City of Pine Bluff, Arkansas

Regulatory Basis Financial Statements and Other Reports

December 31, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE

CITY OF PINE BLUFF, ARKANSAS
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Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2020, 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, 2020, or the revenues, expenditures, and changes in net position and, where applicable, cash flows thereof for the year then ended.

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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, 2020, 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 August 11, 2021, 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
August 11, 2021
LOM107620

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, 2020, and the related notes to the financial statements, and have issued our report thereon dated August 11, 2021. 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 August 11, 2021.

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
August 11, 2021

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 2020:

Mayor: Shirley Washington
City Collector: Sharon Johnson
Finance Director: Steve Miller (Retired February 6, 2021)
Gina Devers (Appointed Interim February 7, 2021)
City Clerk: Loretta Whitfield (Retired December 31, 2020)
Janice Roberts (Elected January 1, 2021)
District Court Clerk – Division I: Brooke Stayton
District Court Clerk – Division II: Veronica Young
Police Chief: Kelvin Sergeant (Retired June 30, 2021)
Kelven Hadley (Interim July 1, 2021 – July 19, 2021)
Lloyd Franklin Sr. (Appointed Interim July 20, 2021)

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 and Finance Director

During our examination of fixed assets, we noted the following:

1. Equipment purchases were not coded to capital outlay.
2. Fifty-one equipment purchases totaling $271,193 were not included in the 2020 assets additions.
3. Equipment disposals were not properly authorized.
4. One equipment item in the sight test had been disposed of but not removed from the fixed assets list.

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
August 11, 2021

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Exhibit A

CITY OF PINE BLUFF, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2020

	General	Street	Other Funds in the Aggregate
ASSETS			
Cash and cash equivalents	$ 16,547,115	$ 2,048,330	$ 9,801,877
Investments			29,911,837
Accounts receivable	2,595,537	34,786	1,204,996
Interfund receivables	1,609,556		10,000
TOTAL ASSETS	$ 20,752,208	$ 2,083,116	$ 40,928,710
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 1,554,051	$ 51,071	$ 338,623
Interfund payables	10,000	19,273	1,590,283
Settlements pending			269,736
Total Liabilities	1,564,051	70,344	2,198,642
Fund Balances:			
Nonspendable			521,069
Restricted	652,178	2,028,877	38,610,666
Committed			767,110
Assigned	5,747,588		18,638
Unassigned	12,788,391	(16,105)	(1,187,415)
Total Fund Balances	19,188,157	2,012,772	38,730,068
TOTAL LIABILITIES AND FUND BALANCES	$ 20,752,208	$ 2,083,116	$ 40,928,710

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, 2020

Exhibit B

	General	Street	Other Funds in the Aggregate
REVENUES			
State aid	$ 2,139,526	$ 3,705,311	$ 329,124
Federal aid	57,133		4,522,002
Property taxes	3,499,746	609,358	1,197,030
Franchise fees	301,569		2,704,249
Sales taxes	19,850,202		4,952,821
Fines, forfeitures, and costs	645,643		166,054
Interest	135,339	13,365	797,883
Local permits and fees	1,240,591		48,583
Sanitation fees	2,612,177		
Casino gaming tax	1,083,524		
Parks and recreation fees	135,365		
Transit fees			35,303
Donations			381,368
Employer contributions			526,315
Employee contributions			225,564
Net increase/(decrease) in fair value of investments			1,322,354
Other	518,062	119,194	365,967
TOTAL REVENUES	32,218,877	4,447,228	17,574,617
EXPENDITURES			
Current:			
General government	12,693,924		4,676,530
Law enforcement	11,226,953		250,406
Highways and streets		3,623,177	999,848
Public safety	6,622,499		1,966,541
Sanitation	2,671,200		
Health	45,500		
Recreation and culture	3,731,722		5,914,133
Social services	200,047		4,641
Economic development	1,695,629		
Public transit			967,707
Airport	191,975		
Total Current	39,079,449	3,623,177	14,779,806
Debt Service:			
Bond principal			1,837,701
Bond interest and other charges			1,111,595
Lease principal	49,252		
Lease interest	7,477		
Note principal	270,180		35,859
Note interest	17,721		5,419
TOTAL EXPENDITURES	39,424,079	3,623,177	17,770,380

Exhibit B

CITY OF PINE BLUFF, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Street	Other Funds in the Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (7,205,202)	$ 824,051	$ (195,763)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,744,116		506,360
Transfers out	(148,789)	(355,174)	(5,746,513)
Loan proceeds	469,984		
Contribution from civic auditorium complex commission	109,595		
Insurance proceeds	4,806,450		
TOTAL OTHER FINANCING SOURCES (USES)	10,981,356	(355,174)	(5,240,153)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,776,154	468,877	(5,435,916)
FUND BALANCES - JANUARY 1	15,412,003	1,543,895	44,165,984
FUND BALANCES - DECEMBER 31	$ 19,188,157	$ 2,012,772	$ 38,730,068

