NEW ISSUE
BOOK-ENTRY ONLY

RATING: S&P: AA- (stable outlook)

*In the opinion of Bond Counsel, under existing laws, regulations, rulings and court decisions, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes subject to the condition that CWL comply with all requirements of the Internal Revenue Code of 1986, as amended, that must have been or must be satisfied prior to or subsequent to the issuance of the Series 2022 Bonds. In the opinion of Bond Counsel, interest on the Series 2022 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Also in the opinion of Bond Counsel, the interest on the Series 2022 Bonds is exempt from State of Arkansas income taxes and the Series 2022 Bonds are exempt from property taxation in the State of Arkansas. See **TAX EXEMPTION** herein.*

$33,360,000
CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS) PUBLIC UTILITY SYSTEM REVENUE BONDS, SERIES 2022

Dated: Date of Delivery **Due: June 1, as shown on the inside front cover hereof**

The Series 2022 Bonds are being issued by City Water and Light Plant of the City of Jonesboro ("CWL") for the purpose of financing improvements to the wastewater facilities of CWL's water, wastewater and electric utility system (the "System"). The Series 2022 Bonds are special obligations only of CWL and are payable from and secured by a pledge of revenues of the System, as described herein. The pledge in favor of the Series 2022 Bonds is on a parity with the pledge in favor of the Public Utility System Revenue Bonds, Series 2020 previously issued by CWL.

Interest on the Series 2022 Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2022, and the Series 2022 Bonds mature (on June 1 of each year), bear interest and are priced to yield as shown on the inside front cover hereof.

The Series 2022 Bonds of each maturity will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Series 2022 Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Series 2022 Bonds will not receive physical delivery of Series 2022 Bonds. Payments of principal of and interest on the Series 2022 Bonds will be made by Centennial Bank, Jonesboro, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2022 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2022 Bonds, all as further described herein.

These Series 2022 Bonds are offered when, as and if issued, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, as Bond Counsel. It is expected that the Series 2022 Bonds will be available for delivery on or about May 24, 2022, through the facilities of DTC.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Stephens Inc. Crews&Associates

This Official Statement is dated May 10, 2022.

$33,360,000
CITY WATER AND LIGHT PLANT OF
THE CITY OF JONESBORO (ARKANSAS)
PUBLIC UTILITY SYSTEM
REVENUE BONDS, SERIES 2022

MATURITY SCHEDULE

Year (June 1)	Amount	Rate(%)	Yield(%)	Year (June 1)	Amount	Rate(%)	Yield(%)
2023	$1,545,000	5.000	2.200	2031	$2,325,000	4.000	3.230*
2024	1,650,000	5.000	2.450	2032	2,420,000	4.000	3.330*
2025	1,735,000	5.000	2.680	2033	2,515,000	4.000	3.380*
2026	1,820,000	5.000	2.730	2034	2,615,000	4.000	3.480*
2027	1,910,000	5.000	2.830	2035	2,720,000	4.000	3.530*
2028	2,010,000	5.000	2.930	2036	2,830,000	4.000	3.590*
2029	2,110,000	5.000	3.030	2037	2,940,000	4.000	3.640*
2030	2,215,000	5.000	3.130				

* Priced to first optional redemption date, December 1, 2030.

No dealer, salesman or any other person has been authorized by CWL or the Underwriters to give any information or to make any representations other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the business, operations or financial condition of CWL since the date hereof. This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or is made to any person to whom it is unlawful to make such offer or solicitation.

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INTRODUCTORY STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the Series 2022 Bonds (as hereinafter defined) to potential investors is made only by means of the entire Official Statement, including the cover page hereof and appendix hereto. A full review should be made of the entire Official Statement, as well as the Trust Indenture described herein.

This Official Statement of City Water and Light Plant of the City of Jonesboro ("CWL") is for the purpose of setting forth certain information to all who may become holders of its Public Utility System Revenue Bonds, Series 2022 (the "Series 2022 Bonds") being issued in the aggregate principal amount of $33,360,000. The Series 2022 Bonds are being issued for the purpose of financing improvements to the wastewater facilities of CWL's water, wastewater and electric utility system (the "System"). See **PURPOSE FOR SERIES 2022 BONDS** herein.

The Series 2022 Bonds are payable from and secured by a pledge of revenues derived from the operation of the System ("Revenues"). The pledge of Revenues in favor of the Series 2022 Bonds is on a parity with the pledge in favor of the Public Utility System Revenue Bonds, Series 2020 previously issued by CWL (the "Parity Bonds"). CWL is authorized to issue other obligations with a pledge of Revenues on a parity with or subordinate to the pledge of Revenues in favor of the Series 2022 Bonds, upon compliance with the conditions set forth in the Indenture. References herein to the "Bonds" include the Series 2022 Bonds and any Additional Bonds (as described herein). See **SECURITY FOR THE SERIES 2022 BONDS** herein.

The Series 2022 Bonds are equally and ratably secured by, and entitled to the protection of, a Trust Indenture dated as of the dated date of the Series 2022 Bonds (the "Indenture") delivered by CWL to Centennial Bank, Jonesboro, Arkansas (the "Trustee").

The Series 2022 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Title 14, Chapter 217 of the Arkansas Code of 1987 Annotated (the "Act"). The Bonds are special obligations of CWL payable solely from and secured by a pledge of Revenues.

The Series 2022 Bonds will be initially issued in book-entry form and purchasers of Series 2022 Bonds will not receive certificates representing their interest in the Series 2022 Bonds purchased. See **BOOK-ENTRY ONLY SYSTEM**. The Series 2022 Bonds will contain such other terms and provisions as described herein. See **THE SERIES 2022 BONDS**, Generally.

The Series 2022 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or integral multiple thereof. Interest is payable December 1, 2022 and semiannually thereafter on each June 1 and December 1. Principal is payable at the principal office of the Trustee in Jonesboro, Arkansas. Interest is payable by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Series 2022 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Series 2022 Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Series 2022 Bond, together with a written instrument of transfer, to the Trustee. See **THE SERIES 2022 BONDS**, Generally.

The Series 2022 Bonds are subject to optional redemption on and after December 1, 2030. The Series 2022 Bonds must be redeemed from proceeds of the Series 2022 Bonds not needed for the purposes intended. The Trustee shall give at least thirty (30) days notice of redemption. See **THE SERIES 2022 BONDS**, Redemption.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Series 2022 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, (iii) interest on the Series 2022 Bonds is exempt from State income tax and (iv) the Series 2022 Bonds are not subject to property taxes in the State. See **TAX EXEMPTION**.

It is expected that the Series 2022 Bonds will be available for delivery on or about May 24, 2022, through the facilities of the Depository Trust Company in New York, New York.

CWL and the Trustee will enter into a Continuing Disclosure Agreement in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Continuing Disclosure Agreement"). See **CONTINUING DISCLOSURE AGREEMENT**.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Indenture and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Little Rock, Arkansas 72201, Attention: Public Finance or Crews & Associates, Inc., 521 President Clinton Avenue, Suite 800, Little Rock, Arkansas 72201, Attention: Public Finance.

PURPOSES OF THE SERIES 2022 BONDS

The Series 2022 Bonds are being issued for the purpose of (i) financing a portion of the costs of improvements to the wastewater facilities of the System (the "Project") and (ii) paying the costs of issuing the Series 2022 Bonds. The Project includes particularly, without limitation, replacement of the Westside wastewater treatment facility. Work on the Project is expected to be completed by December 31, 2024.

SOURCES AND USES OF FUNDS

The sources and uses of proceeds to finance costs of the Project are estimated by CWL as follows:

SOURCES:	
Principal Amount of Bonds	$33,360,000
Original Issue Premium	2,091,978
Total Sources	$35,451,978
USES:	
Project Costs	$35,000,000
Costs of Issuance	118,378
Underwriters' Discount	333,600
Total Uses	$35,451,978

The payment of Underwriters' discount and the costs of issuing the Series 2022 Bonds relating to the payment of professional fees will be contingent on the Series 2022 Bonds being issued. See **UNDERWRITING** for a description of the Underwriters' discount. The Underwriters will also be reimbursed certain costs of closing and delivering the Series 2022 Bonds. CWL will deposit the principal amount of the Series 2022 Bonds plus original issue premium and less Underwriters' discount, original issue discount, and certain issuance costs into a special fund established with the Trustee designated "2022 Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be expended for expenses of issuing the Series 2022 Bonds and for the payment of Project costs. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and a statement to the effect that the disbursement is for a proper expense of or pertaining to the Project or expenses of issuing the Series 2022 Bonds. For a description of how the Series 2022 Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE INDENTURE,** Investment of Funds**.**

THE SERIES 2022 BONDS

Generally. The Series 2022 Bonds are dated, mature, bear interest and interest is payable on the Series 2022 Bonds as set forth on the inside front cover page hereof.

The Series 2022 Bonds are issuable in the form of registered Series 2022 Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Indenture. In the event any Series 2022 Bond is mutilated, lost or destroyed, CWL shall, if not then prohibited by law, execute and the Trustee may authenticate a new Series 2022 Bond in accordance with the provisions therefor in the Indenture.

Each Series 2022 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered Series 2022 Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

There shall be no charge to the transferor or transferee for any transfer, except an amount or amounts sufficient to reimburse CWL and the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Neither CWL nor the Trustee shall be required to make transfers of registration with respect to any Series 2022 Bond or portion thereof called for redemption prior to maturity within thirty (30) days prior to its redemption date.

The person in whose name any Series 2022 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or premium, if any, or interest of any Series 2022 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2022 Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the Series 2022 Bonds or the date fixed for redemption of any Series 2022 Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The Series 2022 Bonds are subject to optional and extraordinary redemption as follows:

(1) Optional Redemption. The Series 2022 Bonds are subject to redemption at the option of CWL from funds from any source, in whole or in part at any time, on and after December 1, 2030, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2022 Bonds shall be called for redemption, the particular maturities of the Series 2022 Bonds to be redeemed shall be selected by CWL in its discretion. If fewer than all of the Series 2022 Bonds of any one maturity shall be called for

redemption, the particular Series 2022 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(2) Extraordinary Redemption. The Series 2022 Bonds must be redeemed from proceeds of the Series 2022 Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine), at a price equal to the principal amount being redeemed plus accrued interest to the redemption date.

The Trustee shall give notice of the call for redemption by first class mail or other standard means, including electronic or facsimile communication, sent not less than thirty (30), nor more than sixty (60), days prior to the date fixed for redemption, to the registered owner of any Series 2022 Bond called for redemption. After the date specified in such call, the Series 2022 Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022 Bond certificate for each maturity will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Closing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent only to Cede & Co. If fewer than all of the Series 2022 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CWL as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from CWL or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or CWL, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to CWL or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2022 Bonds are required to be printed and delivered. CWL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2022 Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriters nor CWL make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Series 2022 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 2022 Bonds for all purposes under the Indenture, including receipt of all principal of and interest on the Series 2022 Bonds, receipt of notices,

voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture. CWL and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2022 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Series 2022 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 2022 Bonds.

SECURITY FOR THE SERIES 2022 BONDS

The Bonds (including the Series 2022 Bonds) are secured by a pledge of Revenues. The pledge of Revenues in favor of the Series 2022 Bonds is on a parity with the pledge of Revenues in favor of the Parity Bonds, any Other Parity Bonds (defined below) (to the extent issued in the future) and any Additional Bonds (to the extent issued in the future).

The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. To date, the COVID-19 pandemic has not negatively impacted the System. CWL expects that its available funds will be sufficient to fund its services and make all debt service payments.

Additional Bonds. CWL may issue, without the consent of the holders of the Bonds, one or more series of Additional Bonds to finance or refinance costs, expenses and expenditures in connection with acquiring, constructing and equipping betterments and improvements to the System and the expenses of issuing Additional Bonds. The Additional Bonds shall be issued under and subject to the requirements of the Indenture and shall rank on a parity of security in all respects with the Bonds of previously issued series.

Before any Additional Bonds may be issued, there must be delivered to the Trustee (among other things):

(a) A copy, certified by the Secretary of CWL, of the resolution authorizing the issuance of the Additional Bonds;

(b) A certificate of the Chairman of CWL stating that no event of default specified in the Indenture has happened and is continuing;

(c) A certificate of an independent certified public accountant to the effect that "adjusted gross revenues" of the System for the fiscal year immediately preceding the delivery of the Additional Bonds (the "immediately preceding fiscal year") were sufficient in amount:

(i) to pay all operation and maintenance expenses of the System for the immediately preceding fiscal year (exclusive of depreciation, interest and amortization); and

(ii) to leave a balance equal to not less than 110% of the maximum annual principal and interest requirements for (A) the then outstanding Bonds, (B) such Additional Bonds and (C) any then outstanding Parity Bonds and Other Parity Bonds (exclusive of any Parity Bonds or Other Parity Bonds that are to be refunded upon the delivery of the Additional Bonds).

The term "adjusted gross revenues" means:

(1) The Revenues actually received during the immediately preceding fiscal year; plus

(2) Any additional Revenues (as projected by the accountant executing the certificate as to adjusted gross revenues) that would have been derived from a rate increase actually placed into effect after the beginning of such fiscal year if such rate increase had been in effect throughout the fiscal year; plus

(3) Any additional annual Revenues as projected in a certificate of an independent consulting engineer (on the basis of the then current System rates) to be derived from new customers to be served upon completion of improvements then under construction or to be financed from the proceeds of such Additional Bonds.

<u>Other Parity Bonds</u>. CWL may, in addition to Additional Bonds under the Indenture, issue other bonds with a pledge of Revenues on a parity with the pledge of Revenues in favor of the outstanding Bonds (the "Other Parity Bonds"), upon compliance with the conditions set forth in the Indenture for the issuance of Additional Bonds.

<u>Other Bonds</u>. Nothing in the Indenture shall prohibit CWL from issuing bonds or other obligations of indebtedness other than under the Indenture. Such obligations may be Other Parity Bonds or may be subject and subordinate to the lien, pledge and security interest of the Indenture and to all Bonds then outstanding or thereafter issued. Other obligations issued with a lien, pledge and security interest subordinate to the pledge in favor of the Bonds are collectively referred to herein as the "Subordinate Obligations." See **THE INDENTURE**.

CWL AND THE SYSTEM

<u>Generally</u>. CWL is a consolidated utility district pursuant to the Act and was created as a municipal improvement district pursuant to Act 251 of the Acts of Arkansas of 1921 (the "1921 Act"). The 1921 Act consolidated Water District No. 1, Light District No. 2 and Sewer District No. 3 of the City of Jonesboro, Arkansas (the "City"), each established in 1906, into CWL. As of March 1, 2022, CWL had 206 employees.

CWL has a Board of Directors (the "Board") comprised of 16 members, of which nine are elected by the registered voters of the City (an "Elected Director") and seven are appointed by the Mayor and approved by the City Council (one from each of the City's six wards and one from the Jonesboro School District) ("an Appointed Director"). The current members of the Board are as follows:

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Name	Occupation	Term Expires
Guy Patteson, Chairman(1)	Trumann Gin (owner)	2023
Danny McDaniel, Vice Chairman(1)	Ramson's Construction Company (owner)	2024
Danny Honnoll, Secretary(1)	Retired	2024
Steve Cox(1)	Rainwater and Co, LLC (owner)	2023
Angie Dickson(2)	Businesswoman	2023
Brad Edwards(1) (3)	First Security Bank (Jonesboro President)	2023
Brian Fulkerson(1)	Atlas Asphalt (owner)	2025
Dr. Susan Hanrahan(1)	St. Bernards Healthcare (Special Projects Consultant)	2024
Chris Harrell(2)	Compass Church (minister)	2023
Al Heringer(2)	Star Transportation LLC (owner)	2023
Ben Hyneman(1)	Southern Pioneer Insurance Company (owner)	2025
Deana Osment(2)	Businesswoman	2024
Barry Phillips(2)	Phillips Construction Company (owner)	2025
Brian Rega(1)	St. Bernard's Village (management)	2025
John Street(2)	Street's Appraisal Service (owner)	2025
Lloyd Wofford(2)	Engines Inc. (owner)	2024

(1)Elected Director
(2)Appointed Director
(3)Mr. Edwards is an employee of First Security Bank of Jonesboro, an affiliate of Crews & Associates, Inc., one of the Underwriters of the Series 2022 Bonds.

CWL lies within an area which is considered by a number of seismologists to be subject to major earthquake damage in the event of an earthquake along and in the proximity of the New Madrid Fault. Whether an earthquake might occur while any of the Bonds are outstanding, the extent of damage to properties located within CWL and the effect upon CWL's ability to pay debt service cannot be predicted. Property damage, should an earthquake occur, could result in a reduction in revenues collections of such significance that CWL's ability to pay debt service would be impaired or even eliminated.

Electric System. The electric system serves customers within and, to a very limited extent, outside the corporate boundaries of the City. The electric system obtains its firm power supply from CWL's ownership interests in generating facilities and from contracts for purchases of power, such as hydroelectric generation of the Southwestern Power Administration ("SWPA"). Additionally, to the extent that electric energy is practicably available from other sources on favorable terms, CWL purchases energy from such other sources, while maintaining its firm contractual supply sources. CWL has various contractual transmission arrangements, and power is distributed to customers through a CWL owned distribution system.

In December 2013, CWL entered into an agreement with Midcontinent Independent System Operator (MISO). MISO provides open access transmission service and monitoring of the high-voltage transmission system in the Midwest United States and part of Canada. As a load serving entity in MISO, CWL can serve its load from the MISO market daily.

CWL owns a 5% interest in the White Bluff plant ("White Bluff"), located near Redfield, Arkansas. White Bluff consists of two 740 MW (nameplate rating) coal-fired generating units. Unit 1 has been in commercial operation since August, 1980 and has an 815 MW net capability. Unit 2 began commercial operation in July, 1981 and has an 844 MW net capability. CWL also owns a 5% undivided interest in Unit 1 and a 15% undivided interest in Unit 2 of the Independence plant ("Independence"), located near Newark, Arkansas (together with a 10% interest in the common equipment). Independence consists of two 740 MW (nameplate rating) coal-fired generating units.

Unit 1 began commercial operation in January, 1983 and has an 836 MW net capability. Unit 2 began commercial operation in December, 1984 and has an 842 MW net capability. White Bluff and Independence provide approximately 251 MW of electrical generation for CWL.

Network Integrated Transmission Service from MISO provides for the transmission of power from the White Bluff and Independence plants as well as other generation sources within the MISO system. CWL receives power from the bulk electric system through two substations located at opposite edges of the City. Additionally, five locally sited gas-fired generators owned by CWL have a capacity of approximately 175 MW.

CWL has provided for the firm purchase of 80 MW of capacity and related energy from SWPA. An interconnection with SWPA is the means for delivery of energy from SWPA.

The CWL distribution system consists of approximately 1,109 miles of lines, poles, transformers and other facilities to serve individual customers. The system consists mainly of overhead distribution lines and feeders and underground distribution lines. The system is operated and maintained by electric department crews and equipment.

CWL's firm and unit peak capacity is approximately 506 MW. CWL's historical electric system annual peak demand and energy requirements for the period 2017 through 2021 are as follows:

Year	System Peak Demand MW	Total Annual Energy Mwh
2017	292	1,389,314
2018	289	1,461,178
2019	298	1,461,808
2020	293	1,427,646
2021	299	1,482,463

Electric Customers. The following table sets forth by customer classification the average number of customers for the years indicated and average price per kWh for 2021 for electric service:

Classifications	Average Number of Customers					2021 Average Bill	2021 Average Price Per kWh (cents)
	2021	2020	2019	2018	2017		
Residential	33,670	33,019	32,535	32,068	31,283	$ 86.38	6.83
Commercial	5,472	5,399	5,356	5,367	5,323	336.80	6.83
Industrial	34	34	34	33	35	73,322.91	5.35

Charges for electric service consist of a fixed monthly charge for residential and small commercial customers and a demand charge for industrial and large commercial customers, plus, in each case, charges for actual usage.

The energy sales to customers by retail customer classes for 2017 through 2021 are shown below.

Classifications	Energy Sales to Customers (in kWh)				
	2021	2020	2019	2018	2017
Residential	510,920,553	476,632,592	502,889,268	521,938,533	444,390,467
Commercial	323,716,028	309,938,883	338,154,984	346,034,750	330,653,469
Industrial	558,678,220	533,466,020	525,531,720	512,748,480	512,697,760
Security Lighting	1,900,924	5,268,051	5,335,445	5,354,574	5,366,048

The following table shows the peak demand and annual revenues for the year 2021 for CWL's five largest power customers. These customers represent approximately 17% of 2021 electric revenues from sales to customers.

Largest Power Customers of CWL

Customer	2021 Peak Demand (kW)	2021 Annual Revenue
1. Riceland Foods, Inc.	12,319	$3,693,309
2. Anchor Packaging Inc.	10,714	3,466,016
3. Arkansas State University	9,484	2,836,844
4. Frito Lay Inc.	8,240	2,654,015
5. Post Foods LLC	7,636	2,635,571

Free and Discounted Services. CWL provides free electric, water, and wastewater services to the City. In 2021, the approximate direct cost value of street lights and other electric, water, and wastewater services furnished to the City was $3,423,384.

CWL provides 12,000 kWh of free electricity to the Jonesboro School District. Additional electric, water and wastewater services are provided to the Jonesboro School District at CWL's cost. CWL also provides electric, water and wastewater services to the Nettleton and Valley View School Districts at CWL's cost. The approximate direct cost value of these free and discounted services for 2021 was $23,086.

Electric Rates. CWL's electric rates are based on quantity of use, and range from 3.05 cents/kWh to 5.95 cents/kWh, with a minimum charge of $7.00 per month for residential customers and from 4.50 cents/kWh to 6.35 cents/kWh, with a minimum charge of $8.65 per month, for commercial customers. For customers with maximum demands exceeding 100 KW, there is a monthly demand charge of $4.45 /KW of maximum fifteen-minute intervals measured maximum KW demand per month. The energy charge is 2.85 cent/kWh.

