,412,003	$ 24,737,373	$ (1,278,010)	$ 1,543,895	$ 2,821,905

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. 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: Waste Water 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 Facility Building, Parks and Recreation, Police Department Special Projects, Summer Academic and Culture Enrichment Program, 2017 Sales Tax, and Urban Renewal.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Regulatory (Continued)

Other Funds in the Aggregate (Continued)

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets. See Schedules 1 and 2 for Capital Projects Funds as reported with other funds in the aggregate.

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

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

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

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

C. Basis of Accounting - Regulatory

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 fair value.

Settlements Pending

Settlements pending are considered fines, forfeitures, costs, 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.

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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law (Continued)

c. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.

d. Appropriations lapse at the end of each year.

e. Under certain conditions, the budget may be amended subsequent to the year-end.

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

Basis of Accounting

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

G. Fund Balance Classification Policies and Procedures

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

The Municipality does 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)	$ 5,416,070	$ 5,422,265
Collateralized:		
Collateral held by the City's agent, pledging bank, or pledging bank's trust department or agent in the City's name	14,391,047	14,536,737
U.S. government guaranteed accounts	15,451,287	15,451,297
Total Deposits	$ 35,258,404	$ 35,410,299

The above total deposits do not include cash on hand of $17,875.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

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

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2019 Fair Value
Permanent	$ 30,169
Pension Trust	25,608,531
Totals	$ 25,638,700

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.)

NOTE 4: Public Fund Investments (Continued)

The City's investments are composed of the following:

December 31, 2019 Investment Type	Quoted Prices in Active Markets for Identical Investments Level I	Other Observable Inputs Level II	Total
Mortgage-backed bonds		$ 2,682,106	$ 2,682,106
Corporate bonds		5,658,565	5,658,565
Stocks	$ 4,478,909		4,478,909
Municipal obligations		650,080	650,080
Mutual funds	12,169,040		12,169,040
Totals	$ 16,647,949	$ 8,990,751	$ 25,638,700

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. Mortgage-backed, corporate bonds, and municipal obligations are valued at fair value using quoted market prices from third parties that use, as their basis readily observable market inputs, such as yields of similar instruments with comparable inputs. As a result, these were classified as Level II inputs.

NOTE 5: Accounts Receivable

The accounts receivable balance at December 31, 2019, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
State aid			$ 69,828
Federal aid			78,977
Property taxes	$ 145,723	$ 26,056	58,911
Franchise fees			318,743
Sales taxes	1,467,834		370,078
Interest			71,500
Sanitation fees	433,371		
Casino gaming tax	111,041		
Other	92,633	4,312	6,397
Totals	$ 2,250,602	$ 30,368	$ 974,434

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2019, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 512,831	$ 72,153	$ 6,433
Retirement payable	311,586	8051	2,390
Payroll w ithholding			766
Due to broker			1,749,320
Totals	$ 824,417	$ 80,204	$ 1,758,909

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

Fund	December 31, 2019 Interfund Receivables	Interfund Payables
General Fund	$ 1,212,687	$ 10,000
Street Fund		15,838
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development	10,000	133,214
Jail Fee		95,790
Administration of Justice		7,316
Grants		611,417
Emergency Vehicle		26,500
Transit		322,612
Totals	$ 1,222,687	$ 1,222,687

Interfund receivables and payables consist of matching grant funds and reimbursements for expenditures paid by the General Fund. All interfund receivables and payables have been repaid as of exit date except for $267,160 payable to the General Fund. These payables consists of the following: Jail Fee - $95,790 and Grants - $171,370. These balances are expected to be repaid when funds become available.

NOTE 8: Federal Funds Program Compliance

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

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

NOTE 9: Details of Fund Balance Classifications

Fund balance classifications at December 31, 2019, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Nonspendable:			
Social Services			$ 513,660
Restricted for:			
General government	$ 146,000		1,194
Law enforcement			360,415
Highways and streets		$ 1,455,782	
Public safety	36,110		
Recreation and culture	419		
Pension benefits			31,944,031
Capital outlay			8,455,389
Debt service			2,667,233
Total Restricted	182,529	1,455,782	43,428,262
Committed for:			
Recreation and culture			161,020
Capital outlay			191,457
Total Committed			352,477
Assigned to:			
General government	2,804,048		
Law enforcement	29,793		
Highways and streets		88,113	
Recreation and culture			505,968
Economic development	1,498,428		
Capital outlay			18,638
Total Assigned	4,332,269	88,113	524,606
Unassigned	10,897,205		(653,021)
Totals	$ 15,412,003	$ 1,543,895	$ 44,165,984

NOTE 10: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2019:

		December 31, 2019
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development	$	(36,334)
Grants		(425,861)
Transit		(190,826)
Total	$	(653,021)

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, 2019, the legal debt limit for the bonded debt was $76,400,178. There were no property tax secured bond issues subject to the constitutional limitation. As discussed in Note 14, the City approved an additional 3 mills property tax to secure payment for certain library bonds; however, these are payable solely from the special millage and are not subject to any constitutional or statutory limitation.

B. Short-term Financing Obligations

The City is subject to a constitutional limitation for short-term financing obligations equal to 5% of the assessed value of taxable property within the City as determined by the last tax assessment. At December 31, 2019, the legal debt limit for short-term financing obligations was $20,985,128. The amount of short-term financing obligations was $4,993,189, leaving a legal debt margin of $15,991,939.