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, 2020

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	$ 2,079,878	$ 2,139,526	$ 59,648	$ 3,634,000	$ 3,705,311	$ 71,311
Federal aid	38,266	57,133	18,867			
Property taxes	2,710,000	3,499,746	789,746	575,000	609,358	34,358
Franchise fees	137,000	301,569	164,569			
Sales taxes	19,300,192	19,850,202	550,010			
Fines, forfeitures, and costs	686,000	645,643	(40,357)			
Interest	161,070	135,339	(25,731)	12,500	13,365	865
Local permits and fees	1,289,900	1,240,591	(49,309)			
Sanitation fees	2,919,982	2,612,177	(307,805)			
Casino gaming tax		1,083,524	1,083,524			
Parks and recreation fees	323,312	135,365	(187,947)			
Other	901,330	518,062	(383,268)	94,500	119,194	24,694
TOTAL REVENUES	30,546,930	32,218,877	1,671,947	4,316,000	4,447,228	131,228
EXPENDITURES						
Current:						
General government	26,333,510	12,693,924	13,639,586			
Law enforcement	13,773,955	11,226,953	2,547,002			
Highways and streets	88,856		88,856	6,211,578	3,623,177	2,588,401
Public safety	8,898,251	6,622,499	2,275,752			
Sanitation	2,833,081	2,671,200	161,881			
Health	45,500	45,500	0			
Recreation and culture	1,225,900	3,731,722	(2,505,822)			
Social services	220,874	200,047	20,827			
Economic development		1,695,629	(1,695,629)			
Airport	221,913	191,975	29,938			
Total Current	53,641,840	39,079,449	14,562,391	6,211,578	3,623,177	2,588,401
Debt Service:						
Lease principal		49,252	(49,252)			
Lease interest		7,477	(7,477)			
Note principal	207,053	270,180	(63,127)			
Note interest		17,721	(17,721)			
TOTAL EXPENDITURES	53,848,893	39,424,079	14,424,814	6,211,578	3,623,177	2,588,401

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, 2020

Exhibit C

	General			Street		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (23,301,963)	$ (7,205,202)	$ 16,096,761	$ (1,895,578)	$ 824,051	$ 2,719,629
OTHER FINANCING SOURCES (USES)						
Transfers in	10,296,524	5,744,116	(4,552,408)	145,661		(145,661)
Transfers out	(368,008)	(148,789)	219,219		(355,174)	(355,174)
Loan proceeds	469,649	469,984	335			
Contribution from civic auditorium complex commission	110,795	109,595	(1,200)			
Insurance proceeds	3,697,757	4,806,450	1,108,693			
FEMA reimbursement	580,363		(580,363)			
CARES Act grant	281,250		(281,250)			
TOTAL OTHER FINANCING SOURCES (USES)	15,068,330	10,981,356	(4,086,974)	145,661	(355,174)	(500,835)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,233,633)	3,776,154	12,009,787	(1,749,917)	468,877	2,218,794
FUND BALANCES - JANUARY 1		15,412,003	15,412,003		1,543,895	1,543,895
FUND BALANCES - DECEMBER 31	$ (8,233,633)	$ 19,188,157	$ 27,421,790	$ (1,749,917)	$ 2,012,772	$ 3,762,689

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: Wastewater Utility Commission, Civic Auditorium Complex Commission, Advertising and Tourist Promotion Commission, and Aviation Commission Funds. However, under Arkansas's regulatory basis described below, inclusion of these funds is not required and these funds are not included in this report.

B. Basis of Presentation – Regulatory

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

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

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

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

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

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

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

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

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, savings, and money market accounts, certificates of deposit, treasury bills, and short-term investments with an original maturity of three months or less.

Investments

Investments are reported at fair value.

Settlements Pending

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

Fund Balance Classifications

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

2. Restricted fund balance - amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (passage of an ordinance).

4. Assigned fund balance - amounts that are constrained by the City Council’s intent to be used for specific purposes, but are neither restricted nor committed.

5. Unassigned fund balance – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This classification may also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

E. Property Taxes

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

F. Budget Law

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

a. Prior to December 1, the Mayor submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

b. The proposed budget is discussed at a City Council meeting prior to adoption.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budget Law (Continued)

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)	$ 3,604,892	$ 3,606,098
Collateralized:		
Collateral held by the City's agent, pledging bank or pledging bank's trust department or agent in the City's name	18,837,017	19,146,570
Uncollateralized	5,936,588	5,936,588
Total Deposits	$ 28,378,497	$ 28,689,256

The above total deposits do not include cash on hand of $18,825.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of December 31, 2020, $5,936,588 of the City's bank balances of $28,689,256 was exposed to custodial credit risk. The balances exposed to custodial credit risk were deposited in money market accounts consisting of federated treasury obligations, which are not uninsured and uncollateralized.

NOTE 3: Legal or Contractual Provisions for Deposits and Investments

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of no longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

Pension Trust Funds

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

NOTE 4: Public Fund Investments

A summary of investments by fund types is as follows:

Fund Type	December 31, 2020 Fair Value
Permanent	$ 50,418
Pension Trust	29,861,419
Totals	$ 29,911,837

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, 2020 Investment Type	Quoted Prices in Active Markets for Identical Level I	Other Observable Inputs Level II	Total
Mortgage-backed bonds		$ 3,047,038	$ 3,047,038
Corporate bonds		7,146,764	7,146,764
Stocks	$ 5,291,751		5,291,751
Municipal Obligations		986,195	986,195
Mutual Funds	13,440,089		13,440,089
Totals	$ 18,731,840	$ 11,179,997	$ 29,911,837

The fair value of stocks and mutual funds is measured on a recurring basis and is based on quoted marked prices obtained from independent pricing sources, and as a result, these were classified as Level I inputs. Mortgage-backed, 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, 2020, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Federal aid			$ 370,037
Property taxes	$ 152,129	$ 27,034	53,028
Franchise fees			312,868
Sales taxes	1,528,515		383,062
Interest			78,694
Sanitation fees	208,104		
Casino gaming tax	177,138		
Other	59,667	7,752	7,307
Loan proceeds	469,984		
Totals	$ 2,595,537	$ 34,786	$ 1,204,996

NOTE 6: Accounts Payable

The accounts payable balance at December 31, 2020, is composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Vendor payables	$ 1,525,803	$ 51,071	$ 338,623
Retirement payable	28,248		
Totals	$ 1,554,051	$ 51,071	$ 338,623

NOTE 7: Interfund Balances

Individual fund interfund receivable and payable balances are as follows:

	December 31, 2020	
	Interfund Receivables	Interfund Payables
General Fund	$ 1,609,556	$ 10,000
Street Fund		19,273
Other Funds in the Aggregate:		
Special Revenue Funds:		
Community Development	10,000	191,340
Jail Fee		163,067
Administration of Justice (AOJ)		7,231
Grants		1,065,846
Transit		162,799
Totals	$ 1,619,556	$ 1,619,556

