

**Notes to the Financial Statement (unaudited)**

A. BASIS OF ACCOUNTING: The 'Statement of Revenues, Expenditures & Changes in Fund Balances' is presented using a regulatory basis established by Arkansas Code § 10-4-412, which differs from generally accepted accounting principles (GAAP) and from Governmental Accounting Standards Board (GASB) Statement No. 34.

B. LONG-TERM LIABILITIES: Capital leases and legacy landfill costs result in the City's long-term liability being \$4,972,602 as of August 31, 2008. As a consequence of the City's regulatory basis of accounting, the aforementioned long-term debt is not recorded in the financial statement.

Year	Capital Leases with Banc of America Leasing	Legacy Landfill	
2008	\$ 925,388	\$0	
2009	1,236,578	400,000	
2010	1,236,578	400,000	
2011	311,190	400,000	
2012	252,226	400,000	
After 2012	0	1,200,000	
Total payments:	\$ 3,961,960	\$ 2,800,000	
Less amount representing interest:	286,691	0	
Less current liability (due within one year):	1,102,667	400,000	Total long-term liability:
Long-term liability (due beyond one year):	\$ 2,572,602	\$ 2,400,000	\$ 4,972,602

C. FIDUCIARY FUNDS: Each eligible employee is included in a defined benefit pension plan and/or a deferred compensation plan which the City sponsors, i.e. the Nonuniformed Employees' Pension Plan, the Policemen's Pension and Relief Fund, the Arkansas Local Police and Fire Retirement System, and the IRS § 457 Plan.

Retirement plans:	Nonuniformed Employees' Pension Plan (a defined benefit pension)	\$	6,106,105
	Policemen's Pension and Relief Fund (a defined benefit pension plan)	\$	10,794,137
	IRS § 457 Plan (a deferred compensation plan)	\$	98,673 (as of September 30, 2008)
Cafeteria plan (IRS § 125):	Employee tax saving benefit for medical and dental expenses, etc.	\$	135,050

**General Notice:** All financial statements for the City of Jonesboro are public records and are open for public inspection during business hours from 8:00 a.m. to 5:00 p.m., Monday through Friday at the City Hall in Jonesboro, Arkansas. If the record is in active use or in storage; therefore, not available at the time a citizen requests access to it, the custodian shall certify this fact in writing to the applicant and set a date and hour within three (3) business days at which time the record will be available for inspection and copy.