NOTE 12: Commitments

Total commitments consist of the following at December 31, 2019:

		December 31, 2019
Long-term liabilities	$	44,633,217
Construction contracts		6,876,776
Total Commitments	$	51,509,993

NOTE 12: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2019, are comprised of the following:

	December 31, 2019
Bonds	
Franchise Fee Revenue Refunding and Improvement Bonds, Series 2014B, issued May 1, 2014, for $1,085,000; 25 annual installments beginning May 1, 2015, with the final installment due May 1, 2039, interest at 1.0% - 4.25%. Payments are to be made from the Debt Service Fund.	$ 905,000
Franchise Fee Revenue Improvement Bonds, Series 2016, issued August 26, 2016, for $3,080,000; 30 annual installments beginning May 1, 2017, with the final installment due May 1, 2046, interest at 2.0% - 3.5%. Payments are to be made from the Debt Service Fund.	2,880,000
Sales and Use Tax Improvement Bonds, Series 2016, issued October 1, 2016, for $6,805,000; 20 annual installments beginning October 1, 2017, with the final settlement due October 1, 2036, interest at 2.0% - 3.5%. Payments are to be made from the Debt Service Fund.	6,355,000
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.	12,100,000
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.	5,305,000
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.	4,105,000
Franchise Fee Revenue Refunding and Improvement Bonds, Series 2019, issued September 10, 2019, for $3,828,800; 11 annual installments beginning May 1, 2020, with the final settlement due May 1, 2030, interest at 2.79%. Payments are to be made from the Debt Service Fund.	3,828,800
Total Bonds	35,478,800
Direct Borrowings	
Installment contract with US Bancorp Government Leasing and Finance for the purchase of 19 vehicles; issued on April 15, 2017, for $477,080; annual installments of $165,236 for three years at 1.94% interest with the final installment due April 14, 2020. Payments are to be made from the General Fund.	135,714
Installment contract with US Bancorp Government Leasing and Finance for the purchase of police car camera system; issued on April 15, 2017, for $301,360; annual installments of $64,270 for five years at 2.18% interest with the final installment due April 14, 2022. Payments are to be made from the General Fund.	184,700
Promissory note with Simmons Bank to finance the acquisition, construction, and installation of improvements for the City's aquatic center; issued November 1, 2018, for $4,081,115; due in 3 annual payments of $570,755, $1,167,403, and $3,021,864, at 3.49% interest with the first payment due on December 1, 2021, and final payment due December 1, 2023. Payments are to be made from the General Fund.	4,081,115
Promissory note with Relyance Bank for the purchase of computer equipment for various City offices, police patrol car, 146 police radios, and 42 fire department radios; issued October 4, 2018, for $545,088; due in four annual installments of $120,707 and one irregular payment of $123,641 at 3.9% interest with first payment due November 4, 2019, and final payment November 4, 2023. Payments are to be made from the General Fund.	445,367
Lease purchase agreement with Wells Fargo Equipment leasing for the acquisition of golf course mowing and utility equipment; issued November 6, 2019, for $146,293 at 5.51%; initial payment of $19,659 due January 2020, followed by 46 monthly installments of $3,089, with final payment due November 6, 2023. Payments are to be made from the General Fund.	146,293
Total Direct Borrowings	4,993,189
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost	4,161,228
Total Long-term liabilities	$ 44,633,217

NOTE 12: Commitments (Continued)

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

The City's outstanding franchise fee revenue bonds series 2014B, 2016, and 2019 payable of $905,000, $2,880,000, and $3,828,800, 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 bonds series 2016, 2017, and 2017B payable of $6,355,000, $5,305,000, and $4,105,000, respectively, contain a provision that in an event of default, the Trustee may, and (1) upon written request of the insurer, or (2) with consent of the insurer, owners of not less than 25% 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 $12,100,000 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 of 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 borrowing promissory note with Relyance Bank of $445,367 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 $135,714 and $184,700 with US Bancorp, and $146,293 with Wells Fargo contain similar provisions; however, the acceleration is limited to amounts to become due during the City's then current fiscal period. No default provision was located in the outstanding direct borrowing promissory note of $4,081,115 with Simmons Bank.

Long-Term Debt Issued and Outstanding

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding December 31, 2019	Maturities to December 31, 2019
Bonds					
5/1/14	5/1/39	1-4.25%	$ 1,085,000	$ 905,000	$ 180,000
8/15/16	5/1/46	2-3.5%	3,080,000	2,880,000	200,000
10/1/16	10/1/36	2-3.5%	6,805,000	6,355,000	450,000
5/9/17	2/1/46	2-3.625%	13,355,000	12,100,000	1,255,000
7/27/17	10/1/36	2-3.8%	6,450,000	5,305,000	1,145,000
11/28/17	10/1/36	2-3.75%	4,480,000	4,105,000	375,000
9/10/19	5/1/30	2.79%	3,828,800	3,828,800	
Total Bonds			39,083,800	35,478,800	3,605,000
Direct Borrowings					
4/15/17	4/15/20	1.94%	477,080	135,714	341,366
4/15/17	4/15/22	2.18%	301,360	184,700	116,660
10/4/18	10/4/23	3.50%	545,088	445,367	99,721
11/1/18	11/1/23	3.90%	4,081,115	4,081,115	
11/6/19	11/6/23	5.51%	146,293	146,293	
Total Direct Borrowings			5,550,936	4,993,189	557,747
Total Long-Term Debt			$ 44,634,736	$ 40,471,989	$ 4,162,747