Interfund receivables and payables consist of matching grants and reimbursements for expenditures paid by the General Fund. All interfund receivables and payables have been repaid as of exit date except for $1,219,409 payable to the General Fund. These payables consists of the following: Jail Fund - $163,066, Community Development - $38,153, Grants Fund - $1,011,056, and Administration of Justice - $7,134. 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, 2020, are composed of the following:

Description	General Fund	Street Fund	Other Funds in the Aggregate
Fund Balances:			
Nonspendable:			
Social services			$ 521,069
Restricted for:			
General government	$ 651,759		1,194
Law enforcement			327,298
Highways and streets		$ 2,028,877	
Recreation and culture	419		207,479
Public transit			135,768
Pension benefits			32,870,929
Capital outlay			2,233,637
Debt service			2,834,361
Total Restricted	652,178	2,028,877	38,610,666
Committed for:			
Recreation and culture			574,968
Capital outlay			192,142
Total Committed			767,110
Assigned to:			
General government	4,902,679		
Law enforcement	34,376		
Economic development	810,533		
Capital outlay			18,638
Total Assigned	5,747,588		18,638
Unassigned	12,788,391	(16,105)	(1,187,415)
Totals	$ 19,188,157	$ 2,012,772	$ 38,730,068

NOTE 10: Deficit Fund Balances

The following funds have deficit fund balances as of December 31, 2020:

	December 31, 2020
Other Funds in the Aggregate:	
Special Revenue Funds:	
Community Development	$ (229,152)
Grants	(958,263)
Total	$ (1,187,415)

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, 2020, the legal debt limit for the bonded debt was $73,989,065. There were no property tax secured bond issues. As discussed in Note 14, the City approved an additional 3 mills properly 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, 2020, the legal debt limit for short-term financing obligations was $20,381,440. The amount of short-term financing obligations was $5,765,276, leaving a legal debt margin of $14,616,164.

NOTE 12: Commitments

Total commitments consist of the following at December 31, 2020:

	2020
Long-term liabilities	$ 43,628,706
Construction contracts	2,104,764
Total Commitments	$ 45,733,470

NOTE 12: Commitments (Continued)

Long-term liabilities

Long-term liabilities at December 31, 2020, are comprised of the following:

		December 31, 2020
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.	$	875,000
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.		2,810,000
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.		6,190,000
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.		11,405,000
Sales and Use Tax Refunding Bonds, Series 2017, issued July 27, 2017, for $6,450,000; 20 annual installments beginning October 1, 2017, with the final settlement due October 1, 2036, interest at 2.0 - 3.8%. Payments are to be made from the Debt Service Fund.		4,825,000
Sales and Use Tax Refunding Bonds, Series 2017B, issued November 28, 2017, for $4,480,000; 19 annual installments beginning October 1, 2018, with the final settlement due October 1, 2036, interest at 2.0 - 3.75%. Payments are to be made from the Debt Service Fund.		3,910,000
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.		3,626,099
Total Bonds		33,641,099

NOTE 12: Commitments (Continued)

Direct Borrowings		
Installment contract with US Bancorp Government Leasing and Finance for the purchase of police car camera system; issued on April 15, 2017, for $301,360; annual installments of $64,270 for five years at 2.18% interest with the final installment due April 14, 2022. Payments are to be made from the General Fund.		124,456
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 and Emergency Vehicle 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.		340,507
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.		97,041
Promissory note with Relyance Bank for the purchase of a police van; issued on August 1, 2019, for $27,985; monthly installments of $510 for five years at 3.5% interest with the first payment due September 1, 2019, and final payment due August 1, 2024. Payments are to be made from the General Fund.		22,764
Lease purchase agreement with U.S Bancorp Government Leasing and Finance, Inc. for the aqcquisition of three fire vehicles, 50 breathing apparatuses and other fire department equipment, and one animal control vehicle; issued April 21, 2020, for $629,409 at 1.74%, initial payment of $217,146 due April 2021, followed by two annual payments of $217,146, with the final payment due April 21, 2023. Payments are to be made from the General Fund.		629,409
Promissory note with Simmons Bank for the purchase of 14 police vehicles; authorized on August 17, 2020, for $469,984 at 2.37%, annual installments of $101,064 beginning January 6, 2021, with the finanal payment due January 6, 2026. Payments are to be made from the General Fund.		469,984
Total Direct Borrowings		5,765,276
Compensated absences consisting of accrued vacation and sick leave adjusted to current salary cost		4,222,331
Total Long-term liabilities	$	43,628,706

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 $875,000, $2,810,000, and $3,626,099, 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 $6,190,000, $4,825,000, and $3,910,000, 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.

NOTE 12: Commitments (Continued)

The City's outstanding library property tax bonds payable of $11,405,000 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 notes with Relyance Bank of $340,507 and $22,764, respectively, contain 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 $124,456 and $629,409 with US Bancorp, $469,984 with Simmons Bank, and $97,041 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, 2020	Maturities to December 31, 2020
Bonds					
5/1/14	5/1/39	1-4.25%	$ 1,085,000	$ 875,000	$ 210,000
8/15/16	5/1/46	2-3.5%	3,080,000	2,810,000	270,000
10/1/16	10/1/36	2-3.5%	6,805,000	6,190,000	615,000
5/9/17	2/1/46	2-3.625%	13,355,000	11,405,000	1,950,000
7/27/17	10/1/36	2-3.8%	6,450,000	4,825,000	1,625,000
11/28/17	10/1/36	2-3.75%	4,480,000	3,910,000	570,000
9/10/19	5/1/30	2.79%	3,828,800	3,626,099	202,701
Total Bonds			39,083,800	33,641,099	5,442,701
Direct Borrowings					
4/15/17	4/15/22	2.18%	301,360	124,456	176,904
10/4/18	10/4/23	3.50%	545,088	340,507	204,581
11/1/18	11/1/23	3.90%	4,081,115	4,081,115	0
8/1/19	8/1/24	3.50%	27,985	22,764	5,221
11/6/19	11/6/23	5.51%	146,293	97,041	49,252
4/21/20	4/21/23	1.74%	629,409	629,409	0
8/13/20	1/6/26	2.37%	469,984	469,984	0
Total Direct Borrowings			6,201,234	5,765,276	435,958
Total Long-Term Debt			$ 45,285,034	$ 39,406,375	$ 5,878,659