Water System. The water system operates within and, to a limited extent, outside the corporate boundaries of the City. The water supply is obtained from 31 deep wells which can supply an aggregate of approximately 40.1 million gallons per day. Water is treated at four in-city treatment plants and 5 rural treatment facilities, which are only used during high usage periods. The in-city plants utilize aeration, chlorination, fluoridation, as well as phosphate and sodium hydroxide addition for corrosion control. The rural stations utilize chlorination, fluoridation, as well as phosphate and sodium hydroxide addition.

The water main system consists of over 1,300 miles of 2" to 24" pipe from which service lines extend to customer connections.

The following table sets forth the daily average of water pumped and the maximum amount pumped in a day for the years 2017 through 2021:

Water Pumped	2021	2020	2019	2018	2017
Daily Average (gallons)	15,283,107	14,554,985	14,405,701	14,375,538	14,079,032
Maximum Day (gallons)	24,940,000	24,455,000	20,329,000	21,612,000	21,965,000

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Water Customers. The following table sets forth the average number of customers, annual consumption per customer and the average customer price per 1,000 gallons for 2017 through 2021:

	2021	2020	2019	2018	2017
Average Number of Customers	37,902	37,421	37,043	36,704	36,104
Annual Consumption per Customer (in gallons)	123,452	120,897	117,065	120,263	121,218
Average Price per 1,000 Gallons of Water (in dollars)	$2.46	$2.42	$2.38	$2.33	$2.28

Charges for water service consist of a monthly meter charge based on meter size and additional charges based on usage.

CWL's five largest water customers, by amounts billed for service in 2021, were as follows:

Customer	Annual Amount Billed
1. Frito Lay Inc.	$412,476
2. Nestle Prepared Foods	240,158
3. Riceland Foods Inc.	150,620
4. Nice-Pak Products Inc.	136,964
5. Post Foods LLC	136,015

Water Rates. CWL's current monthly water rates range, generally, from $2.27 per 1,000 gallons to $1.59 per 1,000 gallons (for usage over 200,000 gallons) for customers located within the City. The minimum bill is based on meter size and ranges from $6.61 per month to $408.26 per month (for a ten-inch meter). The rate for customers located outside the City is 1.2 times the City rate.

Wastewater System. The wastewater system operates within the corporate limits of the City. Wastewater is collected through an interconnected pipe system consisting of over 400 miles of 4" to 42" lines and 25 lift stations which pump the wastewater to CWL's two treatment facilities. These treatment facilities provide primary and secondary treatment with a combined design capacity of 16.5 million gallons per day and a maximum hydraulic capacity of over 45 million gallons per day. In addition, CWL has an industrial pretreatment program. The facilities treat an average of approximately 8.5 million gallons per day.

After treatment, liquid effluent is discharged into local waterways and solids are distributed over land owned by CWL. Discharges from the treatment facilities are below the limitations prescribed by CWL's current NPDES discharge permits. The permit for CWLs Eastside treatment facility expires on August 31, 2022. The permit for CWL's Westside treatment facility expired on September 30, 2021. CWL timely submitted the necessary renewal information to the Arkansas Department of Environmental Quality and is currently is in compliance; however, the renewal had not yet been issued.

Wastewater Customers. The following table sets forth the average number of wastewater customers for years 2017 through 2021:

	2021	2020	2019	2018	2017
Average Number of Customers	25,456	25,101	24,818	24,508	24,031

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CWL's five largest wastewater customers, by amounts billed for service in 2021 were as follows:

Customer	Annual Amount Billed
1. Nestle Prepared Foods	$810,675
2. Frito Lay Inc.	507,376
3. Post Foods LLC	477,479
4. Butterball, LLC	197,657
5. Unilever	154,603

Wastewater Rates. Rates for wastewater service are generally based on metered water service with additional charges to industrial users based on the concentration of BOD's and suspended solids.

Rate Setting. Rates for services of the System are set by the Board and may be changed as frequently as necessary. CWL's rates are not subject to regulation or approval by the Arkansas Public Service Commission or any other governmental body.

Litigation. CWL currently has no lawsuits or regulatory proceedings pending against it.

ELECTRIC SYSTEM CAPACITY, SUPPLY AND TRANSMISSION AGREEMENTS

Ownership Agreements. CWL owns interests in White Bluff and Independence under respective Ownership Agreements (the "Ownership Agreements") among the various parties thereto.

White Bluff Ownership Agreement. White Bluff is owned by Entergy, Arkansas Electric Cooperative Corporation ("AECC"), CWL, the City of Conway, Arkansas and the City of West Memphis, Arkansas (collectively referred to with reference to White Bluff as the "Participants"). Each Participant is required to pay its Ownership Share of additions, repairs or replacements to or retirements at White Bluff. Payments are to be made monthly based on notification by Entergy of the nature and amounts of the costs incurred.

Independence Ownership Agreement. Independence is owned by Entergy (including interests owned by affiliated corporations), AECC, CWL, Conway, West Memphis and the City of Osceola, Arkansas and East Texas Electric Cooperative, Inc. (collectively referred to with reference to Independence as the "Participants"). Each Participant is required to pay its Ownership Share of additions, repairs or replacements to or retirements at Independence. Payments are to be made monthly based on notification by Entergy of the nature and amounts of the costs incurred.

Operating Agreements. White Bluff and Independence are operated in accordance with respective Operating Agreements among the owners of the plants.

White Bluff Operating Agreement. Operation; Payment of Operating Costs. Entergy has sole authority to manage, control, maintain and operate White Bluff. Entergy and the Participants shall discharge all obligations under the Operating Agreement in a prudent manner and in accordance with good utility practices.

Entergy and each Participant shall be responsible for a proportionate share of Operating Costs equal to its respective Ownership Share. The Participants are to pay Entergy for all kWh generated at White Bluff for their respective accounts (or assumed to be generated at White Bluff for billing purposes) on the basis of actual fuel costs at White Bluff and the heat rate (assuming operation at 60% loading during summer test conditions) of its units.

"Operating Costs" consist of all operation and maintenance expenses, other than fuel or financing costs, incurred by Entergy in respect of White Bluff.

The Participants are also to pay to Entergy in each year their respective proportionate shares of additional amounts representing otherwise unrecovered administrative expenses of Entergy.

Fuel. Entergy shall furnish, or cause to be furnished, the fuel supply for White Bluff. Participants shall advance to Entergy their respective Ownership Shares percentage of the cost of coal in inventory and pay an additional amount, based on a formula, per kWh for all kWh generated (or assumed to be generated for billing purposes) for the Participant's account.

Cost of Construction. Each Participant is responsible, on a monthly basis, for its proportionate share of the cost of additions, repairs, replacements and retirements incurred during the previous month.

Energy. Entergy and each Participant shall be entitled to its proportionate share of the net generating capacity and energy of White Bluff at any given time. Entergy shall have sole authority for the hourly scheduling and dispatching of White Bluff generation in accordance with Entergy standard scheduling and dispatching procedures.

Termination. The operating agreement shall terminate when White Bluff is retired from commercial operation, or such date as may mutually be agreed upon by the parties. White Bluff is currently anticipated to cease to use coal by the end of 2028.

Non-Payment. In the event that any Participant at any time fails to make any payment when due to Entergy under the Operating Agreement, Entergy shall have right to give written notice of such failure to such Participant and in the event such failure continues for a period of 30 days after the giving of such notice, to withhold and use, without charge as if it were its own, such Participant's proportionate share of the capacity and energy from White Bluff until such payment has been made but with appropriate credit being given to such Participant in respect of its ownership of White Bluff for use of such capacity and energy. If such credit exceeds the payment due Entergy, Entergy will pay such Participant monthly for the difference thereof. If such overdue payments due Entergy exceed such credits, Entergy shall have a right to receive interest on the difference thereof during the period such payment was due. Such Participant shall also indemnify and hold Entergy and the other Participants harmless from and against any and all losses, costs, damages and expenses arising out of or resulting from such Participant's failure to make such overdue payments when due.

Insurance. Entergy shall maintain insurance in such amount and with such deductibles or self-insurance features as is consistent with Entergy's customary practices. Entergy may self-insure such risks as is consistent with its customary practices.

Independence Operating Agreement. Operation; Payment of Operating Costs. Entergy has sole authority to manage, control, maintain and operate Independence. Entergy and the Participants shall discharge all obligations under the Operating Agreement in a prudent manner and in accordance with good utility practices.

Entergy and each Participant shall be responsible for a proportionate share of Operating Costs equal to its respective Ownership Share. The Participants are to pay Entergy for all kWh generated at Independence for their respective accounts (or assumed to be generated at Independence for billing purposes) on the basis of actual fuel costs at Independence and the heat rate (assuming operation at 60% loading during summer test conditions) of its units.

"Cost of Operation" consists of all operation and maintenance expenses, other than fuel or financing costs, incurred by Entergy in respect of Independence.

The Participants are also to pay to Entergy in each year their respective proportionate shares of additional amounts representing otherwise unrecovered administrative and general expenses of Entergy.

Cost of Construction. Each Participant is responsible, on a monthly basis, for its proportionate share of the cost of additions, repairs, replacements and retirements incurred during the previous month.

Fuel. Entergy shall furnish, or cause to be furnished, the fuel supply for Independence. The Participants shall advance to Entergy their respective Ownership Shares percentages of the cost of coal in inventory, including costs of transportation, storage and taxes, and pay an amount, based on a formula, per kWh for all kWh generated (or assumed to be generated for billing purposes) for the Participant's account.

Energy. Entergy and each Participant shall be entitled to its proportionate share of the net generating capacity and energy of Independence at any given time. Entergy shall have sole authority for the hourly scheduling and dispatching of Independence generation in accordance with Entergy standard scheduling and dispatching procedures.

Termination. The Operating Agreement shall terminate when Independence is retired from commercial operation, or such other date as may mutually be agreed upon by the parties. Independence is currently anticipated to cease to use coal by the end of 2030.

Non-Payment. In the event that any Participant at any time fails to make any payment when due to Entergy under the Operating Agreement, Entergy shall have right to give written notice of such failure to such Participant and in the event such failure continues for a period of 30 days after the giving of such notice, to withhold and use, without charge as if it were its own, such Participant's proportionate share of the capacity and energy from Independence until such payment has been made but with appropriate credit being given to such Participant in respect of its ownership of Independence for use of such capacity and energy. If such credit exceeds the payment due Entergy, Entergy will pay such Participant monthly for the difference thereof. If such overdue payments due Entergy exceed such credits, Entergy shall have a right to receive interest on the difference thereof during the period such payment was due. Such Participant shall also indemnify and hold Entergy and the other Participants harmless from and against any and all losses, costs, damages and expenses arising out of or resulting from such Participant's failure to make such overdue payments when due.

Insurance. Entergy shall maintain insurance in such amount and with such deductibles or self-insurance features as is consistent with Entergy's customary practices. Entergy may self-insure such risks as is consistent with its customary practices.

Payment Obligations. The obligations of CWL under the Ownership Agreements and the Operating Agreements are payable solely from revenues from its electric system or proceeds of financings. However, the failure to make payments due to insufficiency of revenues or financing proceeds does not excuse such non-payment. CWL has agreed to fix and maintain electric rates at levels sufficient to enable it to carry out its financial obligations under such agreements.

Peaking Power Agreement. CWL and SWPA entered into a Power Sales Agreement effective as of June 1, 1996 (the "Peaking Power Agreement") which extended and modified arrangements between such parties which have been in effect since 1986. Under the Peaking Power Agreement, CWL is allotted 80 MW of hydro-peaking capacity and an annual maximum of 1,200 kWh of energy per kW of capacity. In addition to the annual maximum, CWL is limited to 200 kWh/kW for any one month and 600 kWh/kW for any four consecutive months. The capacity and energy charges under the Peaking Power Agreement are subject to change and to the right of CWL to discontinue purchases of peaking power in the event of such a change. The Peaking Power Agreement is effective until March 31, 2029 but CWL expects to extend the term of the Peaking Power Agreement before its termination date.

An amendatory agreement was entered into on June 29, 2018 to establish terms under which CWL will self-supply 40,000 kW of its peaking energy, allowing SWPA to purchase the peaking energy self-supplied and the associated peaking self supply capacity from CWL. The terms of this amendment terminate on May 31, 2022.

In addition to the firm arrangements, the Peaking Power Agreement provides for CWL to have the opportunity to purchase supplemental peaking energy and other excess energy which SWPA may have available from its hydroelectric sources.

CITY OF JONESBORO, ARKANSAS AND CRAIGHEAD COUNTY

Location. The City of Jonesboro is located in Craighead County, Arkansas (the "County"), which is in the northeast of the State. The City is situated approximately 130 miles northeast of Little Rock, Arkansas and 71 miles northwest of Memphis, Tennessee.

Population. Resident population in the City and the County has been as follows:

Year	City	County
1970	27,050	52,068
1980	31,530	63,239
1990	46,535	68,956
2000	55,515	82,148
2010	67,263	96,443
2020	78,576	111,231

Medical Facilities. The City is served by two hospitals, St. Bernard's Medical Center and NEA Baptist Memorial Hospital.

Major Employers. The following are the major employers located in or near the City (300 or more employees):

Employer	Number of Employees
St. Bernards Healthcare	3,950
Arkansas State University	2,898
NEA Baptist Health System	2,127
Hytrol	1,283
Frito Lay, Inc.	1,050
Walmart (4 stores)	945
Jonesboro School District	791
Nestle Prepared Foods	730
City of Jonesboro	550
Nettleton School District	535
Nice-Pak Products, Inc.	500
Unilever	460
Great Dane	450
TrintyRail Maintenance Services Inc.	430
Riceland Foods	395
Ritter Communications	380
ABB Group	350
Butterball, LLC	330
Valley View School District	324
Craighead County	300
FMH Conveyors LLC	300

County Economic Data. Per capita personal income estimates for the County are as follows:[1]

Year	Per Capita Personal Income
2016	$35,789
2017	36,504
2018	37,129
2019	38,365
2020	40,728

Total personal income estimates for the County are as follows: [1]

Year	Total Personal Income
2016	$3,795,045,000
2017	3,915,969,000
2018	4,049,816,000
2019	4,249,718,000
2020	4,571,502,000

Unemployment Data. Set forth below are the annual average unemployment rates for the City, the County and the State since 2017, according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate (%)		
Year	City	County	State
2017	3.1	3.0	3.7
2018	3.1	3.0	3.6
2019	2.8	2.8	3.5
2020	5.6	5.3	6.1
2021	3.4	3.3	4.0
2022	2.6*	2.6*	3.2*

*Preliminary as of March 2022

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[1]Source: Bureau of Economic Analysis, United States Department of Commerce.

FINANCIAL INFORMATION

Set forth in Exhibit A to this Official Statement are the audited financial statements of CWL for the fiscal years ended December 31, 2021 and December 31, 2020. These financial statements were prepared in accordance with accounting principles generally accepted in the United State and were audited in accordance with auditing standards generally accepted in the United States. These financial statements should be read in their entirety, together with any notes and supplemental information affixed thereto.

The following table has been developed from CWL's financial statements for the fiscal years ended December 31, 2017 through 2021.

	2021	2020	2019	2018	2017
Operating Revenues	$120,447,014	$100,389,430	$104,084,041	$109,878,652	$107,615,796
Operating Expenses	(115,111,959)	(96,297,261)	(95,325,361)	(100,163,149)	(100,969,779)
Plus Depreciation	19,282,446	18,486,948	17,373,104	17,492,148	17,811,956
Revenues Available for Debt Service	$24,617,501	$22,579,117	$26,131,784	$27,207,651	$24,457,973

DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the Series 2022 Bonds during each final year ending December 31:

Year (Ending December 31)	Series 2022 Bond Principal	Series 2022 Bond Interest	Total Debt Service
2022	--	$ 771,037.36	$ 771,037.36
2023	$1,545,000	1,445,725.00	2,990,725.00
2024	1,650,000	1,365,850.00	3,015,850.00
2025	1,735,000	1,281,225.00	3,016,225.00
2026	1,820,000	1,192,350.00	3,012,350.00
2027	1,910,000	1,099,100.00	3,009,100.00
2028	2,010,000	1,001,100.00	3,011,100.00
2029	2,110,000	898,100.00	3,008,100.00
2030	2,215,000	789,975.00	3,004,975.00
2031	2,325,000	688,100.00	3,013,100.00
2032	2,420,000	593,200.00	3,013,200.00
2033	2,515,000	494,500.00	3,009,500.00
2034	2,615,000	391,900.00	3,006,900.00
2035	2,720,000	285,200.00	3,005,200.00
2036	2,830,000	174,200.00	3,004,200.00
2037	2,940,000	58,800.00	2,998,800.00
TOTALS	$33,360,000	$12,530,362.36	$45,890,362.36

Set forth below are the debt service requirements for the Series 2022 Bonds and the Parity Bonds during each fiscal year ending December 31.

Year (Ending December 31)	Series 2022 Bonds Debt Service	Parity Bonds Debt Service	Total Debt Service
2022	$ 771,037.36	$ 1,961,100	$ 2,732,137.36
2023	2,990,725.00	1,962,225	4,952,950.00
2024	3,015,850.00	1,960,600	4,976,450.00
2025	3,016,225.00	1,961,100	4,977,325.00
2026	3,012,350.00	1,958,600	4,970,950.00
2027	3,009,100.00	1,962,850	4,971,950.00
2028	3,011,100.00	1,958,725	4,969,825.00
2029	3,008,100.00	1,961,100	4,969,200.00
2030	3,004,975.00	1,959,725	4,964,700.00
2031	3,013,100.00	1,962,800	4,975,900.00
2032	3,013,200.00	1,960,900	4,974,100.00
2033	3,009,500.00	1,961,300	4,970,800.00
2034	3,006,900.00	1,958,900	4,965,800.00
2035	3,005,200.00	1,963,500	4,968,700.00
2036	3,004,200.00	--	3,004,200.00
2037	2,998,800.00	--	2,998,800.00
TOTALS	$45,890,362.36	$27,453,425	$73,343,787.36

DEBT SERVICE COVERAGE

The following table shows the funds available for debt service, the amount of maximum annual debt service for the Series 2022 Bonds and the Parity Bonds, and the extent to which debt service on the Series 2022 Bonds is covered by such funds:

Revenues Available for Debt Service[(A))(1)]	$24,617,501
Maximum Annual Debt Service Requirements on the Series 2022 Bonds and the Parity Bonds[(B)(2)]	4,977,325
Debt Service Coverage[(A/B)]	4.95X

[(1)]Based on audited financial statements of CWL for the fiscal year ended December 31, 2021.
[(2)]Using a year ending December 31

THE INDENTURE

The following, in addition to information contained above under **THE SERIES 2022 BONDS** and **SECURITY FOR THE SERIES 2022 BONDS** summarizes certain provisions of the Indenture from CWL to the Trustee, to which document in its entirety reference is made for the detailed provisions thereof.

Rate Covenant. (a) CWL covenants that it will fix, charge and collect rates, fees and charges for services furnished by the System which shall produce total Revenues in each fiscal year sufficient to (1) pay the operation, repair and maintenance expenses (excluding depreciation expenses) of the System, (2) make all required deposits to any debt service reserve funds, and (3) leave a balance equal to 110% of the maximum annual debt service requirement for all outstanding Bonds, Parity Bonds and Other Parity Bonds.

(b) CWL covenants that it will revise the rates, fees and charges from time to time as necessary to comply with its covenant described in (a).

(c) If CWL should fail to comply with its rate covenant, it must undertake a study of rate revisions. The study must be completed and filed with the Trustee not later than the 15th day of the sixth month of the following fiscal year. Revised rates are to be put into effect not later than the 15th day of the sixth month of the fiscal year following the fiscal year in which the study is made. CWL will not be in default for the year in which it is made and the then next year provided that total Revenues are sufficient to make the payments and deposits required and leave a balance equal to 100% of debt service in those years for all outstanding Bonds, Parity Bonds and Other Parity Bonds.

Revenue Fund. All Revenues shall be paid upon receipt into a special fund designated "Revenue Fund." There shall be paid from the Revenue Fund the monthly Operating Expenses (as defined below) of the System. Fixed annual charges, such as insurance premiums and the cost of major repair and maintenance expenses, may be computed and set up on an annual basis and a portion of the total amount thereof may be paid each month. CWL shall retain in the Revenue Fund an amount equal to at least 1/6 of the Operating Expenses budgeted for the current Fiscal Year. "Operating Expenses" mean all necessary and ordinary expenses of operating and maintaining the System, excluding depreciation and payments of debt service, but including payments, if any, in lieu of taxes to all taxing authorities.

Bond Fund. (a) There is created a special fund to be designated "2022 Bond Fund" (the "Bond Fund") for the purpose of paying debt service on all Bonds.

(b) After providing for Operating Expenses as described above, there shall be paid from the Revenue Fund into the Bond Fund, simultaneously with the deposit into the bond fund heretofore established for payment of debt service on the Parity Bonds (the "Parity Bond Fund") and with any deposit made to pay debt service on Other Parity Bonds, an amount equal to the sum of:

> (1) one-sixth (1/6) of the next installment of interest on the outstanding Bonds (the required payments for the months after delivery, and before the first interest payment date, of any series of Bonds to be adjusted if necessary, so that the deposits made and any accrued interest from the sale of the Bonds will be sufficient to cover the interest due);
>
> (2) one-twelfth (1/12) of the installment of principal due on the outstanding Bonds during the then next twelve months (whether at maturity or upon mandatory redemption prior to maturity); provided, however, the monthly deposits under this paragraph for the months after delivery, and before the first principal payment date, of any series of Bonds shall be adjusted if necessary so that the deposits made will be sufficient to cover the principal due. The additional deposits required in the event of the issuance of Additional Bonds need not commence until the time necessary to accumulate the first principal maturity of the Additional Bonds in twelve monthly installments.