NOTE 12: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2019	Issued	Retired	Balance December 31, 2019
Bonds payable	$ 37,145,000	$ 3,828,800	$ 5,495,000 *	$ 35,478,800
Direct Borrowings				
Notes payable	5,261,745 #		414,849	4,846,896
Capital leases		146,293		146,293
Total Direct Borrowings	5,261,745	146,293	414,849	4,993,189
Total Long-Term Debt	$ 42,406,745	$ 3,975,093	$ 5,909,849	$ 40,471,989

*Includes early retirement of debt – see note 13.
January 1, 2019 balance was restated downward $34,980 due to prior year principal payoff of two vehicles that were destroyed.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2019:

Years Ending	Bonds			Direct Borrowings		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2020	$ 1,437,701	$ 1,098,173	$ 2,535,874	$ 347,438	$ 29,241	$ 376,679
2021	1,584,378	1,047,558	2,631,936	334,165	458,637	792,802
2022	1,453,289	1,008,587	2,461,876	1,239,162	150,288	1,389,450
2023	1,487,448	973,190	2,460,638	3,072,424	107,061	3,179,485
2024	1,516,863	937,933	2,454,796			
2025 through 2029	7,849,990	4,047,142	11,897,132			
2030 through 2034	7,129,131	2,834,419	9,963,550			
2035 through 2039	5,695,000	1,647,571	7,342,571			
2040 through 2044	5,135,000	803,225	5,938,225			
2045 through 2046	2,190,000	81,562	2,271,562			
Totals	$ 35,478,800	$ 14,479,360	$ 49,958,160	$ 4,993,189	$ 745,227	$ 5,738,416

NOTE 12: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2019:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2019
Main Street / Downtown Streetscape	November 2020	$ 1,794,038
601 Main Street Project	June 2020	10,017
Merrill Center Rehabilitation Project	July 2020	12,000
Pine Bluff Comprehensive Plan	February 2021	226,613
Pine Bluff Main Library	September 2020	4,486,623
University Park Sidewalk Project	June 2020	198,097
West 28th Street Bridge Project	August 2020	30,740
University Drive Sewer Project	February 2020	55,250
Harding Channelization Project	June 2020	63,398
Total Construction Contracts		$ 6,876,776

NOTE 13: Debt Refunding

On September 10, 2019, the City issued, at par, $3,828,800 in franchise fee refunding and improvement revenue bonds with an interest rate of 2.79 percent, to advance refund $3,480,000 of outstanding bonds dated May 1, 2014, with interest rates from 1 to 3.8 percent. Bond proceeds of $3,374,477, along with debt service reserves of $145,422, were remitted to an escrow agent to advance refund the 2014 bonds. Remaining proceeds of $400,323 were placed in the capital projects fund and used for the aquatic center project. Net bond issuance costs associated with the refunding were $54,000.

NOTE 14: Pledged Revenues

A. Franchise Fees

The City pledged future franchise fees to repay $1,085,000 of capital improvement and refunding bonds issued in 2014, $3,080,000 of capital improvement bonds issued in 2016, and $3,828,800 of capital improvement and refunding bonds issued in 2019. Total principal and interest remaining on the bonds are $905,000 and $409,827, respectively, payable through May 2039 for the 2014 series; $2,880,000 and $1,476,272, respectively, payable through May 2046 for the 2016 series; and $3,828,800 and $647,908, respectively, payable through May 2030 for the 2019 issue. For the year ended December 31, 2019, principal and interest paid for each of the 2014, 2016, and 2019 series were $30,000 and $2,327; 70,000 and $90,169; and $300,000 and $98,571, respectively.

The Debt Service Fund received $2,824,420 in franchise fees in 2019. Any franchise fees collected in excess of debt service payments on these bonds is permitted to be used for other city expenditures.

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 for various capital improvements, and to repay $10,930,000 in refunding bonds that were issued in 2017 to refund capital improvement bonds issued in 2011 and 2012. Total principal and interest remaining on the bonds are $6,355,000 and $3,335,556, respectively, for the 2016 issue, and $9,410,000 and $2,772,596, respectively, for the 2017 issue. Final maturity for both the 2016 and 2017 issues is October 2036. For 2019, principal and interest paid were $160,000 and $199,745, respectively for the 2016 issue, and $670,000 and $296,810, respectively, for the 2017 issue.

The Debt Service Fund received $4,534,105 in sales tax in 2019. Any sales taxes collected in excess of debt service payments on these bonds may be used for other city expenditures.

C. Property Tax

The City pledged future proceeds of a three mil property tax levy to repay $13,355,000 in bonds that were issued in 2017 for the construction of a new library. The total principal and interest remaining on the bonds are $12,100,000 and $5,837,200, respectively, payable through February 2047. For 2019, principal and interest paid were $785,000 and $391,288, respectively.