NOTE 12: Commitments (Continued)

Changes in Long-Term Debt

	Balance January 01, 2020	Issued	Retired	Balance December 31, 2020
Bonds payable	$ 35,478,800		$ 1,837,701	$ 33,641,099
Direct Borrowings				
Notes payable *	4,874,881	$ 469,984	306,039	5,038,826
Capital leases	146,293	629,409	49,252	726,450
Total Direct Borrowings	5,021,174	1,099,393	355,291	5,765,276
Total Long-Term Debt	$ 40,499,974	$ 1,099,393	$ 2,192,992	$ 39,406,375

*Includes a $27,985 note issued in 2019, but not included in prior report.

Debt Service Requirements to Maturity

The City is obligated for the following amounts at December 31, 2020:

Years Ending	Bonds			Direct Borrowings		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2021	$ 1,584,378	$ 1,047,558	$ 2,631,936	$ 544,980	$ 470,036	$ 1,015,016
2022	1,453,289	1,008,587	2,461,875	1,544,535	169,243	1,713,778
2023	1,487,448	973,190	2,460,638	3,383,779	120,033	3,503,812
2024	1,516,863	937,933	2,454,796	98,219	6,878	105,097
2025	1,561,540	900,582	2,462,122	96,472	4,592	101,064
2026 through 2030	7,952,581	3,808,019	11,760,600	97,291	2,306	99,597
2031 through 2035	6,955,000	2,592,240	9,547,240			
2036 through 2040	5,165,000	1,453,491	6,618,491			
2041 through 2045	5,305,000	636,388	5,941,388			
2046	660,000	29,200	689,200			
Totals	$ 33,641,099	$ 13,387,187	$ 47,028,286	$ 5,765,276	$ 773,088	$ 6,538,364

NOTE 12: Commitments (Continued)

Construction Contracts

The City was contractually obligated for the following construction contracts at December 31, 2020:

Project Name	Completed or Estimated Completion	Contract Balance December 31, 2020	
Main Street/Downtown Streetscape Project	May 2021	$	1,068,879
Main Street Stabilization	May 2021		298,351
Pine Bluff Comprehensive Plan	June 2021		124,173
Pine Bluff Main Library	December 2021		503,776
University Park Sidewalk Project	February 2021		31,907
W 28th Street Bridge Project	August 2021		23,700
Harding Channelization Project	October 2021		53,978
Total Construction Contracts		$	2,104,764

NOTE 13: **Interfund Transfers**

The General Fund transferred 148,789 to the Other Funds in the Aggregate for the following: $79,789 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 $355,174 to the Other Funds in the Aggregate, Transit Fund, for matching federal transportation funds. The Other Funds in the Aggregate transferred $5,744,116 to the General Fund for the following: $3,618,440 from the Sales and Use Tax Bonds Debt Service Fund for sales tax collected in excess of debt service requirement, and $2,125,676 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 $2,390 to the Library Construction Capital Projects Fund, in accordance with bond terms, for construction period interest; and the Capital Improvement Series 2014 transferred $7 to the Franchise Fee Bonds Debt Service Fund for interest income.

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 $875,000 and $374,595, respectively, payable through May 2039 for the 2014 series; $2,810,000 and $1,387,503, respectively, payable through May 2046 for the 2016 series; and $3,626,099 and $528,779, respectively, payable through May 2030 for the 2019 issue. For the year ended December 31, 2020, principal and interest paid for each of the 2014, 2016, and 2019 series were $30,000 and $35,233; $70,000 and $88,769; and $202,701 and $119,129, respectively.

The Debt Service Fund received $2,704,249 in franchise fees in 2020. 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 $6,190,000 and $3,139,011, respectively, for the 2016 issue, and $8,735,000 and $2,489,186, respectively for the 2017 issue. Final maturity for both the 2016 and 2017 issue is October 2036. For 2020, principal and interest paid were $165,000 and $196,545, respectively, for the 2016 issue, and $675,000 and $283,410, respectively, for the 2017 issue.

The Debt Service Fund received $4,952,821 in sales tax in 2020. 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 $11,405,000 and $5,468,113, respectively, payable through February 2046. For 2020, principal and interest paid were $695,000 and 369,088.

The Debt Service Fund received $1,197,030 in property taxes in 2020. The proceeds of the tax levy cannot be used for any purpose other than payment of debt service on the bonds.

NOTE 15: Joint Ventures

A. Metropolitan Emergency Communications Association

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

City of Pine Bluff	70.76%
City of White Hall	2.25%
City of Redfield	.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 $670,363 in 2020. Financial information may be obtained at 101 East Barraque Street, Pine Bluff, Arkansas 71601.

NOTE 15: Joint Ventures (Continued)

B. Pine Bluff and Jefferson County Library System

The City of Pine Bluff and Jefferson County entered into an agreement in August 1979, in accordance with Ark. Code Ann. §§ 25-20-101 – 25-20-108, to establish a library system for the Jefferson County, Arkansas area. The Pine Bluff and Jefferson County Library System (System) is composed of five members appointed by the Mayor of Pine Bluff and ratified by the City Council. Title to fixed assets held by the constituent governmental units and used for library purposes at the time of the execution of this agreement shall remain unchanged although additional assets may be acquired in the name of the System. The Board shall fix number and salaries of employees of the System. The City paid the System $648,584 in 2020. Separate financial statements are available at 600 South Main Street, Pine Bluff, Arkansas 71601.