With respect to Bonds the interest on or principal of which is payable more frequently than semiannually or annually, respectively, monthly deposits shall be in equal amounts sufficient to assure that amounts due for such interest or principal shall be deposited in the Bond Fund on or before the dates on which such payments are due.

(c) CWL shall receive a credit against required monthly deposits into the Bond Fund for any moneys placed into the Bond Fund other than pursuant to the obligations described in paragraph (b).

(d) If for any reason the funds in the Bond Fund shall at any time be insufficient to meet any required payment, then the amount of any such deficiency shall be paid immediately from the Revenue Fund into the Bond Fund.

(e) When the moneys in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all outstanding Bonds when due at maturity or at redemption prior to maturity, there shall be no obligation to make any further payments into the Bond Fund.

(f) The moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds and for no other purpose except as specifically authorized.

Subordinate Bond Funds. After making the deposits referred to above, there shall be deposited into the bond fund for any Subordinate Obligations (the "Subordinate Bond Funds") the required amounts.

Parity Bonds and Other Parity Bonds Payments. If there are insufficient moneys in the Revenue Fund to make the monthly payments into the Bond Fund and the Parity Bond Fund and make monthly installments with respect to outstanding Parity Bonds and Other Parity Bonds (and any debt service reserves therefor), CWL shall make payments from the Revenue Fund with respect to the Bonds and outstanding Parity Bonds and Other Parity Bonds pro rata based upon the outstanding principal amount of the Bonds and outstanding Parity Bonds and Other Parity Bonds.

Revenue Fund Surplus. Any surplus remaining in the Revenue Fund on the first business day of each month, after making all payments into the above funds which are required in such month, may be used for any lawful purpose.

Depositories of Funds. The Bond Fund and the Construction Fund shall be established with and maintained by the Trustee. The Revenue Fund shall be established in such banks or trust companies as are from time to time designated by CWL, provided each must be a member of the Federal Deposit Insurance Corporation.

Nonpresentment of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at date fixed for redemption thereof, if there shall have been deposited with the Trustee for the purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the date of maturity thereof, or to the date fixed for redemption thereof, as the case may be, for the benefit of the holder thereof, all liability of CWL to the holder thereof for the payment of the principal thereof and interest thereon shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of the Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond.

Any moneys so held for a period of 2 1/2 years shall become the property of CWL and shall be paid over to CWL, free of any rights of the holder of such Bond.

The Trustee. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own negligence or willful default.

The Trustee shall not be required to take notice or be deemed to have notice of any default except failure by CWL to make or cause to be made any of the payments to be made to the Trustee unless the Trustee shall be specifically notified in writing of such default by CWL or by the holders of at least ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture (of all series but not necessarily of each series), and all notices or other instruments required by the Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

The Trustee and any successor trustee may at any time resign by giving written notice to CWL. Such resignation shall take effect upon the appointment of a successor trustee by CWL. Such notice may be served personally or sent by certified mail.

The Trustee may be removed at any time by CWL or by any instrument or concurrent instruments in writing delivered to the Trustee and to CWL and signed by the owners of a majority in aggregate principal amount of Bonds outstanding.

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be designated by CWL.

Investment of Funds. Moneys held for the credit of any fund or account may be invested and reinvested, as directed by CWL in the case of the Bond Fund and the Construction Fund, in Permitted Investments which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money held for the credit of the particular fund shall be required for the purposes intended.

"Permitted Investments" are defined to mean:

(a) bonds, notes and other evidences of indebtedness to which is pledged the full faith and credit of, or which are unconditionally guaranteed as to payment of principal and interest by, any state or other political subdivision, the interest which is exempt from federal income tax, and which carry a rating of at least "AAA" by a nationally recognized rating agency;

(b) direct or fully guaranteed obligations of the United States of America ("Government Obligations");

(c) federal funds, bankers' acceptances (having maturities of not more than 365 days), savings accounts, demand deposits and certificates of deposit (i) of any bank the long-term obligations of which (or, in the case of the principal bank in a bank holding company, long-term debt obligations of the bank holding company) are rated by a nationally recognized rating agency at a rating equivalent to or higher than "A" and which bank or association is insured by the Federal Deposit Insurance Corporation or (ii) fully insured by the Federal Deposit Insurance Corporation;

(d) Money market mutual funds consisting of Government Obligations and registered with the Securities and Exchange Commission and meeting the requirements of Rule 2 a-7 under the Investment Company Act of 1940; and

(e) Other investments permitted by law.

Each investment shall be deemed at all times to be part of the fund for which the investment was made and any profit and income realized from such investments shall be credited to the fund and any loss charged to the fund.

Supplemental Indentures. CWL and the Trustee may without the approval of any bondholder, enter into indentures supplemental to the Indenture (a) to cure any ambiguity, defect or omission in the Indenture or any supplement thereto, (b) to confer additional rights, remedies, powers and authority upon the Trustee for the benefit of the holders of the Bonds, (c) in connection with the issuance of Additional Bonds pursuant to the provisions of the Indenture, or (d) to make any modification determined by the Trustee, in its discretion, not to be to the material prejudice of the holders of the Bonds.

All other modifications and changes to the Indenture require the consent of the holders of not less than two-thirds (2/3) of the principal amount of the outstanding Bonds, except for the following amendments which shall require 100% of the principal amount of the outstanding Bonds, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other bond or Bonds, (iv) the creation of a lien upon the System or a pledge of Revenues except as permitted by the Indenture, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to a supplement to the Indenture.

Events of Default. Under the Indenture, an event of default shall mean any one or more of the following events:

(a) Default in the due and punctual payment of any interest on any Bond, Parity Bond or Other Parity Bond;

(b) Default in the due and punctual payment of any moneys required to be paid to the Trustee for deposit into the Bond Fund;

(c) Default in the due and punctual payment of the principal of, and premium, if any, on any Bond, Parity Bond or Other Parity Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on CWL's part in the Indenture, or in the Bonds, in the Parity Bonds or in Other Parity Bonds or in any document securing any Parity Bonds or Other Parity Bonds contained, and the continuance thereof for a period of sixty (60) days after written notice to CWL by the Trustee or by the holders of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding; and

(e) Any other "event of default" as defined in any Parity Bond or any Other Parity Bond or a document securing any Parity Bond or Other Parity Bond.

Remedies of Default. (a) *Acceleration*. Upon the occurrence of an event of default, the Trustee may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding under the Indenture (regardless of series), shall, by notice in writing delivered to CWL, declare the principal of all Bonds then outstanding under the Indenture and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

(b) *Right of Entry*. Upon the occurrence of any event of default, the Trustee may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding under the Indenture shall, demand of CWL to surrender, and CWL shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the System with the books, papers and accounts of CWL pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as by the Trustee shall be deemed wise; and the Trustee, with or without such permission, may collect, receive and sequester the revenues, earnings, income, products and profits therefrom and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee under the Indenture, and all taxes, assessments and other charges prior to the lien of the Indenture, and all expenses of such repairs and improvements, and apply the remainder of the money so received by the Trustee in accordance with the applicable provisions of the Indenture. Whenever principal of and interest on the Bonds shall have been paid and all other amounts owed under the Indenture shall have been paid and no event of default is continuing, the Trustee shall surrender possession to CWL, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of the System, the Trustee shall render annually to the registered owners a summarized statement of income and expenditures in connection therewith.

(c) *Other Remedies*. Upon the occurrence of an event of default the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or equity to enforce the payment of the principal of and interest on the Bonds then outstanding under the Indenture, including, without limitation, receivership and mandamus.

If an event of default shall have occurred, and if it shall have been requested so to do by the holders of ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture and shall have been indemnified as provided in the Indenture, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred upon it by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the bondholders.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default under the Indenture, whether by the Trustee or by the bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

(d) *Bondholders May Direct Proceedings*. (i) The holders of a majority in aggregate principal amount of Bonds outstanding under the Indenture shall have the right, at any time, by any instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

(ii) Notwithstanding anything set forth in the Indenture, the holder or holders of all outstanding Parity Bonds and Other Parity Bonds may institute any action or exercise any remedy available at law or in equity to enforce the terms of the Bonds or the Indenture, provided that any such action or remedy shall be instituted and maintained for the benefit of the holders of all Bonds, without distinction or priority.

(e) *Receiver*. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and of the Revenues pending such proceedings with such powers as the court making such appointment shall confer.

(f) *Application of Moneys*. (i) Subject to the provisions of subsection (ii), below, available moneys shall be applied by the Trustee as follows:

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: to the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of paragraph (2) above in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (1) above.

(ii) Notwithstanding anything set forth in the Indenture, any proceedings under *Application of Moneys* shall be for the benefit of the holders of the Bonds and any outstanding Parity Bonds and Other Parity Bonds, without distinction or priority.

(g) *Limitation of Bondholder Rights*. Subject to the provisions of (d)(ii) above, no holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Indenture, unless a default has occurred of which the Trustee has been notified as provided in the Indenture or of which it is deemed to have notice, nor unless such default shall have become an event of default and the holders of ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy.

(h) *Waivers by Trustee*. Subject to the provisions of (d)(ii) above, the Trustee may in its discretion waive any event of default under the Indenture and its consequences and rescind any declaration or maturity of principal, and shall do so upon the written request of the holders of fifty percent (50%) in principal amount of all Bonds outstanding under the Indenture (of all series but not necessarily of each series); provided, however, that there shall not be waived (i) any event of default in the payment of principal of any Bonds issued under the Indenture and outstanding under the Indenture at the date of maturity specified therein or (ii) any default in the payment of the interest or of deposits into the Bond Fund unless prior to the waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee shall have been paid or provided for and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Trustee, CWL and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Maintenance and Repair. CWL covenants that it will at all times cause to be maintained, preserved and kept the System in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs, replacements, additional, betterments and improvements so that the operation and business pertaining to the System shall be fully maintained.

Books and Records. CWL covenants that so long as any Bonds shall be outstanding, it will keep, or cause to be kept, proper books of record and account, in which full, true and correct entries will be made of all dealings or transactions of and in relation to the System and Revenues. CWL agrees to have the books of record and account audited by an independent certified public accountant at the end of each fiscal year and to furnish a copy of the audit report to the Trustee within 180 days after the end of the fiscal year; provided, however, that if such audit is not available by such date, CWL will furnish the audit to the Trustee within 60 days after receipt thereof.

CWL further covenants that all books and documents pertaining to the System and the Revenues shall at all times be open to the inspection of such accountants or agents as the Trustee may from time to time designate.

Disposition and Encumbrance of System. CWL covenants that it will not sell or otherwise dispose of the System and that it will not encumber the same or any part hereof, or its interest therein or create or permit to be created any charge or lien on its Revenues and income except as may be expressly authorized in the Indenture; provided, however, CWL may, from time to time, sell, exchange or otherwise dispose of any properties or release, relinquish or extinguish any interest therein which is not needed or serves no useful purpose in connection with the maintenance and efficient operation of the System, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of, if replacement is necessary or desirable, or shall be transferred to the Revenue Fund, as CWL may determine.

Insurance. CWL covenants that at all times while any Bonds are outstanding, it will at all times insure and keep insured to the full insurable value hereof in a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risk thereof all insurable improvements on and constituting part of the System, at any time and from time to time, by fire and extended coverage insurance. The insurance policies are to carry a clause making them payable to the Trustee as its interest may appear, and are either to be placed in the custody of the Trustee or satisfactory evidence of said insurance shall be filed with the Trustee.

Discharge of Lien. The Bonds of any series shall be deemed to have been paid for purposes of the Indenture if (a) there has been deposited with the Trustee in trust either moneys in an amount, or Government Obligations the principal of and interest on which will, together with any moneys held by the Trustee at the same time and available for such purpose pursuant to the Indenture, without further investment or reinvestment of either the principal amounts thereof or the interest earnings thereon, provide amounts which will be sufficient to pay when due the principal, interest, and premium, if any, to become due and payable on or prior to the respective redemption dates or maturity dates of such Bonds, and (b) in case any of such Bonds are to be redeemed on any date prior to their maturity, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving of such notice.

TAX EXEMPTION

In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law, the interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that CWL comply with all requirements of the Series 2022 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. CWL has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2022 Bonds. CWL has covenanted to comply with all such requirements in the Indenture.

Prospective purchasers of the Series 2022 Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Internal Revenue Code of 1986, as amended (the "Code"), Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2022 Bonds, (ii) interest on the Series 2022 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Series 2022 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Series 2022 Bonds.

As shown on the inside front cover page of this Official Statement, certain of the Series 2022 Bonds are being sold at an original issue premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of a Premium Bond callable prior to its maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of a Premium Bond should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2022 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Series 2022 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Series 2022 Bonds. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2022 Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

In the further opinion of Bond Counsel, under existing law, interest on the Series 2022 Bonds is exempt from all state, county and municipal taxes in the State of Arkansas, and the Series 2022 Bonds are exempt from property taxes in the State of Arkansas.

CONTINUING DISCLOSURE AGREEMENT

Past Compliance. In the past five years, CWL has been a party to a continuing disclosure agreement in connection with the Parity Bonds. CWL has been obligated to file certain information with the Municipal Securities Rulemaking Board (the "MSRB") on its Electronic Municipal Market Access system ("EMMA") within the time periods set forth in the agreement. CWL has been in compliance in all material respects with its continuing disclosure obligations over the past five years.

Generally. CWL will enter into a Continuing Disclosure Agreement with respect to the Series 2022 Bonds. Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of its provisions.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement will be executed and delivered by CWL and the Trustee for the benefit of the Beneficial Owners of the Series 2022 Bonds and in order to assist the Underwriters in complying with the Securities and Exchange Commission, Rule 15c2 12(b)(5).
Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean an Annual Report provided by CWL pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a Series 2022 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Series 2022 Bond (including persons holding Series 2022 Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by CWL and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a

(A) debt obligation;

(B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking District.

"Rule" shall mean Rule 15c2 12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Reports. (a) CWL shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of CWL's fiscal year (presently December 31) commencing with the report after the end of the 2022 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Each Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements of CWL may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted within sixty (60) days after receipt thereof by CWL. If the fiscal year of CWL changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing each Annual Report to the MSRB, CWL shall provide the Annual Report to the Dissemination Agent and the Trustee for the issue (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact CWL and the Dissemination Agent to determine if CWL is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information required in (1) under Content of Annual Reports, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB.

Content of Annual Reports. Each of the Annual Reports shall contain or incorporate by reference the following:

(1) Information of the type set forth in this Official Statement under the caption **CWL AND THE SYSTEM**, Electric Customers, Water Customers and Wastewater Customers and (2) the annual audit of CWL prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America.

Any or all of the items above may be incorporated by reference from other documents, including official statements of debt issues of CWL or related public entities, which are available to the public on the MSRB's website or filed with the Securities and Exchange Commission. CWL shall clearly identify each such other document so incorporated by reference.

Reporting of Listed Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

7. Modification to rights of security holders, if material.

8. Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

10. Release, substitution, or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person.

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding an event described in (a)8 above), CWL shall promptly notify the Dissemination Agent (if other than CWL) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in (a)8 above), whether by notice from the Trustee or otherwise, CWL shall file (or shall cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent). Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Trustee shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

Termination of Reporting Obligations. CWL's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the affected Series 2022 Bonds.

Dissemination Agents. CWL may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under a Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by CWL pursuant to a Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Amendment; Waiver. Notwithstanding any other provision of a Continuing Disclosure Agreement, CWL and the Trustee may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2022 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the affected Series 2022 Bonds in the same manner as provided in the Indenture for the affected Series 2022 Bonds for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Series 2022 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, CWL shall describe such amendment in the next Annual Report with respect to that issue, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by CWL. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent CWL from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If CWL chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, CWL shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of CWL or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, CWL or any Beneficial Owner may (and the Trustee, at the request of the Underwriter, or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Series 2022 Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause CWL or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under a Continuing Disclosure Agreement in the event of any failure of CWL or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustees and Dissemination Agents and Rights of Indemnity. The Dissemination Agent (if other than a Trustee) and the Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and CWL agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of CWL, the Trustee for the affected issue, the Dissemination Agent, the Underwriters and the Beneficial Owners of the affected Series 2022 Bonds and shall create no rights in any other person or entity.

UNDERWRITING

Stephens Inc. and Crews & Associates, Inc., the Underwriters, have agreed, subject to certain conditions precedent, to purchase the Series 2022 Bonds from CWL at a purchase price of $35,118,378.15 (principal amount plus original issue premium of $2,091,978.15 less Underwriters' discount of $333,600). The Underwriters are committed to purchase all of the Series 2022 Bonds if any are purchased.

The Series 2022 Bonds are being purchased by the Underwriters for reoffering in the normal course of the Underwriters' business activities. The Underwriters may offer and sell the Series 2022 Bonds to certain dealers (including dealers depositing Series 2022 Bonds into investment accounts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriters.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2022 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel. Copies of such opinions will be available at the time of the delivery of the Bonds.

There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Series 2022 Bonds, or questioning or affecting the legality of the Series 2022 Bonds or the proceedings and authority under which the Series 2022 Bonds are to be issued, or questioning the right of CWL to execute and deliver the Indenture or to issue the Series 2022 Bonds.

RATING

S&P Global Ratings ("S&P") is expected to assign its municipal bond rating of "AA- (stable outlook)" to the Series 2022 Bonds. Any explanation of such rating may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such rating, once assigned, will remain for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the rating assigned to the Series 2022 Bonds by S&P may have an adverse effect on the market price of the Series 2022 Bonds. The Underwriters and CWL have undertaken no responsibility after issuance of the Series 2022 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

MISCELLANEOUS

Enforceability of Remedies. Rights of the registered owners of the Series 2022 Bonds and the enforceability of the remedies available under the Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Information in the Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between CWL and the purchasers or owners of any of the Series 2022 Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement has been authorized by CWL.

CITY WATER AND LIGHT PLANT OF THE
CITY OF JONESBORO

By /s/ Guy Patteson
Chairman

Dated: As of the Cover Page hereof.

APPENDIX A

Audited Financial Statements of CWL for the Fiscal Years
Ended December 31, 2021 and December 31, 2020

CITY WATER AND LIGHT PLANT
OF THE CITY OF
JONESBORO, ARKANSAS

ANNUAL REPORT
2021 and 2020

400 East Monroe ·P.O. Box 1289 · Jonesboro, Arkansas 72403 · Telephone (870) 935-5581 · Fax (870) 930-3301

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)
December 31, 2021 and 2020

CONTENTS

FROST, PLLC
Certified Public Accountants

Independent Auditor's Report

Board of Directors
City Water and Light Plant of the City of Jonesboro (Arkansas)
Jonesboro, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)'s basic 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 accounting principles generally accepted in the United States of America ("GAAP"); this includes 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas), as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with GAAP.

Other Matters

Required Supplementary Information

GAAP require that the management's discussion and analysis, other postemployment benefits and pension information on pages 5 through 9 and 53 through 57 be presented to supplement the basic financial statements and pension. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)'s basic financial statements. The supplementary information on pages 60 through 78 and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information on pages 60 through 65 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical data (unaudited) on pages 68 through 78 has not been subjected to the auditing procedures applied in the audits of the basic 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 on pages 79 and 80 dated March 16, 2022 on our consideration of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s 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 City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting and compliance.

Frost, PLLC

Certified Public Accountants

Little Rock, Arkansas
March 16, 2022

MANAGEMENT DISCUSSION AND ANALYSIS
2021 and 2020

The following is a narrative overview and analysis of the financial activities of City Water and Light Plant of the City of Jonesboro (CWL) for the years ended December 31, 2021 and 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any changes in the financial position. The information presented here should be read in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

During 2021:

- CWL's current assets decreased $24.4 million, while investments and long-term receivables increased $8.2 million.
- Capital assets, net of depreciation, increased $29.6 million.
- CWL's total liabilities increased $2.8 million.
- Income before contributions increased by $3.5 million.
- Net position increased $15.6 million or 3.5%.

During 2020:

- CWL's current assets increased $1.3 million, while investments and long-term receivables increased $19.1 million.
- Capital assets, net of depreciation, increased $15.4 million.
- CWL's total liabilities increased $27.2 million.
- Income before contributions decreased by $8.3 million.
- Net position increased $11 million or 2.5%.

OVERVIEW

CWL's financial statements include five basic statements: the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, the statement of fiduciary net position and the statement of changes in fiduciary net position. The statement of net position presents CWL's assets, liabilities and net position as of December 31, 2021 and 2020.

The statement of revenues, expenses and changes in net position includes various categories that account for the change in the net position presented on the statements of net position from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020. These include operating revenue, various categories of operating expenses, other income and expense items, such as interest income and expense, and capital contributions.

The statement of cash flows presents the cash flows from operating activities, non-capital financing activities, capital and related financing activities and investing activities. Whereas, the statement of net position and statement of revenues, expenses and changes in net position are on the accrual basis, the statement of cash flows presents the actual cash flow activity for the year. It presents to the reader the beginning of the year cash and cash equivalents balance, the cash and cash equivalents received by category during the year, the cash and cash equivalents disbursed by category during the year and the yearend cash and cash equivalents balance.

The statement of fiduciary net position presents the fiduciary assets, liabilities and net position held by CWL as of December 31, 2021 and 2020. The statement of changes in fiduciary net position reflect the additions and deductions that account for the change in net position from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020.

The following table highlights the past three years of CWL's operating results and kilowatt-hours billed.