The Debt Service Fund received $1,092,458 in property taxes in 2019. The proceeds of the tax levy cannot be used for any purpose other than payment of debt service on the bonds.

NOTE 15: **Interfund Transfers**

The General Fund transferred $244,332 to the Other Funds in the Aggregate for the following: $175,332 to the Community Development Fund to provide matching grant funds, and $69,000 to supplement the Southeast Arkansas Arts and Science Center Commission Fund. The Street Fund transferred $248,833 to the Other Funds in the Aggregate, Transit Fund, for matching federal transportation funds. The Other Funds in the Aggregate transferred $5,262,456 to the General Fund for the following: $3,194,534 from the Sales and Use Tax Bonds Debt Service Fund for sales tax collected in excess of debt service requirement, and $2,067,922 from the Franchise Fee Bonds Debt Service Fund for franchise fees collected in excess of debt service requirements. Within Other Funds in the Aggregate, the Library Property Tax Bond Debt Service Fund transferred $10,534 to the Library Construction Capital Projects Fund, in accordance with bond terms, for construction period interest; the Sales and Use Tax Capital Improvement Series 2012 transferred $366 to the Sales and Use Tax Bond Debt Service Fund to transfer excess funds and close the Street Improvement Account; and the Capital Projects Fund transferred $250,393 to the Capital Improvement Series 2016 Fund to reimburse prior year expenditures paid from the bond fund.

NOTE 16: Joint Ventures

A. Metropolitan Emergency Communications Association

The City of Pine Bluff belongs to the Metropolitan Emergency Communications Association (MECA), as setup by an amended interlocal agreement dated May 13, 1996, which is composed of the Cities of Pine Bluff, White Hall, Redfield, Altheimer, Wabbaseka, Humphrey, 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 MECA $692,630 in 2019. 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 the number and salaries of employees of the System. The City paid the System $621,459 in 2019. Separate financial statements are available at 200 East Eighth Street, Pine Bluff, Arkansas 71601.

NOTE 17: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. Payments made by the City in 2019 and 2018, in excess of Arkansas Municipal League's coverage totaled $15,000 and $4,000, respectively. There were no settlements made in 2017.. 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.

NOTE 17: Risk Management (Continued)

Municipal Vehicle Program

A. Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is as follows: $25,000 because of bodily injury to or death of one person in any one accident; $50,000 because of bodily injury to or death of two or more persons in any one accident; and $25,000 because of injury to or destruction of property of others in any one accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and self-propelled mobile equipment owned or leased by the City.

B. Physical Damage - This program covers motor vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of $1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for covered property.

Municipal Property Program - This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody, or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of $5,000, or in the case of flood or earthquake, $100,000. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

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

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

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

Plan Description

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

On July 27, 2017, administration of the City of Pine Bluff Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of these plans was not changed.

Funding Policy

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

A. Paid service not covered by Social Security: 8.5% of gross pay

B. Paid service also covered by Social Security: 2.5% of gross pay

C. Volunteer fire service: no employee contribution

The City is required to contribute at an actuarially determined rate. The contribution requirements of plan members are established and may be amended by State law. The contribution requirements of the City are established and may be amended by the LOPFI Board of Trustees. The plan is also funded with state insurance tax. The City's contribution to the plan was $2,155,222, and the amount of insurance tax paid by the state to the plan for the benefit of the City was $1,165,730 for the year ended December 31, 2019.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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, 2019 (actuarial valuation date and measurement date) was $19,950,930.

NOTE 19: Arkansas Public Employees Retirement System

Plan Description

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

NOTE 19: Arkansas Public Employees Retirement System (Continued)

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was $8,067 for the year ended June 30, 2019.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, is 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, 2019 (actuarial valuation date and measurement date) was $66,385.

NOTE 20: City Non-uniformed Retirement

Plan Description

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

Funding Policy

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 $512,758 for the year ended December 31, 2019. Based on the December 31, 2019 actuarial valuation, the plan has a net pension asset of $2,853,331.

NOTE 21: Subsequent Events

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). The extent of the impact of COVID-19 on the financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak, revenue collections, and any other possible issues – all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the City is uncertain.

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2019

Schedule 1

	SPECIAL REVENUE FUNDS								
	Community Development	Historic District Commission	Jail Fee	Administration of Justice	Vice Intelligence Narcotics	Grants	Emergency Vehicle	Transit	Southeast Arkansas Arts and Science Center Commission
ASSETS									
Cash and cash equivalents	$ 76,476	$ 1,194	$ 96,697	$ 292,105	$ 66,374	$ 139,758	$ 35,033	$ 30,617	$ 670,426
Investments									
Accounts receivable	14,529					45,798		103,007	
Interfund receivables	10,000								
TOTAL ASSETS	$ 101,005	$ 1,194	$ 96,697	$ 292,105	$ 66,374	$ 185,556	$ 35,033	$ 133,624	$ 670,426
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 4,125						$ 188	$ 1,838	$ 3,438
Interfund payables	133,214		$ 95,790	$ 7,316		$ 611,417	26,500	322,612	
Settlements pending									
Total Liabilities	137,339		95,790	7,316		611,417	26,688	324,450	3,438
Fund Balances:									
Nonspendable									
Restricted		$ 1,194	907	284,789	$ 66,374		8,345		
Committed									161,020
Assigned									505,968
Unassigned	(36,334)					(425,861)		(190,826)	
Total Fund Balances	(36,334)	1,194	907	284,789	66,374	(425,861)	8,345	(190,826)	666,988
TOTAL LIABILITIES AND FUND BALANCES	$ 101,005	$ 1,194	$ 96,697	$ 292,105	$ 66,374	$ 185,556	$ 35,033	$ 133,624	$ 670,426