NOTE 16: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in a public entity risk pool. Payments made by the City in 2020 and 2019, in excess of Arkansas Municipal League's coverage totaled $4,000 and $15,000, respectively. There were no settlements in 2018. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

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

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

Municipal Vehicle Program

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

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

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

NOTE 16: Risk Management (Continued)

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 17: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan)

Plan Description

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

On July 27, 2017, administration of the City of Pine Bluff Policemen's Pension and Relief Fund was transferred to LOPFI. The benefit structure of 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 $2,418,217 and the amount of insurance tax paid by the state to the plan for the benefit of the City was $1,239,403 for the year ended December 31, 2020.

NOTE 17: Local Police and Fire Retirement System (LOPFI)
(A Defined Benefit Pension Plan) (Continued)

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at December 31, 2020 (actuarial valuation date and measurement date) was $18,791,642.

NOTE 18: Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salary. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees of the system, based on the annual actuarial valuation. The City's contribution to the plan was $7,887 for the year ended June 30, 2020.

Net Pension Liability

The requirements of Governmental Accounting Standards Board Statement no. 68, under the regulatory basis of accounting, are limited to disclosure of the City's share of the collective net pension liability. The City's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was $75,556.

NOTE 19: City Non-Uniformed Retirement

Plan Description

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

Funding Policy/Contributions

Funding is provided by contributions of 3% by the employee and 7% by the City of the employee's total annual compensation. The City's contribution to the plan was $526,315 for the year ended December 31, 2020. Based on the December 31, 2020 actuarial valuation, the plan has a net pension asset of $3,424,905.

NOTE 20: Corona Virus (COVID-19)

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). In 2020, the City Received $1,944,558 in federal aid from the Coronavirus Aid, Relief and Economic Securities (CARES) Act. The City was awarded $16,044,400 in federal aid from the American Rescue Plan Act of 2021, and as of report date, $8,022,200 of this amount had been received. The extent of the impact of COVID-19 on financial statements for future reporting periods remains uncertain, however, the City is expecting to receive additional federal aid for coronavirus relief.

NOTE 21: Insurance Proceeds

In 2018, the City received major hail and flood damages to various buildings and vehicles throughout the city. The City received insurance proceeds during 2020 in the amount of $4,806,450 as settlement for these damages.

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

Schedule 1

	SPECIAL REVENUE FUNDS								
	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit	Southeast Arkansas Arts & Science Commission
ASSETS									
Cash and cash equivalents	$ 55,602	$ 1,194	$ 164,597	$ 246,067	$ 71,868	$ 224,106	$ 15,252	$ 34,085	$ 788,083
Investments									
Accounts receivable	103,182							274,162	
Interfund receivables	10,000								
TOTAL ASSETS	$ 168,784	$ 1,194	$ 164,597	$ 246,067	$ 71,868	$ 224,106	$ 15,252	$ 308,247	$ 788,083
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 206,596					$ 116,523	$ 188	$ 9,680	$ 5,636
Interfund payables	191,340		$ 163,067	$ 7,231		1,065,846		162,799	
Settlements pending									
Total Liabilities	397,936		163,067	7,231		1,182,369	188	172,479	5,636
Fund Balances:									
Nonspendable									
Restricted		$ 1,194	1,530	238,836	$ 71,868		15,064	135,768	207,479
Committed									574,968
Assigned									
Unassigned	(229,152)					(958,263)			
Total Fund Balances	(229,152)	1,194	1,530	238,836	71,868	(958,263)	15,064	135,768	782,447
TOTAL LIABILITIES AND FUND BALANCES	$ 168,784	$ 1,194	$ 164,597	$ 246,067	$ 71,868	$ 224,106	$ 15,252	$ 308,247	$ 788,083

Schedule 1

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

	CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS		
	Capital Projects	Sales & Use Tax Capital Improvement Series 2012	Sales & Use Tax Capital Improvement Series 2016	Capital Improvement Series 2016	Library Construction Series 2017	Sales & Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bonds 2017
ASSETS								
Cash and cash equivalents	$ 19,699	$ 240,395	$ 715,624	$ 192,142	$ 1,276,557	$ 521,044	$ 327,601	$ 1,236,758
Investments								
Accounts receivable						383,062	312,868	53,028
Interfund receivables								
TOTAL ASSETS	$ 19,699	$ 240,395	$ 715,624	$ 192,142	$ 1,276,557	$ 904,106	$ 640,469	$ 1,289,786
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable								
Interfund payables								
Settlements pending								
Total Liabilities								
Fund Balances:								
Nonspendable								
Restricted	$ 1,061	$ 240,395	$ 715,624		$ 1,276,557	$ 904,106	$ 640,469	$ 1,289,786
Committed				$ 192,142				
Assigned	18,638							
Unassigned								
Total Fund Balances	19,699	240,395	715,624	192,142	1,276,557	904,106	640,469	1,289,786
TOTAL LIABILITIES AND FUND BALANCES	$ 19,699	$ 240,395	$ 715,624	$ 192,142	$ 1,276,557	$ 904,106	$ 640,469	$ 1,289,786

Schedule 1

CITY OF PINE BLUFF, ARKANSAS
COMBINING BALANCE SHEET - OTHER FUNDS IN THE AGGREGATE -
REGULATORY BASIS
DECEMBER 31, 2020

	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	$ 470,651	$ 2,930,816	$ 15,022	$ 119,443	$ 91,759	$ 43,512	$ 9,801,877
Investments	50,418	29,861,419					29,911,837
Accounts receivable		78,694					1,204,996
Interfund receivables							10,000
TOTAL ASSETS	$ 521,069	$ 32,870,929	$ 15,022	$ 119,443	$ 91,759	$ 43,512	$ 40,928,710
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable							$ 338,623
Interfund payables							1,590,283
Settlements pending			$ 15,022	$ 119,443	$ 91,759	$ 43,512	269,736
Total Liabilities			15,022	119,443	91,759	43,512	2,198,642
Fund Balances:							
Nonspendable	$ 521,069						521,069
Restricted		$ 32,870,929					38,610,666
Committed							767,110
Assigned							18,638
Unassigned							(1,187,415)
Total Fund Balances	521,069	32,870,929					38,730,068
TOTAL LIABILITIES AND FUND BALANCES	$ 521,069	$ 32,870,929	$ 15,022	$ 119,443	$ 91,759	$ 43,512	$ 40,928,710