Operating Results (000's omitted)

Category	**2021**	**2020**	**2019**
Operating Revenues	$120,447	$100,389	$104,084
Operating Expenses	115,112	96,297	95,325
Income from Operations	5,335	4,092	8,759
Net Non-Operating Income	7,236	5,025	8,616
Capital Contributions	3,040	1,847	1,662
Change in Net Position	$15,611	$10,964	$19,037

Kilowatt-hours Billed (000's omitted)

Type of Customer	**2021**	**2020**	**2019**
Residential (city & rural)	510,921	476,632	502,889
Commercial (city & rural)	323,716	309,939	338,155
Industrial	558,678	533,466	525,532
Security Lighting	1,901	5,268	5,335
Total Retail Sales	1,395,216	1,325,305	1,371,911
Other Utilities	50,785	33,178	95,826
	1,446,001	1,358,483	1,467,737

FINANCIAL ANALYSIS OF CWL

The analysis below highlights CWL's net position for the three most recent years.

Statement of Net Position (000's omitted)

Description	2021	2020	2019
Current Assets	$83,131	$107,530	$106,205
Investments and Long-Term Receivables	138,641	130,393	111,237
Noncurrent Assets	22,877	10,617	14,356
Capital Assets	261,581	231,985	216,555
Deferred Outflows	15,888	10,609	6,181
Total Assets and Deferred Outflows	$522,118	$491,134	$454,534
Current Liabilities	$19,944	$15,865	$12,920
Noncurrent Liabilities	24,328	25,608	1,387
Total Liabilities	44,272	41,473	14,307
Deferred Inflows	19,394	6,820	8,351
Net Position:			
Invested in Capital Assets	237,048	205,892	216,555
Restricted	891	828	200
Unrestricted	220,513	236,121	215,121
Total Net Position	458,452	442,841	431,876
Total Liabilities, Deferred Inflows and Net Position	$522,118	$491,134	$454,534

Revenues
At December 31, 2021 and 2020, operating revenues totaled $120.4 million and $100.4 million, respectively. In 2021, revenues were comprised of 83% from electric sales, 10% from water sales and 7% from wastewater sales. In 2020, the composition of revenue was 80% electric, 11% water and 9% wastewater.

Electric revenue consists of both retail and wholesale sales. In 2021, wholesale revenue was approximately 5% of total electric revenues, compared with 3% in 2020. Retail sales increased as a result of higher retail customer usage. Wholesale sales can vary from year to year and can be influenced by external factors such as natural gas prices and weather.

Expenses
Total operating expenses at December 31, 2021 were $115.1 million, compared to $96.3 million at December 31, 2020. Major categories include Production and Operations expenses and Purchased Power expenses. Production and Operations expenses were 39% of total operating expenses in 2021 and 36% in 2020. Purchased Power expenses were 25% of total operating expenses in 2021 and 36% in 2020.

Income from Operations was $5.3 million in 2021 and $4.1 million in 2020.

Other Income (Expenses)
At December 31, 2021, Other Income totaled $7.2 million, compared to $5.0 million in 2020. This $2.2 million increase was primarily from an increase in Interest and Investment income, which was the result of a stronger equity market during 2021.

Total Contributions to the City of Jonesboro totaled $1.0 million and $0.7 million for 2021 and 2020, respectively. These contributions include payroll, inventory and utilities for special city projects, payment toward the purchase of a fire truck, payment of sales tax on free services to the city and refunds of utility bills for the City Library.

Contributions
Contributions from developers increased to $3.0 million in 2021 as compared to $1.8 million in 2020. Contributions include primarily developer laid water and wastewater lines, money paid by developers for the difference in costs of underground electric lines as compared to overhead lines, and wastewater connection and inspection fees. These fluctuate from year to year based on economic and business activity within the greater Jonesboro area.

Kilowatt-hours and Gallons Billed
Kilowatt-hours billed to city and rural residential customers increased 7% to 510,921,000 in 2021 compared with 476,632,000 in 2020, while those billed to city and rural commercial customers increased 4% to 323,716,000 in 2021 compared with 309,939,000 in 2020. Kilowatt-hours billed to industrial customers increased 5% to 558,678,000 in 2021 compared to 533,466,000 in 2020.

Gallons of water billed increased 3% to 4,679,074,000 during 2021 from 4,524,097,000 in 2020.

Assets
At December 31, 2021, total assets increased to $522.1 million from $491.1 million in 2020. Current assets were $83.1 million in 2021; a decrease of $24.4 million over 2020. Investments and long-term receivables were $138.6 million in 2021; an increase of $8.2 million from 2020.

Capital assets, net of depreciation, were $261.6 million at December 31, 2021. Major capital expenditures for the CWL system included approximately $4.9 million for the electric production plant, $6.7 million for the electric distribution plant, $1.1 million for water mains and $1.8 million for wastewater lines. Approximately $20.3 million in depreciation during 2021 offset these capital additions. Construction project expenditures in 2021 not yet capitalized include $11.2 million for a solar facility, $3.0 million for electric transmission plant, $3.6 million for lift stations, $6.2 million for wastewater production plant and $1.3 million for wastewater lines.

At December 31, 2020, capital assets, net of depreciation, were $232.0 million. The major capital expenditures for CWL's system included approximately $7.1 million for the electric production plant, $7.7 million for the electric transmission plant, and $14.9 million for wastewater production plant. There was approximately $19.3 million in depreciation to offset these capital additions.

Bond Issue
On July 21, 2020, special obligation bonds were issued in the amount of $21,525,000 to finance construction and improvement costs of the wastewater and electric facilities. The specific projects financed include the replacement of the Main Lift Station, construction of a new sewer gravity line and the installation of a solar generating facility. Bonds payable at December 31, 2021 were $20,525,000.

Liabilities
At December 31, 2021 and 2020, current liabilities were $20.0 million and $15.9 million, respectively. Noncurrent liabilities decreased to $24.3 million from $25.6 million in those respective years.

Summary
CWL increased net position by $15.6 million in 2021 and by $11.0 million in 2020. CWL customers continue to benefit from rates that are among the lowest in the state and nation for electric, water and wastewater services.

Jake Rice, III
Manager

David Belk
Financial Services Director

REPORT OF MANAGEMENT ON FINANCIAL STATEMENTS

The management of City Water and Light Plant of the City of Jonesboro (Arkansas) (CWL) is responsible for the integrity and objectivity of the financial statements and other financial information contained in the Annual Report. The financial statements and related information were prepared in conformity with accounting principles generally accepted in the United States of America, based on recorded transactions and management's best judgments and estimates, in order to set forth a fair presentation of financial position and results of operations.

Management maintains a system of internal controls and procedures designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that transactions are properly recorded to permit the preparation of reliable financial records and reports, that assets are safeguarded and that accountability for assets is maintained. In designing and implementing internal controls and procedures, management recognizes that errors or irregularities may nevertheless occur. Further, estimates and judgments are necessary to evaluate the relative cost/benefit of such controls and procedures. Internal controls and procedures are regularly reviewed and revised, when appropriate, due to changing circumstances and requirements.

The Board of Directors oversees these financial statements through an audit committee comprised of members of the Board of Directors. The committee meets periodically with management to monitor the discharge of its responsibilities. The independent auditors, who are engaged to express an opinion on the financial statements, have free access to the committee members without management present to discuss internal control, audit and financial matters.

Frost, PLLC, has been engaged to audit the financial statements of CWL. Their report on CWL's financial statements is set forth on pages two through four.

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CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)
STATEMENTS OF NET POSITION
December 31, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	$42,885,760	$70,255,606
Accounts receivable, less allowance for doubtful accounts (Note 6)	13,767,380	8,483,003
Accrued utility revenues	3,233,068	2,873,024
Accrued interest receivable	2,136,857	4,401,116
Inventories	20,184,380	20,675,235
Prepaid expenses	924,138	842,196
Total Current Assets	83,131,583	107,530,180
INVESTMENTS AND LONG-TERM RECEIVABLES		
Non-utility property	8,382,699	8,359,251
Investments (Note 4)	129,312,555	121,149,375
Restricted cash deposits	890,646	827,806
Installment receivables	54,826	57,031
Total Investments and Long-Term Receivables	138,640,726	130,393,463
NONCURRENT ASSETS		
Net Pension Asset (Note 7)	8,327,133	2,458,827
Net OPEB Asset (Note 8)	14,550,265	8,158,191
Total Noncurrent Assets	22,877,398	10,617,018
CAPITAL ASSETS		
Construction in progress	50,108,891	18,747,731
Utility plant in service, at cost (Notes 2 and 3)	657,520,872	640,557,405
	707,629,763	659,305,136
Less accumulated depreciation	446,048,826	427,320,584
Total Capital Assets	261,580,937	231,984,552
DEFERRED OUTFLOWS		
Pension (Note 7)	9,219,047	5,582,117
OPEB (Note 8)	6,668,628	5,026,605
Total Deferred Outflows	15,887,675	10,608,722
TOTAL ASSETS AND DEFERRED OUTFLOWS	$522,118,319	$491,133,935

See notes to financial statements.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2021	2020
CURRENT LIABILITIES		
Current maturities of long-term debt	$1,580,448	$1,560,552
Accounts payable	13,596,119	9,932,673
Customer deposits	2,990,257	2,738,980
Accrued interest	78,113	82,279
Accrued taxes	193,423	187,564
Accrued salaries and vacations	1,505,842	1,363,249
Total Current Liabilities	19,944,202	15,865,297
NONCURRENT LIABILITIES		
Long-term debt (Note 9)	22,952,088	24,532,536
Long-term Unearned Revenue-JEDC Industrial Land Purchases (Note 15)	1,375,495	1,075,495
Total Noncurrent Liabilities	24,327,583	25,608,031
TOTAL LIABILITIES	44,271,785	41,473,328
COMMITMENTS AND CONTINGENCIES (Notes 7, 8, 9, 10, 13, 14, 16, 17 and 18)		
DEFERRED INFLOWS		
Pension (Note 7)	8,372,915	2,209,753
OPEB (Note 8)	11,021,590	4,610,407
TOTAL DEFERRED INFLOWS	19,394,505	6,820,160
NET POSITION		
Net Investment in Capital Assets	237,048,401	205,891,464
Restricted	890,646	827,806
Unrestricted	220,512,982	236,121,177
Total Net Position	458,452,029	442,840,447
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$522,118,319	$491,133,935

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CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Years Ended December 31, 2021 and 2020

	2021	2020
OPERATING REVENUE	$120,447,014	$100,389,430
OPERATING EXPENSES		
Production and operations	45,373,629	34,352,674
Purchased power (Note 13)	28,817,084	22,361,504
Transmission	115,248	
Distribution	12,530,776	12,546,479
Customers' accounting and collection	3,502,642	3,592,734
Administrative and general	5,267,905	4,733,599
Depreciation (Not provided elsewhere)	19,282,446	18,486,948
Contributions in lieu of taxes (Note 11)	222,229	223,323
	115,111,959	96,297,261
INCOME FROM OPERATIONS	5,335,055	4,092,169
OTHER INCOME (EXPENSES)		
Interest and investment income	7,620,235	5,382,633
Rent income (Note 12)	903,951	762,984
Miscellaneous income	183,052	144,201
Interest expense	(431,073)	(212,766)
Bond issuance expense		(343,757)
Contributions to City of Jonesboro (Note 11)	(1,039,887)	(708,012)
	7,236,278	5,025,283
INCOME BEFORE CONTRIBUTIONS	12,571,333	9,117,452
CONTRIBUTIONS	3,040,249	1,847,267
CHANGE IN NET POSITION	15,611,582	10,964,719
NET POSITION-BEGINNING OF YEAR	442,840,447	431,875,728
NET POSITION-END OF YEAR	$458,452,029	$442,840,447

See notes to financial statements.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$115,353,870	$98,779,022
Payments to suppliers	(84,966,371)	(72,443,589)
Payments to employees (excluding construction)	(10,643,033)	(10,173,109)
Other payments	(995,362)	(685,598)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,749,104	15,476,726
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of utility plant	(47,422,519)	(33,895,777)
Proceeds from issuance of bonds		26,349,805
Principal payments on bonds issued	(1,000,000)	
Bond issue costs		(343,757)
Proceeds from sale of utility plant in service	44,435	455,079
Interest paid	(995,791)	(387,204)
Contributions received	575,217	552,507
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(48,798,658)	(7,269,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(52,098,578)	(87,704,853)
Proceeds from sale and maturities of investments and restricted bond funds	66,196,792	65,294,930
Rent income	903,951	762,984
Interest and dividends on investments and installment receivables	4,412,787	2,856,930
Principal collections on installment receivables	2,205	33,180
Net purchases of nonutility property	(23,448)	(1,695,825)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	19,393,709	(20,452,654)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,655,845)	(12,245,275)
CASH AND CASH EQUIVALENTS, Beginning of Year	22,051,605	34,296,880
CASH AND CASH EQUIVALENTS, End of Year (Note 5)	$11,395,760	$22,051,605

See notes to financial statements.

	2021	2020
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	$5,335,055	$4,092,169
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	20,246,732	19,323,488
(Provision) Recoveries for bad debts	205,583	(265,711)
Other payments	(995,362)	(685,598)
Change in assets and liabilities		
Accounts receivable	(5,489,960)	(1,150,450)
Accrued utility revenues	(360,044)	259,671
Inventories	490,855	(5,341,952)
Prepaid expenses	(81,942)	(136,719)
Unearned revenue	300,000	(500,765)
Accounts payable	3,663,446	1,919,339
Customer deposits	251,277	46,847
Accrued taxes	5,859	(6,317)
Accrued salaries and vacations	142,593	142,860
Deferred outflows of resources for pension	(3,636,930)	(769,834)
Deferred outflows of resources for OPEB	(1,642,023)	(3,657,837)
Deferred inflows of resources for pension	6,163,162	(521,598)
Deferred inflows of resources for OPEB	6,411,183	(1,009,519)
Net pension asset	(5,868,306)	(376,989)
Net OPEB asset	(6,392,074)	4,115,641
Net cash provided by operating activities	$18,749,104	$15,476,726

SUPPLEMENTAL DISCLOSURES
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

	2021	2020
Acquisition of developer built water and wastewater lines:		
Utility plant in service	$2,465,033	$1,294,759
Noncash Contributions	$2,465,033	$1,294,759

CITY WATER AND LIGHT
STATEMENTS OF FIDUCIARY NET POSITION
Years Ended December 31, 2021 and 2020

	2021		2020	
	Pension Trust Fund	OPEB Trust Fund	Pension Trust Fund	OPEB Trust Fund
ASSETS				
Cash and Cash Equivalents	$ 4,738,808	$ 1,657,715	$ 6,060,975	$ 4,976,157
Investments	65,417,327	53,615,444	55,891,202	45,178,796
Total Assets	$ 70,156,135	$ 55,273,159	$ 61,952,177	$ 50,154,953
LIABILITIES				
Total Liabilities	$ -	$ -	$ -	$ -
NET POSITION				
Restricted for:				
Pensions	$ 70,156,135		$ 61,952,177	
Other Postemployment Benefits		$ 55,273,159		$ 50,154,953
Total Liabilities and Net Position	$ 70,156,135	$ 55,273,159	$ 61,952,177	$ 50,154,953

CITY WATER AND LIGHT
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended December 31, 2021 and 2020

	2021		2020	
	Pension Trust Fund	OPEB Trust Fund	Pension Trust Fund	OPEB Trust Fund
ADDITIONS				
Employer Contributions	$ 2,700,000		$ 2,610,000	
Net Investment Income	7,572,285	$ 6,165,195	7,531,450	$ 5,995,344
Total Additions	$ 10,272,285	$ 6,165,195	$ 10,141,450	$ 5,995,344
DEDUCTIONS				
Pension Distributions	$ 1,998,610		$ 2,035,281	
Retirement Healthcare Premiums		$ 989,182		$ 898,772
Administrative Expenses	69,717	57,807	61,875	51,659
Total Deductions	$ 2,068,327	$ 1,046,989	$ 2,097,156	$ 950,431
CHANGE IN FIDUCIARY NET POSITION	$ 8,203,958	$ 5,118,206	$ 8,044,294	$ 5,044,913
Net Position, Beginning of Year	$ 61,952,177	$ 50,154,953	$ 53,907,883	$ 45,110,040
Net Position, End of Year	$ 70,156,135	$ 55,273,159	$ 61,952,177	$ 50,154,953

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

City Water and Light Plant of the City of Jonesboro (Arkansas) (CWL) provides electric, water and wastewater service to its customers.

With the advice and direction of legal counsel, CWL participated in and benefited from the formation of CWL Corp. I, a non-member Arkansas nonprofit corporation formed to benefit CWL. The Articles of Incorporation and Bylaws of CWL Corp. I provide CWL exclusive authority to appoint directors of the corporation together with other rights and privileges. CWL Corp. I in turn participated in the formation of CWL Corp. III, a non-member Arkansas nonprofit corporation formed to benefit CWL Corp. I. The Articles of Incorporation and Bylaws of CWL Corp. III provide CWL Corp. I exclusive authority to appoint directors of the corporation together with other rights and privileges. Because these affiliated entities are ultimately controlled by CWL and for the benefit of CWL they are treated as subsidiaries for accounting purposes.

There were no inter-company transactions between CWL, CWL Corp. I and CWL Corp. III in 2021 or 2020.

The financial statements are presented in conformity with generally accepted accounting principles as applicable to governments. The financial statements are presented substantially in conformity with accounting principles and methods prescribed by the Federal Energy Regulatory Commission (FERC).

Measurement Focus and Basis of Accounting

The accounts of CWL are accounted for in an enterprise fund, which is considered a proprietary fund type. Enterprise funds account for activities that are financed and operated in a manner similar to private business enterprises or for which periodic determination of revenues, expenses and net income is desirable. These funds render services to the general public on a user-charge basis. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. All intra-divisional activities have been eliminated.

Operating revenues and expenses are distinguished from other income (expense) items in the statements of revenues, expenses and changes in net position. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. All revenues not meeting this definition are reported as other nonoperating income (expenses), but remain a major component of the overall revenues and expenses of CWL.

CWL utilizes fiduciary funds to report assets that are held in a trustee or agency capacity for others and that cannot be used to support the general operations of the utility. CWL's fiduciary funds include the Retirement Plan and the Post Retirement Benefits Trust. The Retirement Plan for Employees of City Water and Light is an employee benefits trust fund used to report the accumulation and use of resources to pay retirement, disability and death benefits to plan members and beneficiaries. The Post Retirement Benefits Trust for Employees of City Water and Light is an employee benefits trust fund used to report the accumulation and use of resources to pay for health insurance for employees who are eligible to retire and receive 100 percent of their pension. The transactions and balances of the fiduciary funds are also reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues

CWL recognizes revenue concurrent with billings to customers on a cycle billing basis. CWL accrues services rendered but unbilled at the end of each fiscal period to match more closely revenues and expenses.

Utility Plant

Utility Plant is stated at original cost of $657,520,872 in 2021 and $640,557,405 in 2020. This cost includes appropriate administrative and general costs and payroll related costs such as taxes, pensions, and other benefits. The cost of maintenance, repairs, and replacement of minor items of property is charged to maintenance expense. Utility Plant in service is depreciated over the estimated useful life of each asset, which ranges from two to fifty years based upon type of asset. Annual depreciation is primarily computed using the straight-line method. Total depreciation during 2021 was $20,246,732 and during 2020 was $19,323,488, which is recorded in depreciation and various other accounts on the statement of revenues, expenses, and changes in net position. CWL capitalizes items with a cost greater than $2,500.

Investment Securities

Fixed securities are stated at cost. Gains or losses on disposition are based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific method. Equity securities, corporate bonds and government agencies are stated at fair market value. Fair value measurements are categorized within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The hierarchy consists of three input levels. Level 1 inputs are quoted prices in active markets, Level 2 inputs are significant other observable inputs other than quoted prices and Level 3 are unobservable inputs. Dividends and capital gains, as well as unrealized gains and losses, are recognized as other income (expense).

Accounts Receivable

CWL's accounts receivable are primarily from customers in the greater Jonesboro area. Approximately 2.25% of the receivables for the year ending December 31, 2021 and 2.53% for the year ending December 31, 2020 represent amounts due from other utilities. Monthly bills are mailed to customers for service through the respective meter reading date.

Inventory Pricing

All inventories are stated at the lower of cost or market using the average cost method.

Income Taxes
CWL is exempt from income taxes under various provisions of the Internal Revenue Code.

Cash and Cash Equivalents
For purposes of the statements of cash flows, CWL considers petty cash, demand deposit accounts and short term certificates of deposit, which are not a part of restricted bond funds, to be cash equivalents.

Use of Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. CWL used significant estimates in determining accrued utility revenue, allowance for doubtful accounts, depreciation and unearned revenue. Actual results may differ from these estimates.

Deferred Inflows/Outflows of Resources
In addition to assets, the accompanying statements of net position include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. CWL has four types of items that qualify for reporting in this category that are related to pension and other post employment benefits (OPEB) reported in the accompanying statements of net position: contributions made after the measurement date, the differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments and on other post employment benefits plan investments, and changes in assumptions. Deferred outflows related to contributions made after measurement date will be used in the next year to reduce net pension liability. The remaining amounts will be amortized to pension expense and to other post retirement benefits over future periods as shown in Note 7 and Note 8, respectively.

In addition to liabilities, the accompanying statements of net position include a separate section for deferred inflow of resources. This separate financial statements element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflows or resources (revenue) until that time. CWL has two items for each plan that qualify for reporting as deferred inflow related to the pension and other post employment benefits reported in the accompanying statements of net position: the difference between expected and actual experience and the difference between expected and actual earnings. The respective differences will be amortized to pension expense over future periods as shown in Note 7 and to OPEB expense over future periods as shown in Note 8.

Pensions

For the purpose of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Retirement Plan for Employees of City Water and Light (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they were determined by a third party actuarial report on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits

For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to other post retirement benefits expense, information about the fiduciary net position of the Post Retirement Benefits Trust for Employees of City Water and Light (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they were determined by a third party actuarial report on the Trust. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

CWL provides all eligible employees paid time off benefits. Paid time off benefits are accrued when earned in the financial statements.