Schedule 1

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2019

	CAPITAL PROJECTS FUNDS						DEBT SERVICE FUNDS		
	Sales and Use Tax Capital Improvements Series 2012	Capital Improvement Series 2014	Sales and Use Tax Capital Improvements Series 2016	Capital Improvement Series 2016	Library Construction Series 2017	Capital Projects	Sales and Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bond 2017
ASSETS									
Cash and cash equivalents	$ 421,128	$ 6	$ 1,935,912	$ 191,451	$ 6,098,349	$ 18,638	$ 524,637	$ 293,916	$ 1,109,080
Investments									
Accounts receivable							370,078	318,743	50,779
Interfund receivables									
TOTAL ASSETS	$ 421,128	$ 6	$ 1,935,912	$ 191,451	$ 6,098,349	$ 18,638	$ 894,715	$ 612,659	$ 1,159,859
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable									
Interfund payables									
Settlements pending									
Total Liabilities									
Fund Balances:									
Nonspendable									
Restricted	$ 421,128		$ 1,935,912		$ 6,098,349		$ 894,715	$ 612,659	$ 1,159,859
Committed		$ 6		$ 191,451					
Assigned						$ 18,638			
Unassigned									
Total Fund Balances	421,128	6	1,935,912	191,451	6,098,349	18,638	894,715	612,659	1,159,859
TOTAL LIABILITIES AND FUND BALANCES	$ 421,128	$ 6	$ 1,935,912	$ 191,451	$ 6,098,349	$ 18,638	$ 894,715	$ 612,659	$ 1,159,859

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2019

	PERMANENT FUND	TRUST FUND	CUSTODIAL FUNDS				
	Cemetery Trust	City Retirement	Payroll	Health Insurance Premium	District Court (Division 1)	District Court (Division 2)	Totals
ASSETS							
Cash and cash equivalents	$ 483,491	$ 8,013,320	$ 12,399	$ 229,936	$ 103,082	$ 39,554	$ 20,883,579
Investments	30,169	25,608,531					25,638,700
Accounts receivable		71,500					974,434
Interfund receivables							10,000
TOTAL ASSETS	$ 513,660	$ 33,693,351	$ 12,399	$ 229,936	$ 103,082	$ 39,554	$ 47,506,713
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		$ 1,749,320					$ 1,758,909
Interfund payables							1,196,849
Settlements pending			$ 12,399	$ 229,936	$ 103,082	$ 39,554	384,971
Total Liabilities		1,749,320	12,399	229,936	103,082	39,554	3,340,729
Fund Balances:							
Nonspendable	$ 513,660						513,660
Restricted		31,944,031					43,428,262
Committed							352,477
Assigned							524,606
Unassigned							(653,021)
Total Fund Balances	513,660	31,944,031					44,165,984
TOTAL LIABILITIES AND FUND BALANCES	$ 513,660	$ 33,693,351	$ 12,399	$ 229,936	$ 103,082	$ 39,554	$ 47,506,713

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, 2019

	SPECIAL REVENUE FUNDS								
	Community Development	Historic District Commission	Jail Fee	Administration of Justice	Vice Intelligence Narcotics	Grants	Emergency Vehicle	Transit	Southeast Arkansas Arts and Science Center Commission
REVENUES									
State aid						$ 45,798		$ 157,289	$ 9,300
Federal aid	$ 862,744				$ 11,086	183,034		661,933	
Property taxes									
Franchise fees									
Sales taxes									
Fines, forfeitures, and costs			$ 73,661	$ 58,282			$ 63,991		
Interest			445	409	452		294	621	189
Local permits and fees									101,161
Employer contribution									
Employee contribution									
Transit fees								54,676	
Donations									170,093
Net increase (decrease) in the fair value of investments									
Other	138,114				5,200	201,902		4,917	103,261
TOTAL REVENUES	1,000,858		74,106	58,691	16,738	430,734	64,285	879,436	384,004
EXPENDITURES									
Current:									
General government	1,122,919					558,026			
Law enforcement			82,397	82,773	12,344	9,670			
Highways and streets						57,643			
Recreation and culture						665,583			558,556
Social services									
Public transit								1,011,228	
Total Current	1,122,919		82,397	82,773	12,344	1,290,922		1,011,228	558,556
Debt Service:									
Bond principal									
Bond interest and other charges									
Note principal	4,571						34,104		
Note interest	309						7,174		
TOTAL EXPENDITURES	1,127,799		82,397	82,773	12,344	1,290,922	41,278	1,011,228	558,556
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(126,941)		(8,291)	(24,082)	4,394	(860,188)	23,007	(131,792)	(174,552)
OTHER FINANCING SOURCES (USES)									
Transfers in	175,332							248,833	69,000
Transfers out									
Bond proceeds									
Payment to refunding bond escrow agent									
TOTAL OTHER FINANCING SOURCES (USES)	175,332							248,833	69,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	48,391		(8,291)	(24,082)	4,394	(860,188)	23,007	117,041	(105,552)
FUND BALANCES - JANUARY 1	(84,725)	$ 1,194	9,198	308,871	61,980	434,327	(14,662)	(307,867)	772,540
FUND BALANCES - DECEMBER 31	$ (36,334)	$ 1,194	$ 907	$ 284,789	$ 66,374	$ (425,861)	$ 8,345	$ (190,826)	$ 666,988