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, 2020

Schedule 2

	SPECIAL REVENUE FUNDS								
	Community Development	Historic District Commission	Jail Fee	Administration of Justice (AOJ)	Vice Intelligence Narcotics (VIN)	Grants	Emergency Vehicle	Transit	Southeast Arkansas Arts & Science Commission
REVENUES									
State aid						$ 197,590		$ 101,120	$ 30,414
Federal aid	$ 910,680				$ 5,815	2,803,767		801,740	
Property taxes									
Franchise fees									
Sales taxes									
Fines, forfeitures, and costs			$ 66,997	$ 51,261			$ 47,796		
Interest			903	515	482		201	819	328
Local permits and fees									48,583
Transit fees								35,303	
Donations									381,368
Employer contributions									
Employee contributions									
Net increase/(decrease) in fair value of investments									
Other	108,275					68,614		145	162,992
TOTAL REVENUES	1,018,955		67,900	51,776	6,297	3,069,971	47,997	939,127	623,685
EXPENDITURES									
Current:									
General government	1,291,562					58,848			
Law enforcement			67,277	97,729	803	84,597			
Highways and streets						999,848			
Public safety						1,966,541			
Recreation and culture						492,539			577,226
Social services									
Public transit								967,707	
Total Current	1,291,562		67,277	97,729	803	3,602,373		967,707	577,226
Debt Service:									
Bond principal									
Bond interest and other charges									
Note principal							35,859		
Note interest							5,419		
TOTAL EXPENDITURES	1,291,562		67,277	97,729	803	3,602,373	41,278	967,707	577,226
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(272,607)		623	(45,953)	5,494	(532,402)	6,719	(28,580)	46,459
OTHER FINANCING SOURCES (USES)									
Transfers in	79,789							355,174	69,000
Transfers out									
TOTAL OTHER FINANCING SOURCES (USES)	79,789							355,174	69,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(192,818)		623	(45,953)	5,494	(532,402)	6,719	326,594	115,459
FUND BALANCES - JANUARY 1	(36,334)	$ 1,194	907	284,789	66,374	(425,861)	8,345	(190,826)	666,988
FUND BALANCES - DECEMBER 31	$ (229,152)	$ 1,194	$ 1,530	$ 238,836	$ 71,868	$ (958,263)	$ 15,064	$ 135,768	$ 782,447

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, 2020

Schedule 2

	CAPITAL PROJECTS FUNDS						DEBT SERVICE FUNDS		
	Capital Projects	Sales & Use Tax Capital Improvement Series 2012	Capital Improvement Series 2014	Sales & Use Tax Capital Improvement Series 2016	Capital Improvement Series 2016	Library Construction Series 2017	Sales & Use Tax Bonds	Franchise Fee Bonds	Library Property Tax Bonds 2017
REVENUES									
State aid									
Federal aid									
Property taxes									$ 1,197,030
Franchise fees								$ 2,704,249	
Sales taxes							$ 4,952,821		
Fines, forfeitures, and costs									
Interest	$ 136	$ 1,472	$ 1	$ 6,882	$ 691	$ 20,186	4,565	1,234	3,024
Local permits and fees									
Transit fees									
Donations									
Employer contributions									
Employee contributions									
Net increase/(decrease) in fair value of investments									
Other	925			23,521					
TOTAL REVENUES	1,061	1,472	1	30,403	691	20,186	4,957,386	2,705,483	1,200,054
EXPENDITURES									
Current:									
General government		182,205		1,250,691					
Law enforcement									
Highways and streets									
Public safety									
Recreation and culture						4,844,368			
Social services									
Public transit									
Total Current		182,205		1,250,691		4,844,368			
Debt Service:									
Bond principal							840,000	302,701	695,000
Bond interest and other charges							489,555	249,303	372,737
Note principal									
Note interest									
TOTAL EXPENDITURES		182,205		1,250,691		4,844,368	1,329,555	552,004	1,067,737
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,061	(180,733)	1	(1,220,288)	691	(4,824,182)	3,627,831	2,153,479	132,317
OTHER FINANCING SOURCES (USES)									
Transfers in						2,390		7	
Transfers out			(7)				(3,618,440)	(2,125,676)	(2,390)
TOTAL OTHER FINANCING SOURCES (USES)			(7)			2,390	(3,618,440)	(2,125,669)	(2,390)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,061	(180,733)	(6)	(1,220,288)	691	(4,821,792)	9,391	27,810	129,927
FUND BALANCES - JANUARY 1	18,638	421,128	6	1,935,912	191,451	6,098,349	894,715	612,659	1,159,859
FUND BALANCES - DECEMBER 31	$ 19,699	$ 240,395	$ 0	$ 715,624	$ 192,142	$ 1,276,557	$ 904,106	$ 640,469	$ 1,289,786