Net Position

Net Position is comprised of three categories: Net Investment in Capital Assets, Restricted and Unrestricted. Net Investment in Capital Assets consists of Utility Plant in Service and Construction in Progress, less Accumulated Depreciation and any related Long-term Debt. Restricted consists of funds set aside in compliance with legal requirements of specific agreements. Unrestricted consists of the remaining available assets.

Net Position Flow Assumption

At times CWL will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the accompanying statements of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is CWL's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Budgetary Comparisons

CWL is not legally required to adopt a budget for the enterprise fund. Therefore, budget comparison information is not included in CWL's financial statements.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their future use as established by a bond covenant or by external parties such as creditors.

NOTE 2: UTILITY PLANT IN SERVICE

	December 31, 2020	Additions	Retirements	Transfers	December 31, 2021
CAPITAL ASSETS - NONDEPRECIABLE					
Construction in Progress	$18,747,731	$31,361,160			$50,108,891
Land and Land Rights	9,627,085	186,427			9,813,512
	28,374,816	31,547,587			59,922,403
CAPITAL ASSETS - UTILITY PLANT IN SERVICE - DEPRECIABLE					
Intangible Plant	8,931,136				8,931,136
Production Plant	293,802,773	5,973,767	4,546		299,771,994
Transmission Plant	14,288,876	49,617		(303,592)	14,034,901
Distribution Plant	285,557,246	10,615,382	848,980	303,592	295,627,240
General Plant	18,040,353	509,271	70,385	12,706	18,491,945
Transportation	10,309,936	1,191,928	639,014	(12,706)	10,850,144
	630,930,320	18,339,965	1,562,925	0	647,707,360
ACCUMULATED DEPRECIATION	427,320,584	20,246,732	1,518,490		446,048,826
NET CAPITAL ASSETS	$231,984,552	$29,640,820	$44,435		$261,580,937

	December 31, 2019	Additions	Retirements	Transfers	December 31, 2020
CAPITAL ASSETS - NONDEPRECIABLE					
Construction in Progress	$31,289,525			($12,541,794)	$18,747,731
Land and Land Rights	9,399,678	304,745	77,338		9,627,085
	40,689,203	304,745	77,338	(12,541,794)	28,374,816
CAPITAL ASSETS - UTILITY PLANT IN SERVICE - DEPRECIABLE					
Intangible Plant	8,931,136				8,931,136
Production Plant	271,735,745	22,067,028			293,802,773
Transmission Plant	9,659,652	7,722,163	1,309,324	($1,783,615)	14,288,876
Distribution Plant	269,351,407	2,792,084	911,654	14,325,409	285,557,246
General Plant	16,836,218	1,204,135			18,040,353
Transportation	9,212,661	1,100,382	3,107		10,309,936
	585,726,819	34,885,792	2,224,085	12,541,794	630,930,320
ACCUMULATED DEPRECIATION	409,861,376	19,323,488	1,864,280		427,320,584
NET CAPITAL ASSETS	$216,554,646	$15,867,049	$437,143		$231,984,552

NOTE 3: OWNERSHIP AGREEMENTS

In 1977, CWL entered into an Ownership Agreement with Entergy Arkansas, Inc. ("Entergy") to purchase a five percent undivided ownership interest in "White Bluff Unit No. 1" and "White Bluff Unit No. 2" coal-fired generating plants constructed by Entergy. These units, located in Jefferson County, Arkansas, are rated at 815 megawatts and 844 megawatts, respectively. Entergy has operational control of the two generating plants.

In 1979, CWL entered into an Ownership Agreement with Entergy to purchase a five percent undivided ownership interest in "Independence Unit No. 1" and "Independence Unit No. 2" coal-fired generating plants constructed by Entergy. During 1996, CWL purchased an additional ten percent undivided ownership in "Independence Unit No. 2". These units, located in Independence County, Arkansas, are rated at 836 megawatts and 842 megawatts, respectively. Entergy has operational control of the two generating plants.

Following is a summary of CWL's proportionate share of each jointly owned plant. Each participant must pay its share of expenses for the operations of the plants, which are included in the operating expenses of each participant's statements of income. Allowance for depreciation on utility plant in service is determined by each participant based on their depreciation methods and rates relating to their share of the plant.

	White Bluff Units No. 1 and 2		Independence Units No. 1 and 2	
	2021	2020	2021	2020
Utility Plant in Service	$51,724,243	$50,844,809	$106,619,107	$103,294,760
	51,724,243	50,844,809	106,619,107	103,294,760
Less Accumulated Depreciation	44,095,540	42,547,311	87,095,046	83,389,680
	7,628,703	8,297,498	19,524,061	19,905,080
Inventories	3,909,965	3,773,893	6,448,294	8,747,472
Plant's Net Share	$11,538,668	$12,071,391	$25,972,355	$28,652,552

NOTE 4: INVESTMENTS

Under state statutes and CWL's investment policy, CWL may invest in certificates of deposit with banks in the State of Arkansas, United States securities including United States Agency, State and Local Governments and Approved Sovereign Government securities with a maximum maturity date of six years, corporate bonds with a BBB- rating or higher and a maximum maturity date of six years, convertible debentures, convertible preferred stock, perpetual preferred stock and common stock. Investments in equities are limited to 40% of assets.

Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. According to CWL's investment policy, all investments are monitored for changes in the effective yield.

All certificates of deposit classified as investments are either federally insured or collateralized with securities maintained in trust. As of December 31, 2021 and 2020, CWL had long-term investments, restricted cash deposits, temporary investments and cash of $173,088,961 and $192,232,787, respectively.

The following are institutions in which CWL has five percent or more of its total investments and cash:

	2021	2020
Centennial Bank - Conway, Arkansas	$22,257,121	$48,446,952
First Community Bank - Batesville, Arkansas	24,000,000	18,000,000
First National Bank - Paragould, Arkansas		15,000,000
Simmons First Bank - Pine Bluff, Arkansas	16,000,000	11,500,000
Petty cash and others	110,831,840	99,285,835
	$173,088,961	$192,232,787

At December 31, 2021 and 2020, CWL had the following investments and maturities:

2021	Fair Value	Less than 1 Year	Greater than 1 Year
Cash and Cash Equivalents	$11,395,760	$11,395,760	
Restricted Deposits	890,646		$890,646
Certificates of Deposit	65,769,676	31,490,000	34,279,676
Bond Funds	3,304,875		3,304,875
Equity Securities	35,665,300		35,665,300
Corporate Bonds	56,062,704		56,062,704
	$173,088,961	$42,885,760	$130,203,201

2020	Fair Value	Less than 1 Year	Greater than 1 Year
Cash and Cash Equivalents	$22,051,605	$22,051,605	
Restricted Deposits	1,027,806		$1,027,806
Certificates of Deposit	91,938,001	48,204,001	43,734,000
Bond Funds	18,997,604		18,997,604
Equity Securities	28,786,216		28,786,216
Corporate Bonds	$29,431,555		$29,431,555
	$192,232,787	$70,255,606	$121,977,181

Investments at December 31, 2021 and 2020 are categorized as follows:

2021 Investment Type	Quoted prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities	$35,665,300		
Corporate Bonds		$56,062,704	

2020 Investment Type	Quoted prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities	$28,786,216		
Corporate Bonds		$29,431,555	

As of December 31, 2021, the Retirement Plan for Employees of City Water and Light and the Post Retirement Benefits Trust for Employees of City Water and Light had long-term investments, temporary investments and cash of $70,156,135 and $55,273,159, respectively. As of December 31, 2020, these trusts had $61,952,177 and $50,154,953, respectively.

Investments at December 31 for the pension and OPEB trusts, of which bonds, stocks and mutual funds are Level 1 investments and cash/cash equivalents and certificates of deposit are Level 2 investments, include the following:

2021	Fair Value	Less than 1 Year	Greater than 1 Year
Pension:			
Cash and Cash Equivalents	$4,738,808	$4,738,808	
Bonds	1,631,492	119,681	1,511,811
Stocks	5,191,038		5,191,038
Mutual Funds	58,594,797		58,594,797
	70,156,135	4,858,489	65,297,646
OPEB:			
Cash and Cash Equivalents	$1,657,715	$1,657,715	
Bonds	1,631,297	119,681	1,511,616
Stocks	5,115,034		5,115,034
Mutual Funds	46,869,113		46,869,113
	$55,273,159	$1,777,396	$53,495,763

2020	Fair Value	Less than 1 Year	Greater than 1 Year
Pension:			
Cash and Cash Equivalents	$6,060,975	$6,060,975	
Bonds	1,541,414	378,566	1,162,848
Stocks	4,130,924		4,130,924
Mutual Funds	50,218,864		50,218,864
	61,952,177	6,439,541	55,512,636
OPEB:			
Cash and Cash Equivalents	$4,976,157	$4,976,157	
Bonds	1,540,104	378,566	1,161,538
Stocks	4,072,846		4,072,846
Mutual Funds	39,565,846		39,565,846
	$50,154,953	$5,354,723	$44,800,230

NOTE 5: CASH AND CASH EQUIVALENTS

All demand deposit accounts and certificates of deposit are either federally insured or collateralized with securities maintained in trust.

Temporary investments and cash consist of the following at December 31, 2021 and 2020:

	2021	
	Carrying Amount	Approximate Market Value
Petty cash	$5,000	$5,000
Demand deposit accounts	11,390,760	11,390,760
Total cash and cash equivalents as reflected on the Statement of Cash Flows	11,395,760	11,395,760
Certificates of deposit maturing during 2022	31,490,000	31,490,000
Total Demand Deposits	$42,885,760	$42,885,760

	2020	
	Carrying Amount	Approximate Market Value
Petty cash	$5,000	$5,000
Demand deposit accounts	22,046,605	22,046,605
Total cash and cash equivalents as reflected on the Statement of Cash Flows	22,051,605	22,051,605
Certificates of deposit maturing during 2021	48,204,001	48,204,001
Total Demand Deposits	$70,255,606	$70,255,606

NOTE 6: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at December 31, 2021 and 2020:

	2021	2020
Accounts Receivable	$14,148,179	$9,069,386
Allowance for Doubtful Accounts	(380,799)	(586,383)
	$13,767,380	$8,483,003

NOTE 7: PENSION PLAN

Plan Description. The "Retirement Plan for the Employees of City Water and Light Plant of Jonesboro, Arkansas" is a single-employer defined benefit pension plan administered by the CWL Retirement Committee. CWL provides retirement, disability and death benefits to plan members and beneficiaries. The plan provides a normal monthly retirement benefit based on 1.75% of final average monthly compensation times the number of years credited service. It provides a temporary retirement income for participants retiring prior to age 62, which is computed by multiplying the final rate of pay times 0.50% times the number of years credited service. It also provides a monthly disability benefit for employees totally and permanently disabled prior to normal retirement date and a death benefit to the participant's beneficiary. No cost-of-living adjustments are provided to members or beneficiaries. Plan participants qualify for eligibility on the later of age 21 years or 1 year of vesting service.

CWL's Board of Directors has the sole authority to establish and amend benefit provisions. CWL maintains publicly available financial information for "Retirement Plan for Employees of City Water and Light Plant of Jonesboro, Arkansas". That information may be obtained by writing to City Water and Light, PO Box 1289, Jonesboro, Arkansas 72403 or by calling (870) 935-5581.

Employees Covered. As of November 1, 2021, the plan covers a total of 255 individuals. The classifications consist of 186 active employees and 69 retired employees. At November 1, 2020, the plan covered a total of 250 individuals: 189 active employees, 61 retired employees.

Covered Payroll. As of November 1, 2021 and 2020, the covered payroll amount was \$11,924,942 and \$11,803,558 respectively.

Assumptions. The valuation date is as of November 1, 2021. Prior to November 1, 2019, all mortality rates were determined using the RP 2014 Mortality Table. Subsequent to this date, all mortality rates were determined using the Pub-G generationally projected MP 2019 Table. The actuarial assumptions used in years prior to 2017 included (a) 7.0% investment rate of return (net of administrative expenses), (b) 7.0% discount rate and (c) projected salary increases of 5.0% per year. Changes in assumptions for valuation years 2017-2020 included (a) 6.5% investment rate of return (net of administrative expenses), (b) 6.5% discount rate and (c) projected salary increases of 4.0% per year. In 2021, changes in assumptions include (a) 6.0% investment rate of return (net of administrative expenses) and (b) 6.0% discount rate. Projected salary increases remained at 4.0% annually. The actuarial value of assets was determined using the current market value of investments. The total pension liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at November 1, 2021, is 24 years.

Contribution Requirements. CWL's Board of Directors may amend the contribution requirements. The plan is totally funded by CWL and an amount approximating the annual required contribution as determined under GASB 67 is contributed to the plan.

The annual required contribution for the current year was determined as part of the November 1, 2021, actuarial valuation using the entry age normal actuarial cost method.

Long-Term Expected Rate of Return and Single Discount Rate. The expected rate of return on pension plan investments is 6.0%. The municipal bond rate is 2.41%. Since assets are projected to be sufficient to meet benefit payments, the resulting single discount rate to measure Total Pension Liability is 6.0%. The Long-Term Expected Rate of Return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The target allocation and the long-term expected rates of return are shown in the table below:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic Fixed Income	35%	2.0%
International Fixed Income		
Domestic Equity	65%	5.5%
Foreign Equity		
Cash		
Subtotal	100%	4.28%
Assumed Inflation		2.0%
Total		6.28%
Rounded & adjusted for Investment expenses		6.0%

Regarding the sensitivity of the Net Pension Liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.0%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease 5.0%	Current Single Rate Assumed 6.0%	1% Increase 7.0%
Total Pension Liability	$69,346,385	$61,079,125	$59,955,079
Net Pension (Asset) Liability	($59,873)	($8,327,133)	($16,451,179)

Pension Plan Fiduciary Net Position

	Plan Year Ended 10/31/2021	Plan Year Ended 10/31/2020
A. INCOME		
1. Contributions		
Employer	$ 2,685,000	$ 2,595,000
2. Investment Income		
Interest/Dividends	1,735,116	1,787,745
Realized Gain	2,658,162	753,695
Unrealized Gain	8,332,902	1,399,582
Net Investment Income	12,726,180	3,941,022
TOTAL INCOME	$ 15,411,180	$ 6,536,022
B. EXPENSES		
1. Administrative	$ 68,185	$ 61,411
2. Monthly Benefits	1,911,041	1,720,763
3. Lump Sum	41,462	289,353
TOTAL EXPENSES	$ 2,020,688	$ 2,071,527
C. ASSETS (Market)		
1. Short Term		
Cash and Money Market	$ 1,319,647	$ 969,137
Institutional (CD's, Savings, Etc.)	3,805,700	
2. Mutual Funds		
Equity Funds	40,456,691	32,718,121
Fixed Income Funds	14,922,023	15,450,870
3. Equities		
Common Stocks	4,601,084	3,635,723
4. Bonds	1,427,568	1,630,170
5. Real Estate Funds	2,873,545	1,611,745
TOTAL ASSETS	$ 69,406,258	$ 56,015,766
D. RATIO OF ASSETS TO ANNUAL EXPENSES:	34.3	27.0
E. ANNUAL INVESTMENT RETURN:	22.6%	7.6%

	Plan Year Ended 10/31/2021	Plan Year Ended 10/31/2020
F. TOTAL PENSION LIABILITY		
1. Active Lives		
Regular Retirement Benefits	$ 35,200,452	$ 32,526,299
Voluntary Termination Benefits	386,507	337,963
Survivors' Benefits	46,700	41,854
Disability Benefits	533,738	489,006
Total Active Lives	36,167,397	33,395,122
2. Inactive Lives		
Retirees & Beneficiaries	24,911,728	20,161,817
Total Inactive Lives	24,911,728	20,161,817
TOTAL LIABILITY	$ 61,079,125	$ 53,556,939

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 10/31/2019	$49,469,433	$51,551,271	($2,081,838)
Changes for the year:			
a) Service Cost	1,059,843		1,059,843
b) Interest	3,184,629		3,184,629
c) Differences between expected and actual experience	209,653		209,653
d) Employer contributions		2,595,000	(2,595,000)
e) Employee contributions			
f) Net investment income		3,941,022	(3,941,022)
g) Benefits and refunds	(2,010,116)	(2,010,116)	
h) Administrative expenses		(61,411)	61,411
i) Assumption change	1,643,497		1,643,497
j) Other			
Net changes	4,087,506	4,464,495	(376,989)
Balances at 10/31/2020	$53,556,939	$56,015,766	($2,458,827)
Changes for the year:			
a) Service Cost	1,154,728		1,154,728
b) Interest	3,455,273		3,455,273
c) Differences between expected and actual experience	802,665		802,665
d) Employer contributions		2,685,000	(2,685,000)
e) Employee contributions			
f) Net investment income		12,726,180	(12,726,180)
g) Benefits and refunds	(1,952,503)	(1,952,503)	
h) Administrative expenses		(68,185)	68,185
i) Assumption change	4,062,023		4,062,023
j) Other			
Net changes	7,522,186	13,390,492	(5,868,306)
Balances at 10/31/2021	$61,079,125	$69,406,258	($8,327,133)

Pension Expense/(Income) under GASB 68

	2021	2020
1. Net Pension Asset at beginning of year	($2,458,827)	($2,081,838)
2. Net Pension Asset at end of year	(8,327,133)	(2,458,827)
3. Increase in Net Pension Asset in year = (2) - (1)	(5,868,306)	(376,989)
4. Decrease in Net Pension Asset due to Employer Contributions during the measurement period	2,685,000	2,595,000
5. Change to reflect in Pension Expense = (3) + (4)	(3,183,306)	2,218,011
6. Adjust for Actual vs Expected experience		
a) Remove gain/(loss)	(4,864,688)	(1,853,150)
b) Add amortization	848,304	406,059
7. Adjust for Actual vs Projected investment income		
a) Remove gain/(loss)	8,993,164	509,770
b) Add amortization	(2,435,548)	(339,111)
8. Pension Expense = (5) + (6) + (7)	($642,074)	$941,579

Detail of Outflow/(Inflow) of Resources

	Description	Year	Original Amount	Recognition Period	Outflow (Inflow) In Current Expense	Deferred Outflow (Inflow) 11/1/2021
1	Actual vs Expected	2014-15	$352,112	15	$23,474	$187,794
2	Actual vs Expected	2015-16	154,952	15	10,330	92,972
3	Actual vs Expected	2016-17	(237,322)	15	(15,821)	(158,217)
4	Projected vs Actual Earnings	2016-17	(2,782,206)	5	(556,441)	0
5	Assumption Change	2016-17	1,350,507	15	90,034	900,337
6	Actual vs Expected	2017-18	599,307	12	49,942	399,539
7	Projected vs Actual Earnings	2017-18	1,893,163	5	378,633	378,631
8	Actual vs Expected	2018-19	1,124,052	12	93,671	843,039
9	Projected vs Actual Earnings	2018-19	(1,785,761)	5	(357,152)	(714,305)
10	Actual vs Expected	2019-20	209,653	12	17,471	174,711
11	Projected vs Actual Earnings	2019-20	(509,770)	5	(101,954)	(305,862)
12	Assumption Change	2019-20	1,643,497	12	136,958	1,369,581
13	Actual vs Expected	2020-21	802,665	11	72,970	729,695
14	Projected vs Actual Earnings	2020-21	(8,993,164)	5	(1,798,633)	(7,194,531)
15	Assumption Change	2020-21	4,062,023	11	369,275	3,692,748
	TOTAL				($1,587,243)	$396,132
	Due to Liabilities				$848,304	$8,232,199
	Due to Assets				($2,435,548)	($7,836,067)

	2021		2020	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	$2,427,750	$158,217	$1,892,943	$174,038
Changes of assumptions	5,962,666		2,496,910	
Net difference between projected and actual earnings on pension plan investments	378,631	8,214,698	757,264	2,035,715
Subtotal	$8,769,047	$8,372,915	$5,147,117	$2,209,753
Contributions from CWL to Pension Fund after 10/31 but by 12/31	450,000		435,000	
Total	$9,219,047	$8,372,915	$5,582,117	$2,209,753

Amounts reported as deferred outflows of resources and related to pensions resulting from CWL contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Net Deferred Outflow (Inflow) Of Resources
2022	(1,030,804)
2023	(1,409,436)
2024	(1,052,283)
2025	(950,328)
2026	848,304
Thereafter	3,990,679
Total	$396,132

NOTE 8: OTHER POST EMPLOYMENT BENEFITS

Plan Description. CWL provides Other Post-Employment Benefits (OPEB) in the form of a health care plan administered by the CWL Retirement Committee. This single-employer defined benefit OPEB plan provides and pays for health insurance for employees who are eligible to retire and receive 100 percent of their pension. Employees hired after January 1, 2008 must retire with a minimum of 25 years of service to be eligible. This coverage is provided for the retiree and the spouse of record at the time of retirement. CWL pays 50 percent of the premium for up to two years for employees who are on long-term disability. CWL is a secondary provider for those retirees and/or their spouses who are eligible for Medicare benefits. OPEB benefits are subject to medical inflation, which is reflected in the actuarial assumptions.

Funding Policy. CWL is currently advance-funding the benefits on an actuarially determined basis. CWL's Board of Directors has the sole authority to establish and amend benefit provisions. CWL maintains publicly available financial information for "Post-Retirement Benefits Trust for Employees of City Water and Light Plant of Jonesboro, Arkansas". That information may be obtained by writing to City Water and Light, PO Box 1289, Jonesboro, Arkansas 72403 or by calling (870) 935-5581.