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, 2019

Schedule 2

	CAPITAL PROJECTS FUNDS					
	Sales and Use Tax Capital Improvements Series 2012	Capital Improvement Series 2014	Sales and Use Tax Capital Improvements Series 2016	Capital Improvement Series 2016	Library Construction Series 2017	Capital Projects
REVENUES						
State aid						
Federal aid						
Property taxes						
Franchise fees						
Sales taxes						
Fines, forfeitures, and costs						
Interest	$ 13,991	$ 260	$ 37,439	$ 4,787	$ 196,790	$ 5,413
Local permits and fees						
Employer contribution						
Employee contribution						
Transit fees						
Donations						
Net increase (decrease) in the fair value of investments						
Other						
TOTAL REVENUES	13,991	260	37,439	4,787	196,790	5,413
EXPENDITURES						
Current:						
General government	426,128	22,941	92,207			
Law enforcement						
Highways and streets				219,584		
Recreation and culture		400,323		5,382	6,104,702	3,761,357
Social services						
Public transit						
Total Current	426,128	423,264	92,207	224,966	6,104,702	3,761,357
Debt Service:						
Bond principal						
Bond interest and other charges						
Note principal						
Note interest						
TOTAL EXPENDITURES	426,128	423,264	92,207	224,966	6,104,702	3,761,357
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(412,137)	(423,004)	(54,768)	(220,179)	(5,907,912)	(3,755,944)
OTHER FINANCING SOURCES (USES)						
Transfers in				250,393	10,534	
Transfers out	(366)					(250,393)
Bond proceeds		400,323				
Payment to refunding bond escrow agent						
TOTAL OTHER FINANCING SOURCES (USES)	(366)	400,323		250,393	10,534	(250,393)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(412,503)	(22,681)	(54,768)	30,214	(5,897,378)	(4,006,337)
FUND BALANCES - JANUARY 1	833,631	22,687	1,990,680	161,237	11,995,727	4,024,975
FUND BALANCES - DECEMBER 31	$ 421,128	$ 6	$ 1,935,912	$ 191,451	$ 6,098,349	$ 18,638

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, 2019

Schedule 2

	DEBT SERVICE FUNDS			PERMANENT FUND	TRUST FUND	
	Sales and Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bond 2017	Cemetery Trust	City Retirement	Totals
REVENUES						
State aid						$ 212,387
Federal aid						1,718,797
Property taxes			$ 1,092,458			1,092,458
Franchise fees		$ 2,824,420				2,824,420
Sales taxes	$ 4,534,105					4,534,105
Fines, forfeitures, and costs						195,934
Interest	12,888	5,825	12,006	$ 12,197	$ 776,769	1,080,775
Local permits and fees						101,161
Employer contribution					512,758	512,758
Employee contribution					219,653	219,653
Transit fees						54,676
Donations						170,093
Net increase (decrease) in the fair value of investments				730	3,293,550	3,294,280
Other					64,258	517,652
TOTAL REVENUES	4,546,993	2,830,245	1,104,464	12,927	4,866,988	16,529,149
EXPENDITURES						
Current:						
General government		54,000			1,617,103	3,893,324
Law enforcement						187,184
Highways and streets						277,227
Recreation and culture						11,495,903
Social services				2,763		2,763
Public transit						1,011,228
Total Current		54,000		2,763	1,617,103	16,867,629
Debt Service:						
Bond principal	830,000	400,000	785,000			2,015,000
Bond interest and other charges	505,855	191,069	394,838			1,091,762
Note principal						38,675
Note interest						7,483
TOTAL EXPENDITURES	1,335,855	645,069	1,179,838	2,763	1,617,103	20,020,549
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,211,138	2,185,176	(75,374)	10,164	3,249,885	(3,491,400)
OTHER FINANCING SOURCES (USES)						
Transfers in	366					754,458
Transfers out	(3,194,534)	(2,067,922)	(10,534)			(5,523,749)
Bond proceeds		3,428,477				3,828,800
Payment to refunding bond escrow agent		(3,519,899)				(3,519,899)
TOTAL OTHER FINANCING SOURCES (USES)	(3,194,168)	(2,159,344)	(10,534)			(4,460,390)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	16,970	25,832	(85,908)	10,164	3,249,885	(7,951,790)
FUND BALANCES - JANUARY 1	877,745	586,827	1,245,767	503,496	28,694,146	52,117,774
FUND BALANCES - DECEMBER 31	$ 894,715	$ 612,659	$ 1,159,859	$ 513,660	$ 31,944,031	$ 44,165,984

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

Fund Name	Fund Description
Community Development	Established to process grants for low-income housing construction and rehabilitation.
Historic District Commission	Ark. Code Ann. § 14-172-206 and Pine Bluff Ordinance no. 6133 (March 21, 2005) established fund to process grants to support the historic significance of the buildings, structures, features, sites, and surroundings of the City.
Jail Fee	Ark. Code Ann. § 16-17-129 and Pine Bluff Ordinance no. 6286 (June 15, 2009) allows a county to levy an additional fine, not to exceed $20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Administration of Justice	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	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.
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.
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.
Capital Improvement Series 2014	Pine Bluff Ordinance no. 6481 (March 17, 2014) 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.