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, 2020

	PERMANENT FUND	TRUST FUND	
	Cemetery Trust	City Retirement	Totals
REVENUES			
State aid			$ 329,124
Federal aid			4,522,002
Property taxes			1,197,030
Franchise fees			2,704,249
Sales taxes			4,952,821
Fines, forfeitures, and costs			166,054
Interest	$ 11,801	$ 744,643	797,883
Local permits and fees			48,583
Transit fees			35,303
Donations			381,368
Employer contributions		526,315	526,315
Employee contributions		225,564	225,564
Net increase/(decrease) in fair value of investments	249	1,322,105	1,322,354
Other		1,495	365,967
TOTAL REVENUES	12,050	2,820,122	17,574,617
EXPENDITURES			
Current:			
General government		1,893,224	4,676,530
Law enforcement			250,406
Highways and streets			999,848
Public safety			1,966,541
Recreation and culture			5,914,133
Social services	4,641		4,641
Public transit			967,707
Total Current	4,641	1,893,224	14,779,806
Debt Service:			
Bond principal			1,837,701
Bond interest and other charges			1,111,595
Note principal			35,859
Note interest			5,419
TOTAL EXPENDITURES	4,641	1,893,224	17,770,380
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,409	926,898	(195,763)
OTHER FINANCING SOURCES (USES)			
Transfers in			506,360
Transfers out			(5,746,513)
TOTAL OTHER FINANCING SOURCES (USES)			(5,240,153)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,409	926,898	(5,435,916)
FUND BALANCES - JANUARY 1	513,660	31,944,031	44,165,984
FUND BALANCES - DECEMBER 31	$ 521,069	$ 32,870,929	$ 38,730,068

CITY OF PINE BLUFF, ARKANSAS
NOTES TO SCHEDULES 1 AND 2
DECEMBER 31, 2020

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) allow a county to levy an additional fine, not to exceed $20. Funds shall be used exclusively to defray the cost of incarcerating county prisoners; construction, maintenance, and operation of the county jail; purchase and maintenance of jail equipment; and training, salaries, and certificate pay for jailers and deputy sheriffs.
Administration of Justice (AOJ)	Ark. Code Ann. § 16-17-126 authorizes district court fees for writs of garnishment and executions to be appropriated for any permissible use in the administration of the district court.
Vice Intelligence Narcotics (VIN)	Established to process the Department of Justice and the Department of the Treasury's Federal Equitable sharing grants for law enforcement purposes.
Grants	Established to process various state and federal grants.
Emergency Vehicle	Ark. Code Ann. § 27-22-103 established fund for the fine for failure to insure motor vehicles to be used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communication equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus.
Transit	Established to process revenues and expenditures of the City Transit Department including grants issued under the United States Department of Transportation Urban Mass Transportation Act of 1964.
Southeast Arkansas Arts & Science 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.
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.

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

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

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

Fund Name	Fund Description
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

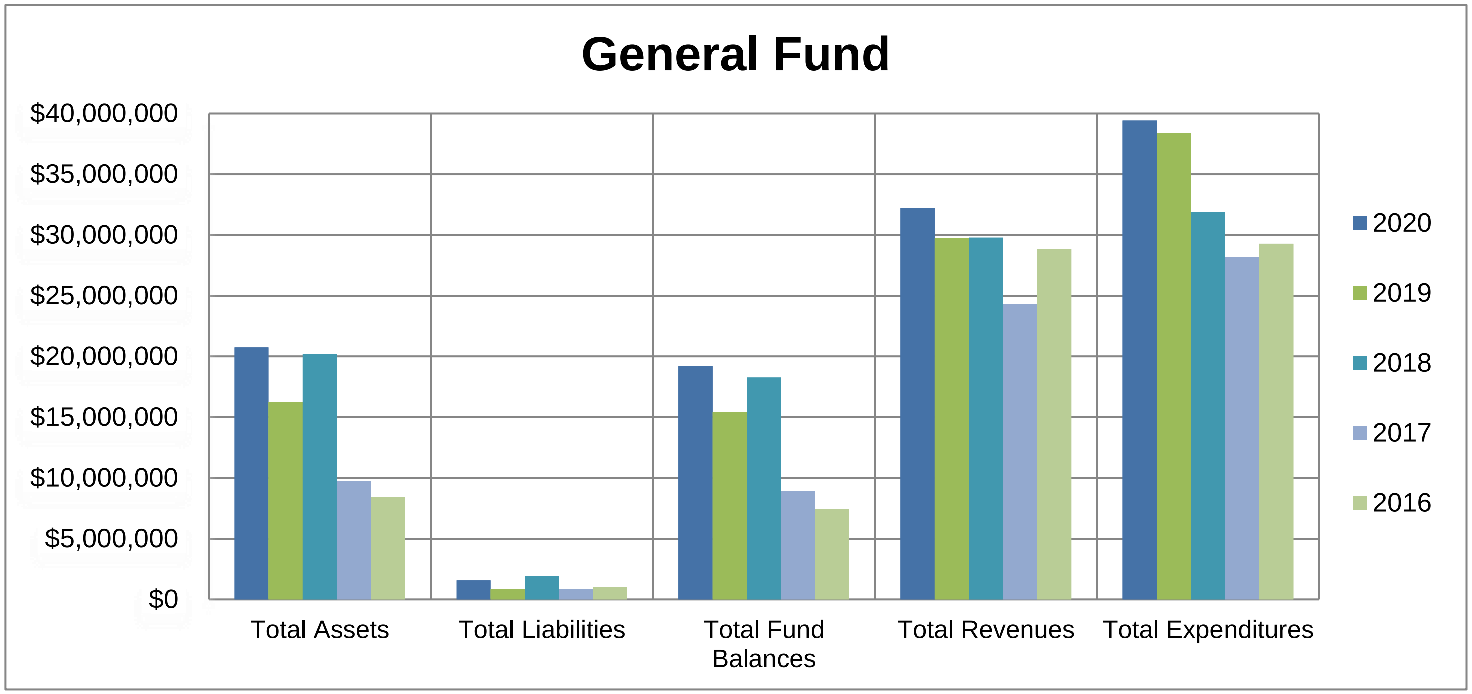
CITY OF PINE BLUFF, ARKANSAS
OTHER INFORMATION
SCHEDULE OF CAPITAL ASSETS
DECEMBER 31, 2020
(Unaudited)