Assumptions. The valuation date is as of November 1, 2021 and the entry age normal cost method was used. Valuations previous to November 1, 2017 used the projected unit credit method. Prior to November 1, 2019, all mortality rates were determined using the RP 2014 Mortality Table. Subsequent to this date, all mortality rates were determined using the Pub-G generationally projected MP-2019 Table. The actuarial assumptions used in years prior to 2021 included (a) 6.5% investment rate of return (net of administrative expenses), (b) 6.5% discount rate and (c) projected salary increases of 4.0% per year. In 2021, changes in assumptions include (a) 6.0% investment rate of return (net of administrative expenses) and (b) 6.0 % discount rate. Projected salary increases remained at 4.0% annually. The actuarial value of assets was determined using the current market value of investments.

Actuarial valuations, which reflect a long-term perspective, involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Employees Covered. As of November 1, 2021, the plan covers a total of 148 retirees and beneficiaries. Participant data for calculations include 197 active employees. At November 1, 2020, the plan covered a total of 139 retirees and beneficiaries. Participant data for those calculations included 197 active employees.

Contribution Requirements. CWL's Board of Directors may amend the contribution requirements. The plan is completely funded by CWL and an amount approximating the annual required contribution as determined under GASB 75 is contributed to the plan. The annual required contribution for the current year was determined as part of the November 1, 2021, actuarial valuation using the entry age normal actuarial cost method. There were no contributions made to the plan for the plan years ending October 31, 2021 and 2020.

Long-Term Expected Rate of Return and Single Discount Rate. The expected rate of return on OPEB plan investments is 6.0%. The municipal bond rate is 2.41%. Since assets are projected to be sufficient to meet benefit payments, the resulting single discount rate to measure Total OPEB Liability is 6.0%. The Long-Term Expected Rate of Return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The target allocation and the long-term expected rates of return are shown in the table below:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Domestic Fixed Income	35%	2.0%
International Fixed Income		
Domestic Equity	65%	5.5%
Foreign Equity		
Cash		
Subtotal	100%	4.28%
Assumed Inflation		2.0%
Total		6.28%
Rounded & adjusted for Investment expenses		6.0%

Regarding the sensitivity of the Net OPEB Liability to changes in the single discount rate, and changes in the assumed health care cost trend rate, the following presents the plan's net OPEB liability, calculated using a single discount rate of 6.0%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher, or using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease 5.0%	Current Single Rate Assumed 6.0%	1% Increase 7.0%
Total OPEB Liability	$46,204,939	$40,359,778	$34,274,940
Net OPEB Liability	($8,705,104)	($14,550,265)	($20,635,103)

	1% Decrease in HCCTR	Assumed HCCTR	1% Increase in HCCTR
Total OPEB Liability	$33,351,154	$40,359,778	$47,706,260
Net OPEB Liability	($21,558,889)	($14,550,265)	($7,203,783)

OPEB Plan Fiduciary Net Position

		Plan Year Ended	
		10/31/2021	10/31/2020
A.	INCOME		
	1. Contributions		
	2. Investment Income		
	Interest/Dividends	$ 1,416,145	$ 1,517,570
	Realized Gain	2,134,930	898,425
	Unrealized Gain	6,767,126	775,733
	Net Investment Income	10,318,201	3,191,728
	TOTAL INCOME	$ 10,318,201	$ 3,191,728
B.	EXPENSES		
	1. Administrative	$ 56,729	$ 51,584
	2. Benefits	968,369	884,480
	TOTAL EXPENSES	$ 1,025,098	$ 936,064
C.	ASSETS (Market)		
	1. Short Term		
	Cash and Money Market	$ 1,116,478	$ 775,847
	Institutional (CD's, Savings, Etc.)	1,206,831	
	2. Mutual Funds		
	Equity Funds	32,048,043	26,581,271
	Fixed Income Funds	12,317,380	12,331,597
	3. Equities		
	Common Stocks	4,537,227	3,085,236
	4. Bonds	1,427,568	1,628,912
	5. Real Estate Funds	2,256,516	1,214,077
	TOTAL ASSETS	$ 54,910,043	$ 45,616,940
D.	RATIO OF ASSETS TO ANNUAL EXPENSES:	53.6	48.7
E.	ANNUAL INVESTMENT RETURN:	22.9%	7.4%

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at 10/31/2019	$31,087,444	$43,361,276	($12,273,832)
Changes for the year:			
a) Service Cost	713,876		713,876
b) Interest	2,015,139		2,015,139
c) Differences between expected and actual experience	1,580,637		1,580,637
d) Employer contributions			
e) Employee contributions			
f) Net investment income		3,191,728	(3,191,728)
g) Benefits and refunds	(884,480)	(884,480)	
h) Administrative expenses		(51,584)	51,584
i) Assumption change	2,946,133		2,946,133
j) Other			
Net changes	6,371,305	2,255,664	4,115,641
Balances at 10/31/2020	$37,458,749	$45,616,940	($8,158,191)
Changes for the year:			
a) Service Cost	763,842		763,842
b) Interest	2,428,172		2,428,172
c) Differences between expected and actual experience	(2,147,441)		(2,147,441)
d) Employer contributions			
e) Employee contributions			
f) Net investment income		10,318,201	(10,318,201)
g) Benefits and refunds	(968,369)	(968,369)	
h) Administrative expenses		(56,729)	56,729
i) Assumption change	2,824,825		2,824,825
j) Other			
Net changes	2,901,029	9,293,103	(6,392,074)
Balances at 10/31/2021	$40,359,778	$54,910,043	($14,550,265)

OPEB Expense/(Income) under GASB 75

	2021	2020
1. Net OPEB Asset at beginning of year	($8,158,191)	($12,273,832)
2. Net OPEB Asset at end of year	(14,550,265)	(8,158,191)
3. Increase in Net OPEB Asset in year = (2) - (1)	(6,392,074)	4,115,641
4. Decrease in Net OPEB Asset due to Employer Contributions during the measurement period	0	0
5. Change to reflect in OPEB Expense = (3) + (4)	(6,392,074)	4,115,641
6. Adjust for Actual vs Expected experience a) Remove gain/(loss) b) Add amortization	 (677,384) 198,914	 (4,526,770) 123,650
7. Adjust for Actual vs Projected investment income a) Remove gain/(loss) b) Add amortization	 7,327,843 (2,080,213)	 350,407 (614,644)
8. OPEB Expense/(Income) = (5) + (6) + (7)	($1,622,914)	($551,716)

Detail of Outflow/(Inflow) of Resources

	Description	Year	Original Amount	Recognition Period	Outflow (Inflow) In Current Expense	Deferred Outflow (Inflow) 11/1/2021
1	Actual vs Expected	2017	($888,903)	14	($63,493)	($571,438)
2	Projected vs Actual Earnings	2017	(2,734,836)	5	(546,968)	0
3	Actual vs Expected	2018	(3,330,087)	9	(370,010)	(1,850,047)
4	Projected vs Actual Earnings	2018	1,558,899	5	311,780	311,779
5	Actual vs Expected	2019	487,608	9	54,179	325,071
6	Projected vs Actual Earnings	2019	(1,546,875)	5	(309,375)	(618,750)
7	Actual vs Expected	2020	1,580,637	9	175,626	1,229,385
8	Projected vs Actual Earnings	2020	(350,407)	5	(70,081)	(210,245)
9	Assumption Change	2020	2,946,133	9	327,348	2,291,437
10	Actual vs Expected	2021	(2,147,441)	9	(238,605)	(1,908,836)
11	Projected vs Actual Earnings	2021	(7,327,843)	5	(1,465,569)	(5,862,274)
12	Assumption Change	2021	2,824,825	9	313,869	2,510,956
	TOTAL				($1,881,299)	($4,352,962)
	Due to Liabilities				$198,914	$2,026,528
	Due to Assets				($2,080,213)	($6,379,490)

	2021		2020	
	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	$1,554,456	$4,330,321	$1,784,261	$2,854,988
Changes of assumptions	4,802,393		2,618,785	
Net difference between projected and actual earnings on OPEB plan investments	311,779	6,691,269	623,559	1,755,419
Total	$6,668,628	$11,021,590	$5,026,605	$4,610,407

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31:	Net Deferred Outflow (Inflow) Of Resources
2022	(1,334,332)
2023	(1,646,111)
2024	(1,336,738)
2025	(1,266,653)
2026	198,917
Thereafter	1,031,955
Total	($4,352,962)

NOTE 9: LONG-TERM DEBT

The Series 2020 Bonds were issued on July 21, 2020 for the purpose of financing all or a portion of the costs of improvements to the wastewater and electric facilities of the system. These improvements specifically include the replacement of the Main Lift Station, construction of a new gravity sewer line and the installation of a solar generating facility. These projects were expected to be completed by December 31, 2021, however, due to circumstances beyond the control of CWL, completion of both the gravity sewer line and solar park has been delayed until 2022. The Series 2020 Bonds are special obligations only of CWL and are payable from and secured by a pledge of revenues from the system. Bonds are due annually on June 1 beginning in 2021 and ending in 2035; interest payments are due semiannually beginning December 1, 2020 and ending June 1, 2035.

Long-term debt consists of the following:

	2021	2020
Public Utility System Revenue Bonds; Series 2020; maturing at varying amounts through 2035; callable after December 1, 2030; bearing semiannual interest at rates from 4.0% to 5.0%.	$20,525,000	$21,525,000
Unaccreted Premium	4,007,536	4,568,088
	$24,532,536	$26,093,088
Less Current Maturities	1,580,448	1,560,552
	$22,952,088	$24,532,536

Annual maturities of long-term debt and interest expense as of December 31, 2021:

Year	Principal	Interest	Rate
2022	$1,580,448	$1,437,173	5.0%
2023	1,603,796	1,351,417	5.0%
2024	1,625,535	1,261,302	5.0%
2025	1,650,581	1,166,598	5.0%
2026	1,673,871	1,067,138	5.0%
2027-2035	16,398,305	4,574,220	4.0 to 5.0%
	$24,532,536	$10,857,848	

NOTE 10: LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended December 31, 2021 are as follows:

	Balance at 12/31/2020	Increase	Decrease	Balance at 12/31/2021	Due within One Year
Series 2020 Bonds	$21,525,000		$1,000,000	$20,525,000	$1,050,000
2020 Bond Issuance Premium	4,568,088		560,552	4,007,536	530,448
Unearned Revenue-JEDC	1,075,495	$300,000		1,375,495	
	$27,168,583	$300,000	$1,560,552	$25,908,031	$1,580,448

NOTE 11: RELATED PARTY TRANSACTIONS

The City of Jonesboro, Arkansas City Council selects seven of the sixteen members of the Board of Directors of CWL (one from each of the six wards and one from the Jonesboro Special School District.) During 2021 and 2020 , CWL contributed in lieu of taxes $222,229 and $223,323, respectively, to the City's Capital Improvement and Fire Truck Funds.

CWL contributed payroll, inventory and utilities for various special city projects throughout the year, payment toward the purchase of a new fire truck, payment of sales tax on free services to the city and refunds of utility bills for the City Library. The amounts contributed for the years ended December 31, 2021 and 2020, respectively, were $1,039,887 and $708,012. In addition, CWL also provided streetlights, fire hydrants and free utility service to City of Jonesboro buildings for a total value of $2,383,497 and $2,122,470 for the years ended December 31, 2021 and 2020, respectively.

NOTE 12: RENT INCOME

CWL has a lease agreement to rent an old wastewater treatment plant to Arkansas Rice Growers Cooperative Association. This agreement is renewable annually and has been extended through August 31, 2022. The annual rental payments of $29,352 for the year beginning September 1, 2021 are payable in advance. This lease covers utility plant in service at a total cost of $181,151, including $4,939 in land, with accumulated depreciation of $176,212 at December 31, 2021. The asset is fully depreciated.

CWL owns facilities at 310 East Street. Utility plant in service is $3,319,252, including $450,000 in land, with accumulated depreciation of $1,443,174 at December 31, 2021. There are 3 separate lease agreements for 3 separate areas of the building. The first lease became effective in January 2010 for a period of 10 years with a renewal option. Tenant has renewed the lease through December 2024 at an annual amount of $39,600. The second lease became effective in November 2012 with occupancy beginning in September 2013. It is a 12 year initial lease agreement with a three year renewable option after the initial term. Annual rental for years 1-5 is $184,216; years 6-10 is $202,377; and years 11 and 12 is $222,217. Rental payments are due in monthly installments in advance. The third lease became effective in August 2015 with occupancy beginning in March 2016. It is a 10 year lease agreement. Annual rental for years 1-5 is $55,800 and years 6-10 is $61,380. Rental payments are due in monthly installments in advance.

CWL owns facilities at 315/317 East Street. Utility plant in service is $793,738, including $77,189 in land, with accumulated depreciation of $298,001 at December 31, 2021. In July 2015, CWL entered into an initial 3 year lease agreement with occupancy beginning October 2015. The lease agreement has been extended through September 2024. Annual rental is $96,000 with monthly installments payable in advance.

CWL owns facilities at 5601 East Nettleton. Utility plant in service is $174,105, including $23,500 in land, with accumulated depreciation of $52,712 at December 31, 2021. In January 2015, CWL entered into a 6 year lease agreement with occupancy beginning February 2015. The lease has been extended through January 31, 2027 with an additional renewal option. Annual rental is $15,000 and is due in monthly installments in advance. Upon exercise of the renewal option, annual rental will increase to $16,800.

CWL owns facilities at 404 Creath Street. Utility plant in service is $963,985 with accumulated depreciation of $117,589 at December 31, 2021. In June 2021, CWL entered into an initial five year lease agreement with occupancy beginning June 2021. The lease is renewable for five years after the initial term. Annual rental is $72,516 for the initial term and $79,764 for the renewal term. Rental payments are due in monthly installments in advance.

Other sources of rental income are: leases for vacant land used for farming and leases for space on CWL water towers used for attachment of wireless communication antennas. Due to the nature of cash crop rents, farm rental income can vary from year to year. In 2021 and 2020, rental income from these other sources were $422,169 and $340,851. Total rental income for 2021 and 2020 is $903,951 and $762,984, respectively.

NOTE 13: CONTRACTS AND AGREEMENTS

CWL entered into a power sale contract dated May 28, 1986, with the United States Department of Energy Southwestern Power Administration (SPA) to purchase 80,000 kilowatts of hydroelectric power and 96,000,000 kilowatt-hours of hydro peaking energy annually through May 31, 1996. On January 27, 1995, CWL entered into a new contract with SPA that superseded the previous contract. The new contract provided for the continued purchase by CWL of federal power and energy and associated services from SPA with an original term of June 1, 1996 through May 31, 2011. On February 9, 2000, the agreement was extended to May 31, 2015. On January 13, 2006, the agreement was extended through May 31, 2020. On March 30, 2007, the end date of the agreement was modified to March 31, 2020 to facilitate a shift to a new contract year. On January 14, 2013, the agreement was extended to March 31, 2028. On June 25, 2014, the agreement was extended to March 31, 2029 and relocated CWL into the Balancing Authority Area of the Midcontinent Transmission System Operator, Inc. (MISO). Total incurred under the contract and amendatory agreements was $7,318,990 and $7,666,160 during 2021 and 2020, respectively.

An Amendatory Agreement was entered into on July 5, 2006 to establish a valued energy banking account. Under this agreement SPA may supply energy to CWL that is in excess of SPA's needs in exchange for energy supplied from CWL to SPA for its use at a later date. CWL determines the value of the energy to take from SPA based on then current market values up to the dollar amount credited to the bank. The dollar amount credited to the bank as of December 31, 2021 is $4,018,603. The bank had the same value at December 31, 2020.

An Amendatory Agreement was entered into on June 29, 2018 to establish terms under which CWL will self-supply 40,000kW of its peaking energy, allowing SPA to purchase the peaking energy self-supplied and the associated peaking self-supply demand from CWL. The terms of this amendment terminate on May 31, 2022.

CWL entered into an Interconnection and Transmission Service Agreement during 1995 with SPA, which allows SPA to lease the Water Valley Transmission Line from CWL through 2045 and to take title to the line anytime from June 1, 1996, until the contract expires in 2045.

NOTE 14: ADVANCES TO JONESBORO ECONOMIC DEVELOPMENT CORPORATION

CWL entered into a contract of sale with Jonesboro Economic Development Corporation (JEDC) in November 1990, for 160 acres for development and sale as an industrial site. The agreement has been extended in five year increments with the most recent extension dated through November 20, 2025, for the west ½ of the acreage that has not already been sold. CWL has agreed to convey to JEDC title to any part of this property at $4,000 an acre.

NOTE 15: UNBILLED RECEIVABLES AND UNEARNED REVENUE

Amounts overbilled to customers for energy costs are included as unearned revenue. Energy costs are billed to customers through the addition or subtraction of an energy adjustment to the base rate. In 1998, CWL began utilizing a twelve-month rolling average fuel cost to compute the energy adjustment. One twelfth of the cumulative over billed (or under billed) amount is subtracted (or added) to the current month's energy costs in computing the current month's energy adjustment. As of December 31, 2021, the cumulative amount under billed is $5,399,137 and is included in accounts receivable. At December 31, 2020, the cumulative amount under billed was $1,536,605 and was included in accounts receivable.

During 2006, CWL purchased three tracts of land totaling approximately 560 acres for future industrial development at a total cost of approximately $4,576,182. CWL has agreed to transfer title to Jonesboro Economic Development Corporation (JEDC) as funds are received and to make a good faith effort to release ownership at the request of JEDC upon acquiring reasonable surety if payments received do not equal or exceed the pro-rated purchased value of the land relinquished. To date, CWL has conveyed 429 acres of land to be used for industrial development. In addition, JEDC has conveyed 60 acres of land to CWL. The current value of land held by CWL for future industrial development is $1,532,866. JEDC has agreed to pay CWL $300,000 per year from funds it receives from the City and County until the full amount on the remaining acres is paid with no interest being assessed. JEDC has paid CWL $300,000 each year from 2007 through 2021, providing a credit toward the purchase of the remaining land of $1,375,495 as of December 31, 2021. The credit balance at December 31, 2020 was $1,075,495. This amount is classified as Noncurrent Liabilities-Unearned Revenue due to the indeterminable time at which the property will be transferred to JEDC.

NOTE 16: RISK MANAGEMENT

CWL is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CWL purchases commercial insurance to cover these risks of loss. CWL is immune from tort liability, but has chosen to provide up to $1,000,000 of liability coverage for persons claiming to be damaged by CWL operations. Settled claims have not exceeded this commercial coverage during the past year. No significant claims liabilities were outstanding at December 31, 2021 or December 31, 2020.

NOTE 17: RESTRICTED ASSETS

Certain assets have been set aside as restricted in compliance with legal requirements of specific agreements. The total of these assets at December 31, 2021 and 2020, is $890,646 and $827,806, respectively.

In December 2013, City Water and Light entered into an agreement with Midcontinent Independent System Operator (MISO). MISO provides open-access transmission service and monitoring of the high-voltage transmission system in the Midwest United States and part of Canada. Pursuant to the agreement, funds are placed in a third party escrow account as collateral for certain types of transactions between the parties. The amount required is reviewed and adjusted annually by MISO based upon the transaction level. At December 31, 2021 and 2020, the balance of restricted funds related to this agreement is $200,000 for both years.

In July 2020, Public Utility System Revenue Bonds were issued. The bond funds are maintained in accordance with the Trust Indenture, wherein a bond fund account was established to provide funds for payment of the bond principal and interest. At December 31, 2021 and December 31, 2020, the balance in the account was $690,646 and $627,806, respectively.

NOTE 18: LEGAL PROCEEDINGS

CWL is party to various claims and legal proceedings incidental to its business. While the outcome of these matters cannot be predicted with certainty, it is the opinion of management and legal counsel of CWL, that the ultimate resolution of these matters, after consideration of insurance coverage or other indemnification arrangements, will not have a materially adverse effect on the financial position or operations of the company.

NOTE 19: CONCENTRATION

In 2021 and 2020, CWL had two suppliers that comprised greater than 10% of total operating expenses. In 2021, the first supplier was paid $32.9 million or 27.3% of expenses, while in 2020, the amount paid was $23.8 million or 24.8%. In 2021, the second supplier was paid $24.3 million or 20% of expenses, while in 2020, the amount paid was $27.9 million or 29%.