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2019

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

Fund Name	Fund Description
Sales and Use Tax Capital Improvements 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.
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 and Use Tax Bonds	Pine Bluff Ordinance nos. 6545 (July 18, 2016), 6576 (June 19, 2017), and 6582 (October 16, 2017), authorized the issuance of sales and use tax bonds. Established to account for the accumulation of resources to retire bonded debt secured by a pledge of future sales and use taxes.
Franchise Fee Bonds	Pine Bluff Ordinance nos. 6481 (March 17, 2014), 6547 (August 15, 2016), and 6634 (August 5, 2019) authorized the issuance of franchise fee revenue bonds. Established to account for the accumulation of resources to retire the debt.
Library Property Tax Bond 2017	Pine Bluff Ordinance nos. 6549 (August 26, 2016) and 6566 (April 3, 2017) authorized the issuance of library property tax revenue construction bonds. Established to account for the accumulation of resources to retire the debt.
Cemetery Trust	Ark. Code Ann. §§ 20-17-1013 - 1016 established fund to invest 20% of revenue generated from plot sales to provide permanent maintenance of the City's cemetery.
City Retirement	Pine Bluff City Code § 19-36 (1993) established fund to process the self-supported retirement plan for nonuniformed employees.
Payroll	Established to process the payroll of all employees.
Health Insurance Premium	Established to process insurance premiums withheld from employees' earnings and forwarded to the insurance provider.
District Court (Division 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.

Schedule 3

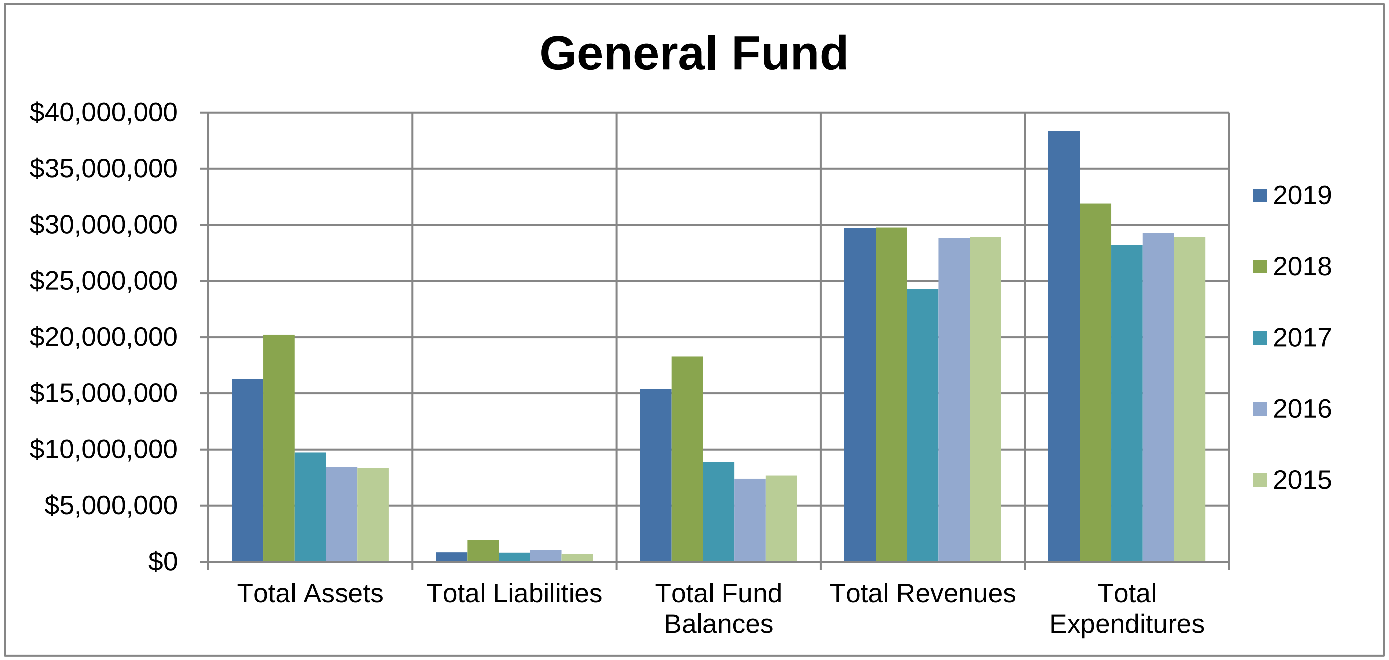
CITY OF PINE BLUFF, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2019
(Unaudited)

	December 31, 2019
Land	$ 684,625
Buildings	48,870,516
Infrastructure	20,135,970
Improvements	9,653,369
Heavy equipment	12,091,661
Vehicles	6,195,726
Equipment	4,097,048
Total	$101,728,915

CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2019
(Unaudited)

Schedule 4-1

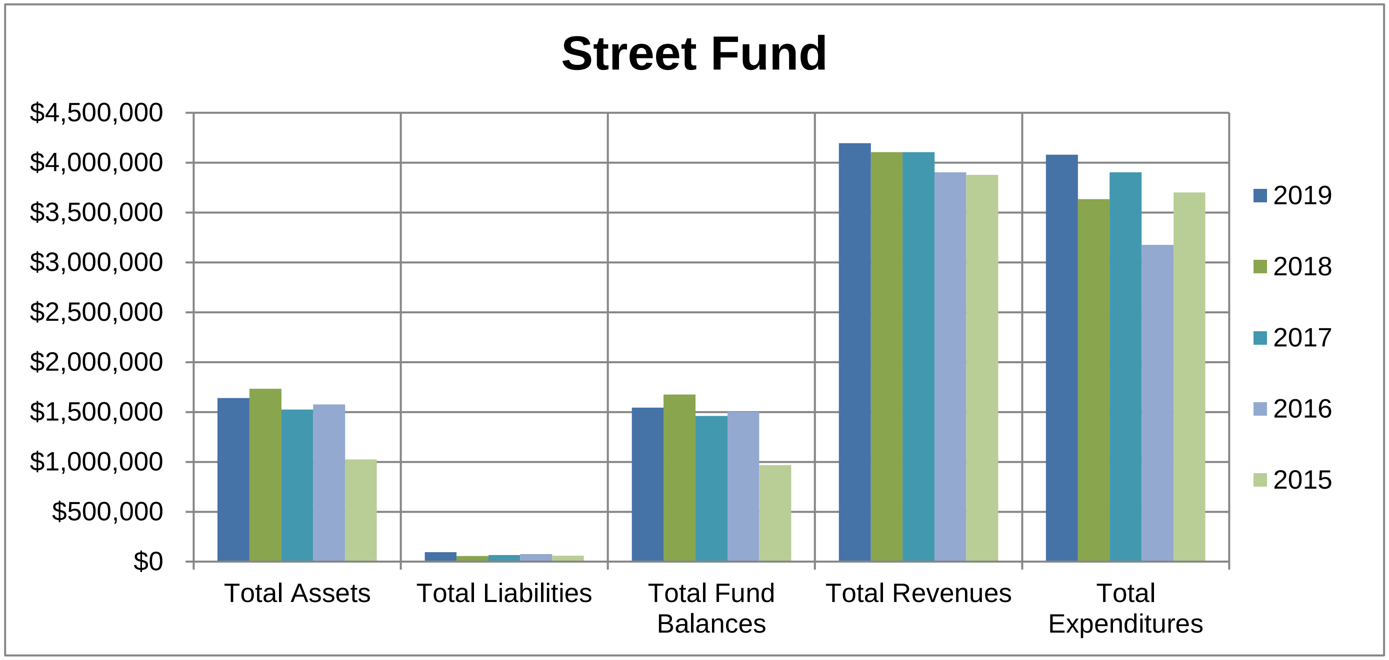
General	2019	2018	2017	2016	2015
Total Assets	$ 16,246,420	$ 20,210,634	$ 9,730,755	$ 8,439,046	$ 8,348,520
Total Liabilities	834,417	1,940,423	821,746	1,032,432	667,859
Total Fund Balances	15,412,003	18,270,211	8,909,009	7,406,614	7,680,661
Total Revenues	29,741,069	29,768,977	24,291,134	28,839,021	28,913,985
Total Expenditures	38,384,222	31,894,454	28,201,035	29,292,021	28,926,631
Total Other Financing Sources/Uses	5,784,945	11,510,738	5,587,842	178,953	205,615



CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS -STREET FUND - REGULATORY BASIS
DECEMBER 31, 2019
(Unaudited)

Schedule 4-2

Street	2019	2018	2017	2016	2015
Total Assets	$ 1,639,937	$ 1,731,753	$ 1,524,807	$ 1,577,083	$ 1,023,460
Total Liabilities	96,042	55,747	65,046	74,132	58,171
Total Fund Balances	1,543,895	1,676,006	1,459,761	1,502,951	965,289
Total Revenues	4,196,269	4,105,925	4,105,976	3,902,782	3,877,649
Total Expenditures	4,079,547	3,633,452	3,903,652	3,175,779	3,702,758
Total Other Financing Sources/Uses	(248,833)	(256,228)	(245,514)	(189,341)	



CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS -OTHER FUNDS IN THE AGGREGATE - REGULATORY BASIS
DECEMBER 31, 2019
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2019	2018	2017	2016	2015
Total Assets	$ 47,506,713	$ 53,313,589	$ 57,320,316	$ 58,849,080	$ 44,730,799
Total Liabilities	3,340,729	1,195,815	1,051,979	898,963	1,078,925
Total Fund Balances	44,165,984	52,117,774	56,268,337	57,950,117	43,651,874
Total Revenues	16,529,149	11,943,560	16,823,043	9,399,669	9,684,055
Total Expenditures	20,020,549	15,595,980	12,123,841	9,494,224	14,224,068
Total Other Financing Sources/Uses	(4,460,390)	(522,202)	(6,380,982)	10,117,493	344,386