	December 31, 2020
Land	$ 684,625
Buildings	48,956,062
Infrastructure	20,135,970
Improvements	11,492,809
Heavy equipment	12,501,667
Vehicles	6,591,621
Equipment	4,125,867
Total	$ 104,488,621

CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - GENERAL FUND - REGULATORY BASIS
DECEMBER 31, 2020
(Unaudited)

Schedule 4-1

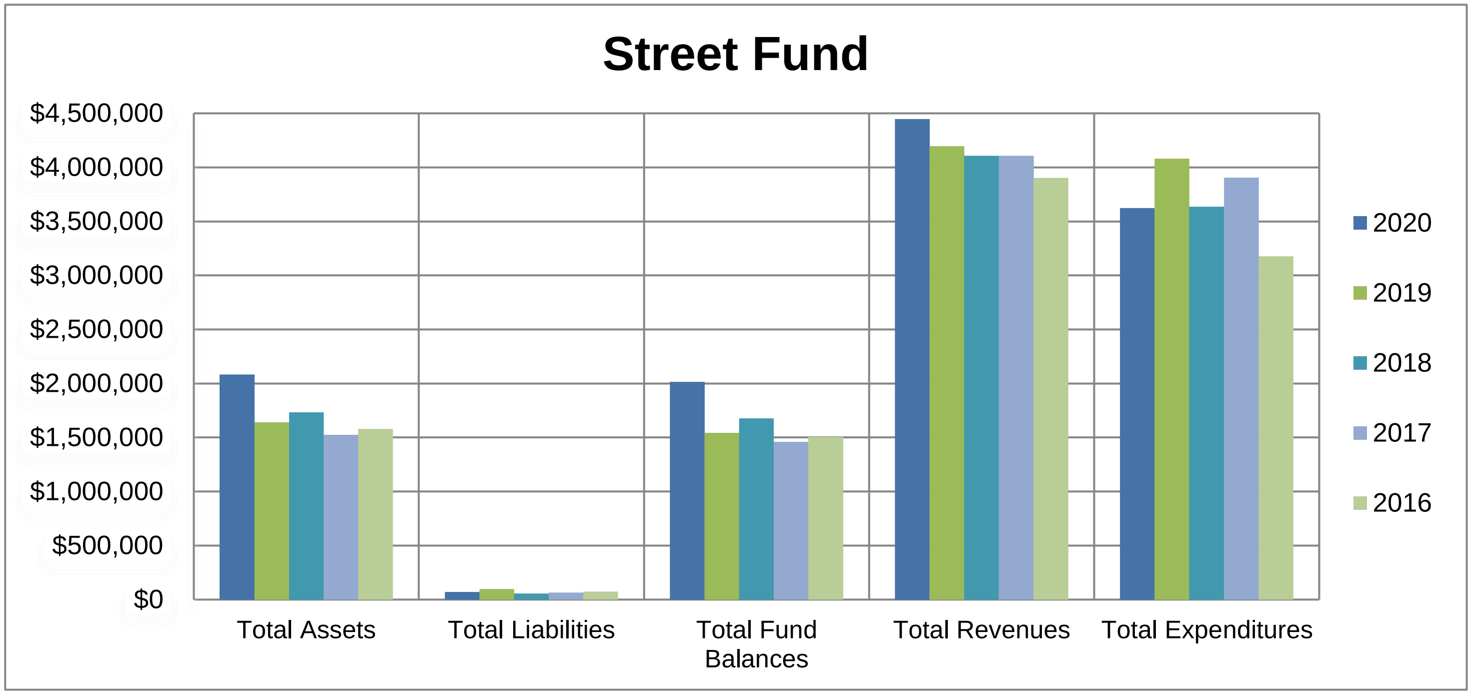
General	2020	2019	2018	2017	2016
Total Assets	$ 20,752,208	$ 16,246,420	$ 20,210,634	$ 9,730,755	$ 8,439,046
Total Liabilities	1,564,051	834,417	1,940,423	821,746	1,032,432
Total Fund Balances	19,188,157	15,412,003	18,270,211	8,909,009	7,406,614
Total Revenues	32,218,877	29,741,069	29,768,977	24,291,134	28,839,021
Total Expenditures	39,424,079	38,384,222	31,894,454	28,201,035	29,292,021
Total Other Financing Sources/Uses	10,981,356	5,784,945	11,510,738	5,587,842	178,953



CITY OF PINE BLUFF, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - STREET FUND - REGULATORY BASIS
DECEMBER 31, 2020
(Unaudited)

Schedule 4-2

Street	2020	2019	2018	2017	2016
Total Assets	$ 2,083,116	$ 1,639,937	$ 1,731,753	$ 1,524,807	$ 1,577,083
Total Liabilities	70,344	96,042	55,747	65,046	74,132
Total Fund Balances	2,012,772	1,543,895	1,676,006	1,459,761	1,502,951
Total Revenues	4,447,228	4,196,269	4,105,925	4,105,976	3,902,782
Total Expenditures	3,623,177	4,079,547	3,633,452	3,903,652	3,175,779
Total Other Financing Sources/Uses	(355,174)	(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, 2020
(Unaudited)

Schedule 4-3

Other Funds in the Aggregate	2020	2019	2018	2017	2016
Total Assets	$ 40,928,710	$ 47,506,713	$ 53,313,589	$ 57,320,316	$ 58,849,080
Total Liabilities	2,198,642	3,340,729	1,195,815	1,051,979	898,963
Total Fund Balances	38,730,068	44,165,984	52,117,774	56,268,337	57,950,117
Total Revenues	17,574,617	16,529,149	11,943,560	16,823,043	9,399,669
Total Expenditures	17,770,380	20,020,549	15,595,980	12,123,841	9,494,224
Total Other Financing Sources/Uses	(5,240,153)	(4,460,390)	(522,202)	(6,380,982)	10,117,493