NOTE 20: RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 93, "Replacement of Interbank Offered Rates." This statement will enhance comparability of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The removal of the London Interbank Offered Rate ("LIBOR") as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. CWL has not determined the impact, if any, that this statement could have on its financial statements.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Plan Year ending October 31	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost	$1,154,728	$1,059,843	$1,025,959	$1,024,589	$1,056,252	$984,284	$943,106	$852,444	$839,529	$818,750
Interest	3,455,273	3,184,629	2,985,191	2,832,117	2,837,793	2,675,669	2,486,700	2,223,563	2,111,314	1,949,306
Difference between Actual & Expected Experience	802,665	209,653	1,124,052	599,307	(237,322)	154,952	314,793	(22,790)	532,531	503,445
Assumption changes	4,062,023	1,643,497	0	0	1,350,507			2,294,363		
Benefit Payments	(1,952,503)	(2,010,116)	(2,157,612)	(2,045,816)	(1,874,726)	(1,194,941)	(936,315)	(2,331,311)	(1,441,217)	(493,763)
Net Change in Total Pension Liability	7,522,186	4,087,506	2,977,590	2,410,197	3,132,504	2,619,964	2,808,284	3,016,269	2,042,157	2,777,738
Total Pension Liability - Beginning	53,556,939	49,469,433	46,491,843	44,081,646	40,949,142	38,329,178	35,520,894	32,504,625	30,462,468	27,684,730
Total Pension Liability - Ending	$61,079,125	$53,556,939	$49,469,433	$46,491,843	$44,081,646	$40,949,142	$38,329,178	$35,520,894	$32,504,625	$30,462,468
Plan Fiduciary Net Position										
Contributions - Employer	$2,685,000	$2,595,000	$2,520,000	$2,440,000	$2,030,000	$1,970,000	$1,790,000	$1,300,150	$2,022,470	$1,615,000
Net Investment Income	12,726,180	3,941,022	4,869,867	1,095,793	5,632,090	1,238,360	826,886	3,308,198	4,826,503	2,313,760
Benefit Payments	(1,952,503)	(2,010,116)	(2,157,612)	(2,045,816)	(1,874,726)	(1,194,941)	(936,315)	(2,331,311)	(1,441,217)	(493,763)
Administrative Expense	(68,185)	(61,411)	(57,833)	(54,928)	(50,067)	(46,794)	(37,319)	(20,961)	(17,806)	(15,737)
Net Change in Plan Net Position	13,390,492	4,464,495	5,174,422	1,435,049	5,737,297	1,966,625	1,643,252	2,256,076	5,389,950	3,419,260
Plan Fiduciary Net Position - Beginning	56,015,766	51,551,271	46,376,849	44,941,800	39,204,503	37,237,878	35,594,626	33,338,550	27,948,600	24,529,340
Plan Fiduciary Net Position - Ending	$69,406,258	$56,015,766	$51,551,271	$46,376,849	$44,941,800	$39,204,503	$37,237,878	$35,594,626	$33,338,550	$27,948,600
Net Pension Liability - Ending	($8,327,133)	($2,458,827)	($2,081,838)	$114,994	($860,154)	$1,744,639	$1,091,300	($73,732)	($833,925)	$2,513,868
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.63%	104.59%	104.21%	99.75%	101.95%	95.74%	97.15%	100.21%	102.57%	91.75%
Covered Employee Payroll (year end)	$11,924,942	$11,803,558	$11,122,618	$10,867,030	$10,682,072	$10,654,910	$9,919,942	$9,507,201	$9,341,104	$9,117,400
Net Pension Liability as a Percentage of Covered Employee Payroll	-70%	-21%	-19%	1%	-8%	16%	11%	-1%	-9%	28%

Notes to Schedule:

Changes of assumptions:
At 11/1/2021, assumed discount rate lowered from 6.50% to 6.00%.
At 11/1/2020, assumed mortality table changed to Pub-G with MP 2019.
At 11/1/2017, assumed discount rate lowered from 7.00% to 6.50%; assumed annual pay growth lowered from 5% to 4%.
At 11/1/2014, assumed mortality changed from the 1983 GAM Table, to the RP 2014 Table.

Schedules of Required Supplementary Information

Schedule of City Water & Light Pension Contributions

Plan Year ending October 31	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$1,229,785	$1,128,733	$1,101,791	$1,091,187	$1,272,288	$1,141,128	$1,009,123	$912,115	$1,100,879	$1,130,344
Contributions in relation to the actuarially determined contribution	2,685,000	2,595,000	2,520,000	2,440,000	2,030,000	1,970,000	1,790,000	1,300,150	2,022,470	1,615,000
Contribution deficiency (excess)	($1,455,215)	($1,466,267)	($1,418,209)	($1,348,813)	($757,712)	($828,872)	($780,877)	($388,035)	($921,591)	($484,656)
Covered-employee payroll	$11,924,942	$11,803,558	$11,122,618	$10,867,030	$10,682,072	$10,654,910	$9,919,942	$9,507,201	$9,341,104	$9,117,400
Contributions as a percentage of covered-employee payroll	23%	22%	23%	22%	19%	18%	18%	14%	22%	18%

Notes to Schedule:

Valuation date:	Actuarially determined contributions are calculated as of October 31 after the valuation date.
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Dollar over 30 years from November 1, 2015, grading to a 20 year payoff for 2025-26.
Remaining amortization period:	24 years at 11/1/2021
Asset valuation method:	Market Value
Assumed inflation:	2.00% per year.
Assumed salary increases:	4.00% per year
Assumed investment return:	6.00% (7.00% for year ended 10/31/2016 and 6.50% for years ending 2017 through 2020).
Assumed retirement age:	Retirement rate of 10% for ages 55 to 59, 15% for 60 & 61, 25% for 62, 20% for 63 & 64, and 100% for age 65 and over.
Mortality:	Pub-G with MP 2019 (RP 2014 Healthy Mortality Table before 11/1/2020. 1983 GAM Table before 11/1/2014).

Schedules of Required Supplementary Information

Schedule of Changes in the Employers' Net OPEB Liability and Related Ratios

Plan Year ending October 31	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service Cost	$763,842	$713,876	$662,100	$639,296	$603,506					
Interest	2,428,172	2,015,139	1,872,679	1,968,610	1,906,950					
Difference between Actual & Expected Experience	(2,147,441)	1,580,637	487,608	(3,330,087)	(888,903)					
Assumption changes	2,824,825	2,946,133	0	0	0					
Benefit Payments	(968,369)	(884,480)	(828,671)	(701,492)	(680,173)					
Net Change in Total OPEB Liability	2,901,029	6,371,305	2,193,716	(1,423,673)	941,380					
Total OPEB Liability - Beginning	37,458,749	31,087,444	28,893,728	30,317,401	29,376,021					
Total OPEB Liability - Ending	$40,359,778	$37,458,749	$31,087,444	$28,893,728	$30,317,401	$29,376,021	$0	$0	$0	$0
Plan Fiduciary Net Position										
Contributions - Employer	$0	$0	$0	$0	$0	$0	$30,000	$161,920	$205,290	$856,750
Net Investment Income	10,318,201	3,191,728	4,174,718	1,051,626	5,060,786	1,098,052	763,470	3,139,995	4,616,722	2,239,841
Benefit Payments	(968,369)	(884,480)	(828,671)	(701,492)	(680,173)	(668,627)	(538,504)	0	0	0
Administrative Expense	(56,729)	(51,584)	(50,502)	(48,648)	(45,183)	(42,854)	(33,648)	(17,265)	(15,292)	(13,636)
Net Change in Plan Net Position	9,293,103	2,255,664	3,295,545	301,486	4,335,430	386,571	221,318	3,284,650	4,806,720	3,082,955
Plan Fiduciary Net Position - Beginning	45,616,940	43,361,276	40,065,731	39,764,245	35,428,815	35,042,244	34,820,926	31,536,276	26,729,556	23,646,601
Plan Fiduciary Net Position - Ending	$54,910,043	$45,616,940	$43,361,276	$40,065,731	$39,764,245	$35,428,815	$35,042,244	$34,820,926	$31,536,276	$26,729,556
Net OPEB Liability - Ending	($14,550,265)	($8,158,191)	($12,273,832)	($11,172,003)	($9,446,844)	($6,052,794)				
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	136.05%	121.78%	139.48%	138.67%	131.16%	120.60%				
Covered Employee Payroll (year end)	$11,924,942	$11,803,558	$11,122,618	$10,867,030	$10,682,072	$10,654,910	$9,919,942	$9,507,201	$9,341,104	$9,117,400
Net OPEB Liability as a Percentage of Covered Employee Payroll	-122%	-69%	-110%	-103%	-88%	-57%				

Schedules of Required Supplementary Information

Schedule of City Water & Light OPEB Contributions

Plan Year ending October 31	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$0	$0	$0	$0	$0	$0	$0	$0	$146,040	$428,993
Contributions in relation to the actuarially determined contribution	0	0	0	0	0	0	30,000	161,920	205,290	856,750
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	($30,000)	($161,920)	($59,250)	($427,757)
Covered-employee payroll	$11,924,942	$11,803,558	$11,122,618	$10,867,030	$10,682,072	$10,654,910	$9,919,942	$9,507,201	$9,341,104	$9,117,400
Contributions as a percentage of covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	2%	2%	9%

Notes to Schedule:

Plan Years ending prior to 11/1/2018:	The actuarally determined contribution shown above is the OPEB Annual Pension Cost under GASB 45.
Valuation date:	Actuarially determined contributions are calculated as of October 31 after the valuation date.
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Dollar over remaining work life
Remaining amortization period:	10 years as of 11/1/2021
Asset valuation method:	Market Value
Assumed inflation:	2.00% per year.
Assumed single discount rate:	6.00%
Assumed retirement age:	Retirement rate of 10% for ages 55 to 59, 15% for 60 & 61, 25% for 62, 20% for 63 & 64, and 100% for age 65 and over.
Mortality:	Pub-G projected generationally with MP 2019. (RP 2014 Healthy Mortality Table before 11/1/2020.)

Components of Net OPEB (Benefit)

The components of the net OPEB benefit at October 31, 2021 and 2020 were as follows:

	2021	2020
Total OPEB Liability	$40,359,778	$37,458,749
Plan's Fiduciary Net Position	54,910,043	45,616,940
Net OPEB (Benefit)	($14,550,265)	($8,158,191)
Plan Fiduciary Net Position as a Percentage of Total OPEB Benefit	136.1%	121.8%

CWL

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SUPPLEMENTARY INFORMATION

CWL

COMBINING STATEMENT OF NET POSITION - ALL DEPARTMENTS

December 31, 2021

ASSETS

	Electric Department	Water Department	Wastewater Department	Total
CURRENT ASSETS				
Cash and cash equivalents	$42,885,760			$42,885,760
Accounts receivable, less allowance for doubtful accounts	12,389,397	$772,537	$605,446	13,767,380
Accrued utility revenues	2,505,651	430,196	297,221	3,233,068
Accrued interest receivable	1,781,201	186,003	169,653	2,136,857
Inventories	18,037,590	2,032,099	114,691	20,184,380
Prepaid expenses	924,138			924,138
Total Current Assets	78,523,737	3,420,835	1,187,011	83,131,583
INVESTMENTS AND LONG-TERM RECEIVABLES				
Non-utility property	8,382,699			8,382,699
Investments	125,312,555	2,000,000	2,000,000	129,312,555
Restricted cash deposits	890,646			890,646
Installment receivables		1,623	53,203	54,826
Total Investments and Long-Term Receivables	134,585,900	2,001,623	2,053,203	138,640,726
NONCURRENT ASSETS				
Net Pension Asset	8,327,133			8,327,133
Net OPEB Asset	14,550,265			14,550,265
Total Noncurrent Assets	22,877,398			22,877,398
CAPITAL ASSETS				
Construction in progress	25,784,399	2,687,315	21,637,177	50,108,891
Utility plant in service	445,751,715	89,088,213	122,680,944	657,520,872
	471,536,114	91,775,528	144,318,121	707,629,763
Less accumulated depreciation	338,389,567	50,468,324	57,190,935	446,048,826
Total Capital Assets	133,146,547	41,307,204	87,127,186	261,580,937
DEFERRED OUTFLOWS				
Pension	9,219,047			9,219,047
OPEB	6,668,628			6,668,628
Total Deferred Outflows	15,887,675			15,887,675
INTERDEPARTMENT RECEIVABLE (PAYABLE)	24,028,070	9,337,098	(33,365,168)	
TOTAL ASSETS AND DEFERRED OUTFLOWS	$409,049,327	$56,066,760	$57,002,232	$522,118,319

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	Electric Department	Water Department	Wastewater Department	Total
CURRENT LIABILITIES				
Current maturities of long-term debt	$1,580,448			$1,580,448
Accounts payable	13,596,119			13,596,119
Customer deposits	2,990,257			2,990,257
Accrued interest	78,113			78,113
Accrued taxes	205,629	($12,206)		193,423
Accrued salaries and vacations	842,017	392,508	$271,317	1,505,842
Total Current Liabilities	19,292,583	380,302	271,317	19,944,202
NONCURRENT LIABILITIES				
Long-term debt	22,952,088			22,952,088
Long-term Unearned Revenue- JEDC Industrial Land Purchases	1,375,495			1,375,495
Total Noncurrent Liabilities	24,327,583			24,327,583
TOTAL LIABILITIES	43,620,166	380,302	271,317	44,271,785
DEFERRED INFLOWS				
Pension	8,372,915			8,372,915
OPEB	11,021,590			11,021,590
Total Deferred Inflows	19,394,505			19,394,505
NET POSITION				
Net Capital Assets	108,614,011	41,307,204	87,127,186	237,048,401
Restricted	890,646			890,646
Unrestricted	236,529,999	14,379,254	(30,396,271)	220,512,982
Total Net Position	346,034,656	55,686,458	56,730,915	458,452,029
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$409,049,327	$56,066,760	$57,002,232	$522,118,319

CWL

COMBINING STATEMENT OF NET POSITION - ALL DEPARTMENTS

December 31, 2020

ASSETS

	Electric Department	Water Department	Wastewater Department	Total
CURRENT ASSETS				
Cash and cash equivalents	$70,883,411			$70,883,411
Accounts receivable, less allowance for doubtful accounts	7,196,547	$716,894	$569,562	8,483,003
Accrued utility revenues	2,132,567	439,281	301,176	2,873,024
Accrued interest receivable	4,148,860	141,803	110,453	4,401,116
Inventories	19,494,572	1,081,176	99,487	20,675,235
Prepaid expenses	842,197			842,197
Total Current Assets	104,698,154	2,379,154	1,080,678	108,157,986
INVESTMENTS AND LONG-TERM RECEIVABLES				
Non-utility property	8,359,251			8,359,251
Investments	117,149,375	2,000,000	2,000,000	121,149,375
Restricted cash deposits	200,000			200,000
Installment receivables		1,986	55,045	57,031
Total Investments and Long-Term Receivables	125,708,626	2,001,986	2,055,045	129,765,657
NONCURRENT ASSETS				
Net Pension Asset	2,458,827			2,458,827
Net OPEB Asset	8,158,191			8,158,191
Total Noncurrent Assets	10,617,018			10,617,018
CAPITAL ASSETS				
Construction in progress	7,550,283	1,456,286	9,741,162	18,747,731
Utility plant in service	433,861,614	86,474,483	120,221,308	640,557,405
	441,411,897	87,930,769	129,962,470	659,305,136
Less accumulated depreciation	324,561,687	48,302,251	54,456,646	427,320,584
Total Capital Assets	116,850,210	39,628,518	75,505,824	231,984,552
DEFERRED OUTFLOWS				
Pension	5,582,117			5,582,117
OPEB	5,026,605			5,026,605
Total Deferred Outflows	10,608,722			10,608,722
INTERDEPARTMENT RECEIVABLE (PAYABLE)	15,163,131	8,119,779	(23,282,910)	
TOTAL ASSETS AND DEFERRED OUTFLOWS	$383,645,861	$52,129,437	$55,358,637	$491,133,935

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	Electric Department	Water Department	Wastewater Department	Total
CURRENT LIABILITIES				
Current maturities of long-term debt	$1,560,552			$1,560,552
Accounts payable	9,932,673			9,932,673
Customer deposits	2,738,980			2,738,980
Accrued interest	82,279			82,279
Accrued taxes	187,564			187,564
Accrued salaries and vacations	769,707	$355,045	$238,497	1,363,249
Total Current Liabilities	15,271,755	355,045	238,497	15,865,297
NONCURRENT LIABILITIES				
Long-term debt	24,532,536			24,532,536
Long-term Unearned Revenue- JEDC Industrial Land Purchases	1,075,495			1,075,495
Total Noncurrent Liabilities	25,608,031			25,608,031
TOTAL LIABILITIES	40,879,786	355,045	238,497	41,473,328
DEFERRED INFLOWS				
Pension	2,209,753			2,209,753
OPEB	4,610,407			4,610,407
Total Deferred Inflows	6,820,160			6,820,160
NET POSITION				
Net Capital Assets	90,757,122	39,628,518	75,505,824	205,891,464
Restricted	200,000			200,000
Unrestricted	244,988,793	12,145,874	(20,385,684)	236,748,983
Total Net Position	335,945,915	51,774,392	55,120,140	442,840,447
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$383,645,861	$52,129,437	$55,358,637	$491,133,935

CWL
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2021

	Electric Department	Water Department	Wastewater Department	Total
OPERATING REVENUE	$99,929,041	$11,591,584	$8,926,389	$120,447,014
OPERATING EXPENSES				
Production and operations	40,508,462	1,881,872	2,983,295	45,373,629
Purchased power	28,817,084			28,817,084
Transmission	115,248			115,248
Distribution	7,648,857	2,787,230	2,094,689	12,530,776
Customers' accounting and collection	1,987,994	1,182,209	332,439	3,502,642
Administrative and general	4,005,583	634,337	627,985	5,267,905
Depreciation (not provided elsewhere)	14,222,472	2,324,340	2,735,634	19,282,446
Contributions in lieu of taxes	222,229			222,229
	97,527,929	8,809,988	8,774,042	115,111,959
INCOME FROM OPERATIONS	2,401,112	2,781,596	152,347	5,335,055
OTHER INCOME (EXPENSE)				
Interest and investment income	7,514,634	44,259	61,342	7,620,235
Rent income	601,357	148,254	154,340	903,951
Miscellaneous income	183,052			183,052
Interest expense	(431,073)			(431,073)
Contributions to City of Jonesboro	(789,887)	(250,000)		(1,039,887)
	7,078,083	(57,487)	215,682	7,236,278
INCOME BEFORE CONTRIBUTIONS	9,479,195	2,724,109	368,029	12,571,333
CONTRIBUTIONS	609,546	1,187,957	1,242,746	3,040,249
CHANGE IN NET POSITION	10,088,741	3,912,066	1,610,775	15,611,582
NET POSITION-BEGINNING OF YEAR	335,945,915	51,774,392	55,120,140	442,840,447
NET POSITION-END OF YEAR	$346,034,656	$55,686,458	$56,730,915	$458,452,029

CWL
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2020

	Electric Department	Water Department	Wastewater Department	Total
OPERATING REVENUE	$80,659,922	$10,980,652	$8,748,856	$100,389,430
OPERATING EXPENSES				
Production and operations	30,010,028	1,579,392	2,763,254	34,352,674
Purchased power	22,361,504			22,361,504
Distribution	7,501,263	3,205,011	1,840,205	12,546,479
Customers' accounting and collection	2,194,186	1,069,031	329,517	3,592,734
Administrative and general	3,630,835	574,788	527,976	4,733,599
Depreciation (not provided elsewhere)	13,650,606	2,336,642	2,499,700	18,486,948
Contributions in lieu of taxes	223,323			223,323
	79,571,745	8,764,864	7,960,652	96,297,261
INCOME FROM OPERATIONS	1,088,177	2,215,788	788,204	4,092,169
OTHER INCOME (EXPENSE)				
Interest and investment income	5,277,391	44,073	61,169	5,382,633
Rent income	481,613	138,146	143,225	762,984
Miscellaneous income	141,454	2,747		144,201
Interest expense	(212,766)			(212,766)
Bond Issuance expense	(343,757)			(343,757)
Contributions to City of Jonesboro	(708,012)			(708,012)
	4,635,923	184,966	204,394	5,025,283
INCOME BEFORE CONTRIBUTIONS	5,724,100	2,400,754	992,598	9,117,452
CONTRIBUTIONS	402,794	495,109	949,364	1,847,267
CHANGE IN NET POSITION	6,126,894	2,895,863	1,941,962	10,964,719
NET POSITION-BEGINNING OF YEAR	329,819,021	48,878,529	53,178,178	431,875,728
NET POSITION-END OF YEAR	$335,945,915	$51,774,392	$55,120,140	$442,840,447

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OTHER INFORMATION

CWL ELECTRIC DEPARTMENT
SCHEDULES OF ENERGY SOURCES AND USES (UNAUDITED)
Years Ended December 31, 2021 and 2020

(In Kilowatt-Hours)

	2021	2020	Increase (Decrease)
Production			
Plant output	752,816,000	498,523,700	254,292,300
Purchased power	780,432,500	962,300,300	(181,867,800)
Energy Available	1,533,248,500	1,460,824,000	72,424,500
Less sales to other utilities	50,785,100	33,177,900	17,607,200
Total for Distribution	1,482,463,400	1,427,646,100	54,817,300
Sales to Customers			
City			
Residential	510,881,298	476,596,330	34,284,968
Commercial	323,331,707	309,547,574	13,784,133
Industrial	558,678,220	533,466,020	25,212,200
Security lighting	1,900,924	5,268,051	(3,367,127)
	1,394,792,149	1,324,877,975	69,914,174
Rural			
Residential	39,255	36,262	2,993
Commercial	384,321	391,309	(6,988)
	423,576	427,571	(3,995)
Total Sales to Customers	1,395,215,725	1,325,305,546	69,910,179
Interdepartment Sales	25,503,372	24,819,337	684,035
Total Sales	1,420,719,097	1,350,124,883	70,594,214
Contributions to City of Jonesboro			
Street lighting	3,457,389	3,555,899	(98,510)
City department	11,020,085	10,693,960	326,125
Total Free Service	14,477,474	14,249,859	227,615
Total Usage	1,435,196,571	1,364,374,742	70,821,829
Distribution losses	47,266,829	63,271,358	(16,004,529)
Total for Distribution	1,482,463,400	1,427,646,100	54,817,300

See independent auditor's report.

CWL ELECTRIC DEPARTMENT
SCHEDULES OF CUSTOMER DATA (UNAUDITED)
Years Ended December 2021, 2020, 2019, 2018 and 2017

Electric Customers. The following table sets forth by customer classification the average number of customers for the years indicated and average price per kWh for 2021 for electric service:

Classifications	Average Number of Customers					2021 Average Bill	2021 Average Price Per kWh (cents)
	2021	2020	2019	2018	2017		
Residential	33,670	33,019	32,535	32,068	31,283	$ 86.38	6.83
Commercial	5,472	5,399	5,356	5,367	5,323	346.96	7.00
Industrial	34	34	34	33	35	73,322.91	5.35

Charges for electric service consist of a fixed monthly charge for residential and small commercial customers and a demand charge for industrial and large commercial customers, plus, in each case, charges for actual usage.

The energy sales to customers by retail customer classes for 2017 through 2021 are shown below.

Classifications	Energy Sales to Customers (in kWh)				
	2021	2020	2019	2018	2017
Residential	510,920,553	476,632,592	502,889,268	521,938,533	444,390,467
Commercial	323,716,028	309,938,883	338,154,984	346,034,750	330,653,469
Industrial	558,678,220	533,466,020	525,531,720	512,748,480	512,697,760
Security Lighting	1,900,924	5,268,051	5,335,445	5,354,574	5,366,048

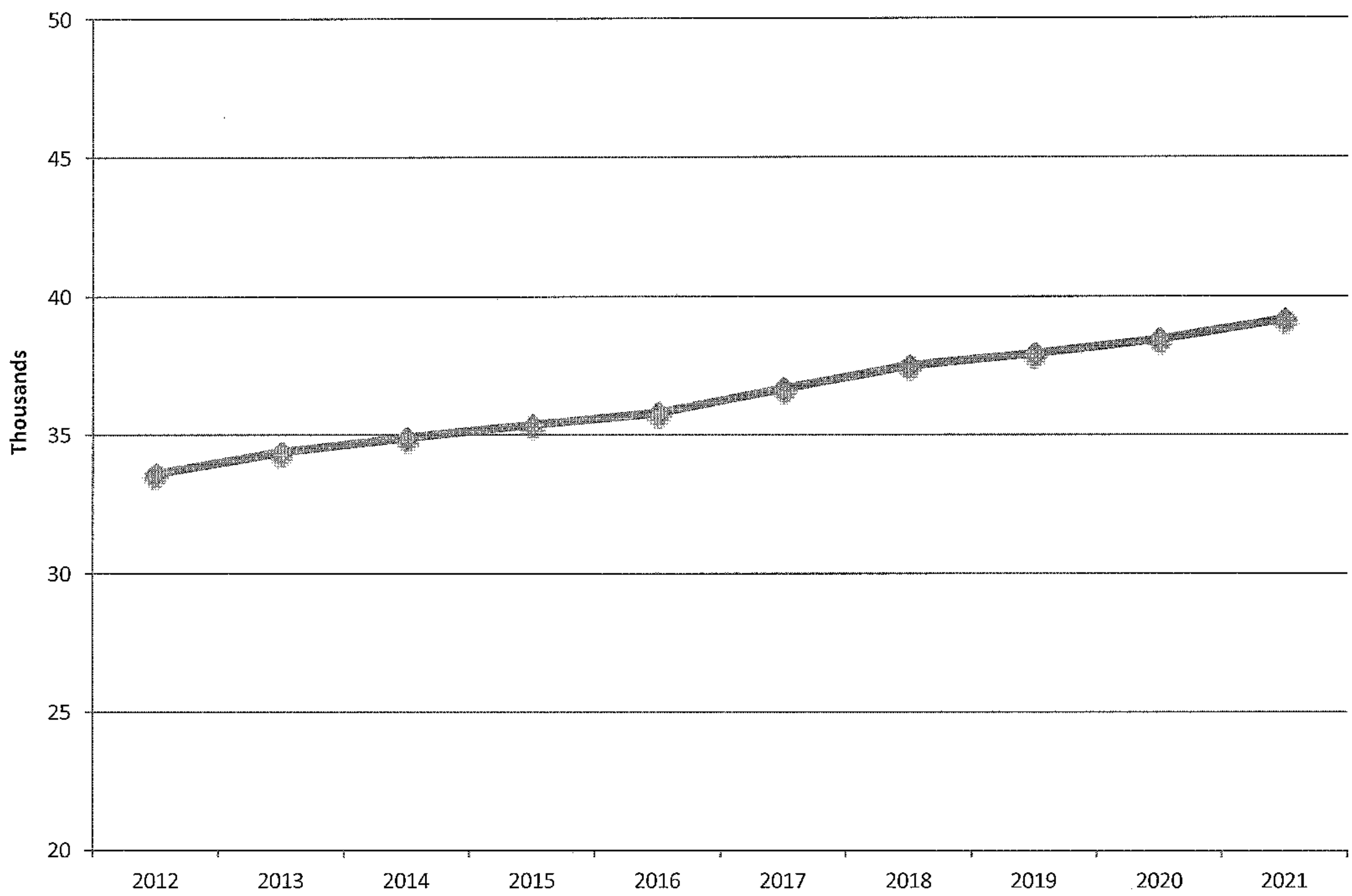
The following table shows the peak demand and annual revenues for the year 2021 for CWL's five largest power customers. These customers represent approximately 15% of 2021 electric revenues from sales to customers.

Largest Power Customers of CWL

Customer	2021 Peak Demand (kW)	2021 Annual Revenue
1. Riceland Foods Inc.	12,319	$3,693,309
2. Anchor Packaging Inc.	10,714	3,466,016
3. Arkansas State University	9,484	2,836,844
4. Frito Lay Inc.	8,240	2,654,015
5. Post Food LLC	7,636	2,635,571

See independent auditor's report.

AVERAGE NUMBER OF ELECTRIC CUSTOMERS
(UNAUDITED)



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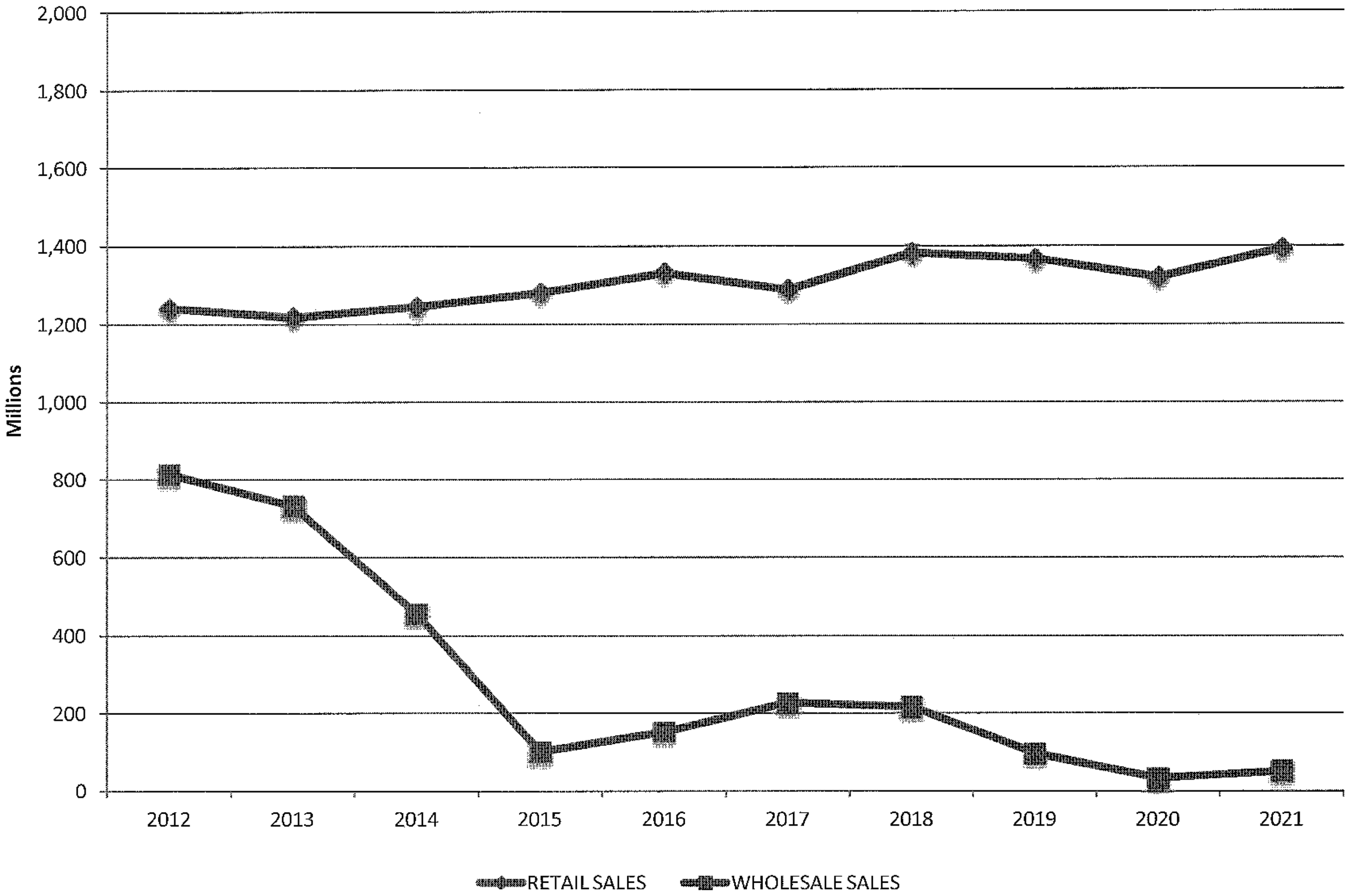
RETAIL & WHOLESALE ELECTRIC SALES (KWH)
(UNAUDITED)



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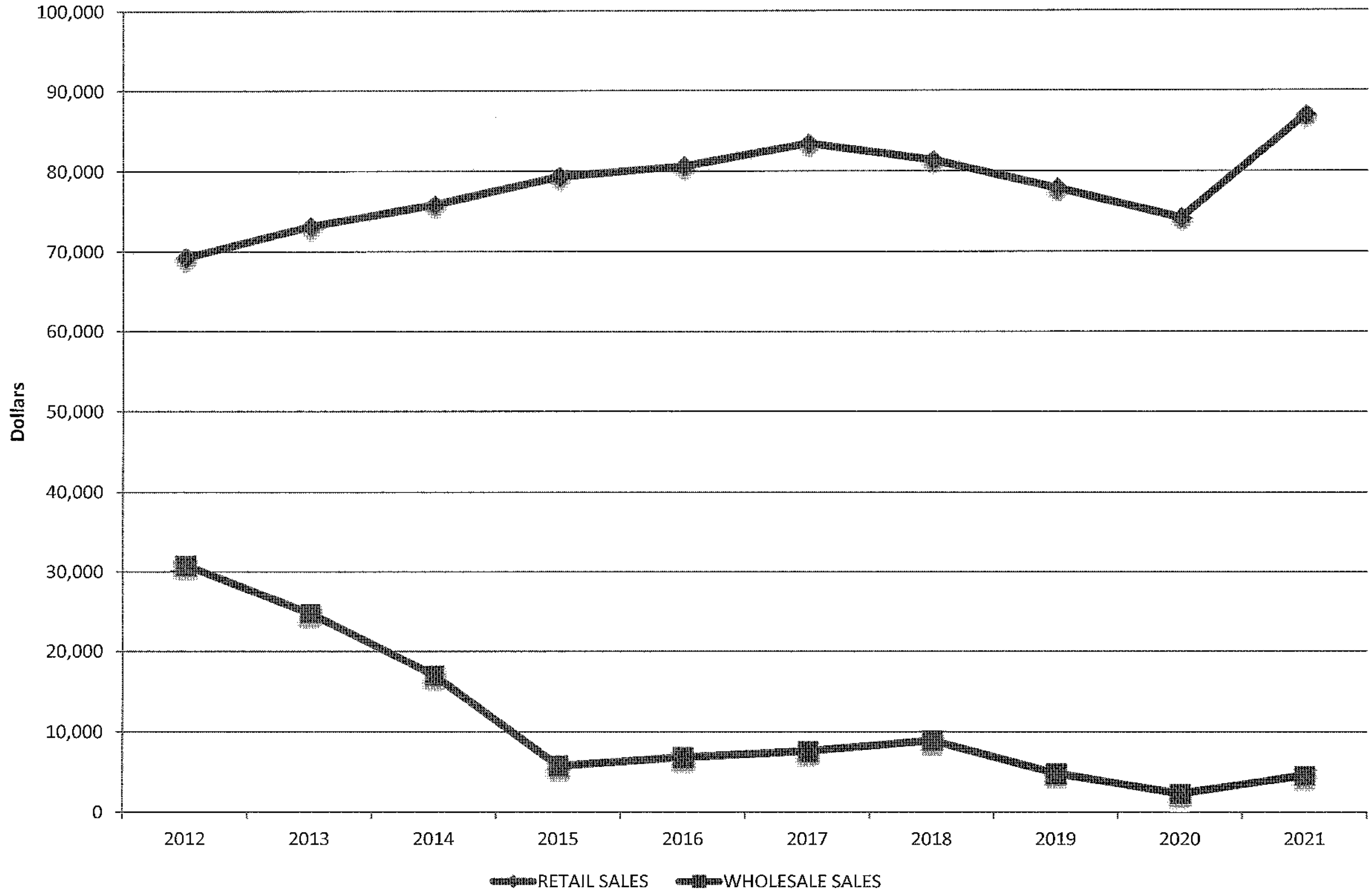
RETAIL & WHOLESALE ELECTRIC SALES ($000)
(UNAUDITED)



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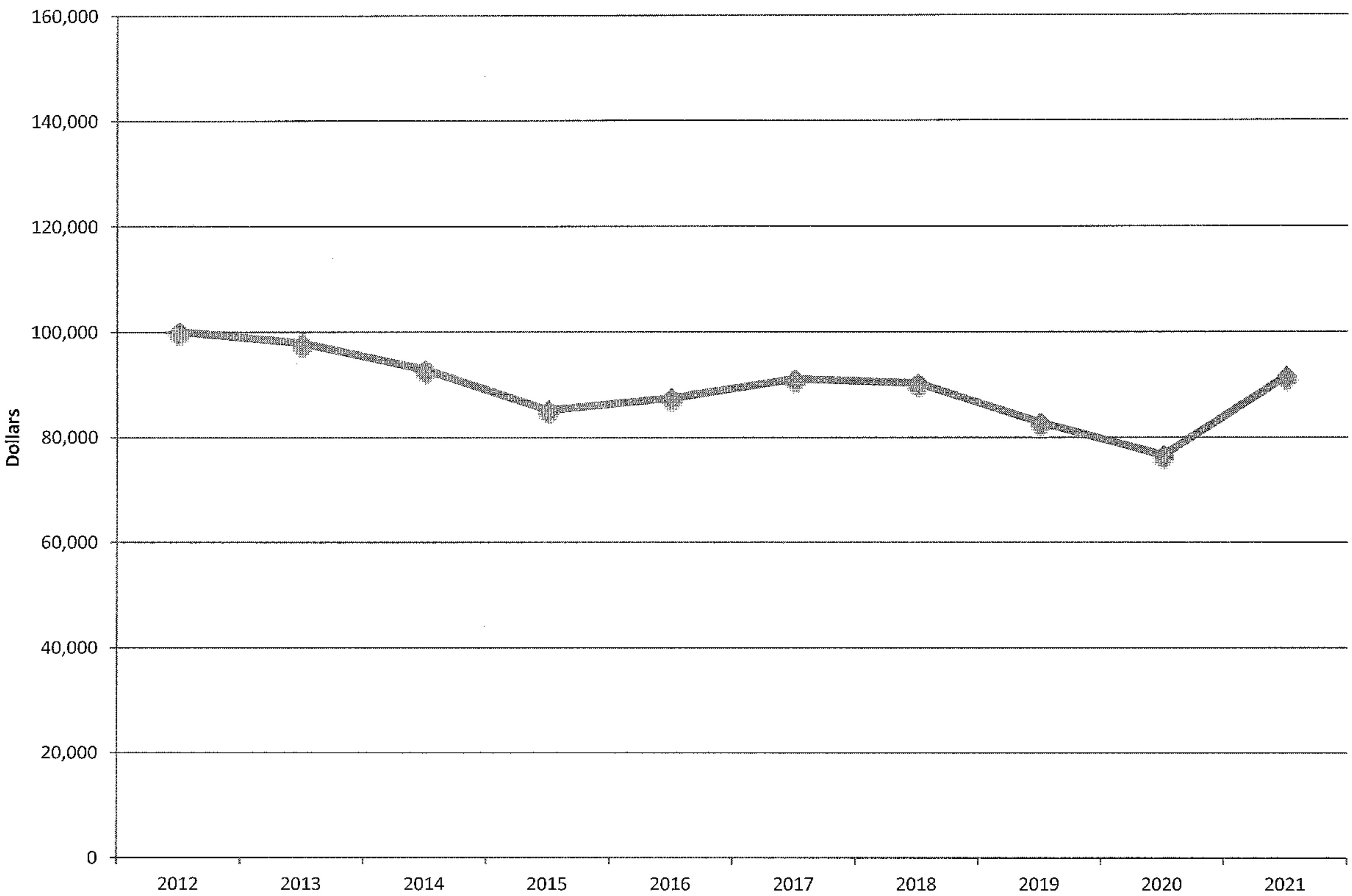
TOTAL ELECTRIC SALES ($000)
(UNAUDITED)



See independent auditor's report.

CWL WATER DEPARTMENT
SCHEDULES OF CUSTOMER DATA (UNAUDITED)
Years Ended December 2021, 2020, 2019, 2018 and 2017

Water Customers. The following table sets forth the average number of customers, annual consumption per customer and the average customer price per 1,000 gallons for 2017 through 2021:

	2021	2020	2019	2018	2017
Average Number of Customers	37,902	37,421	37,043	36,704	36,104
Annual Consumption per Customer (in gallons)	123,452	120,897	117,065	120,263	121,218
Average Price per 1,000 Gallons of Water (in dollars)	$2.46	$2.42	$2.38	$2.33	$2.28

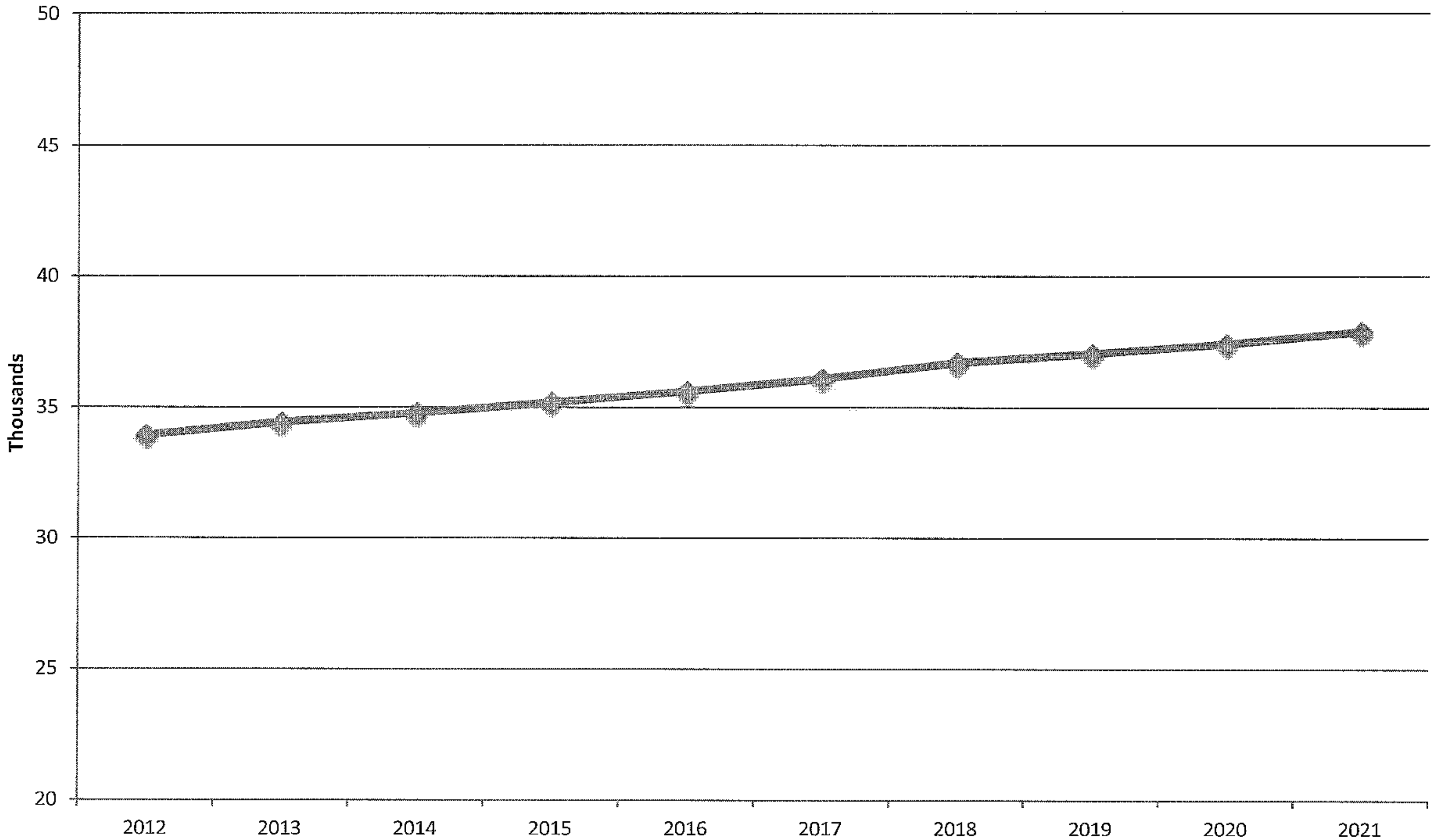
Charges for water service consist of a monthly meter charge based on meter size and additional charges based on usage.

CWL's five largest water customers, by amounts billed for service in 2021, were as follows:

Customer	Annual Amount Billed
1. Frito Lay Inc.	$ 412,476
2. Nestle Prepared Foods	240,158
3. Riceland Foods Inc.	150,620
4. Nice Pak Products Inc.	136,964
5. Post Foods LLC	136,015

See independent auditor's report.

AVERAGE WATER CUSTOMERS
(UNAUDITED)



See independent auditor's report.

CWL WASTEWATER DEPARTMENT
SCHEDULES OF CUSTOMER DATA (UNAUDITED)
Years Ended December 2021, 2020, 2019, 2018 and 2017

Wastewater Customers. The following table sets forth the average number of wastewater customers for years 2017 through 2021:

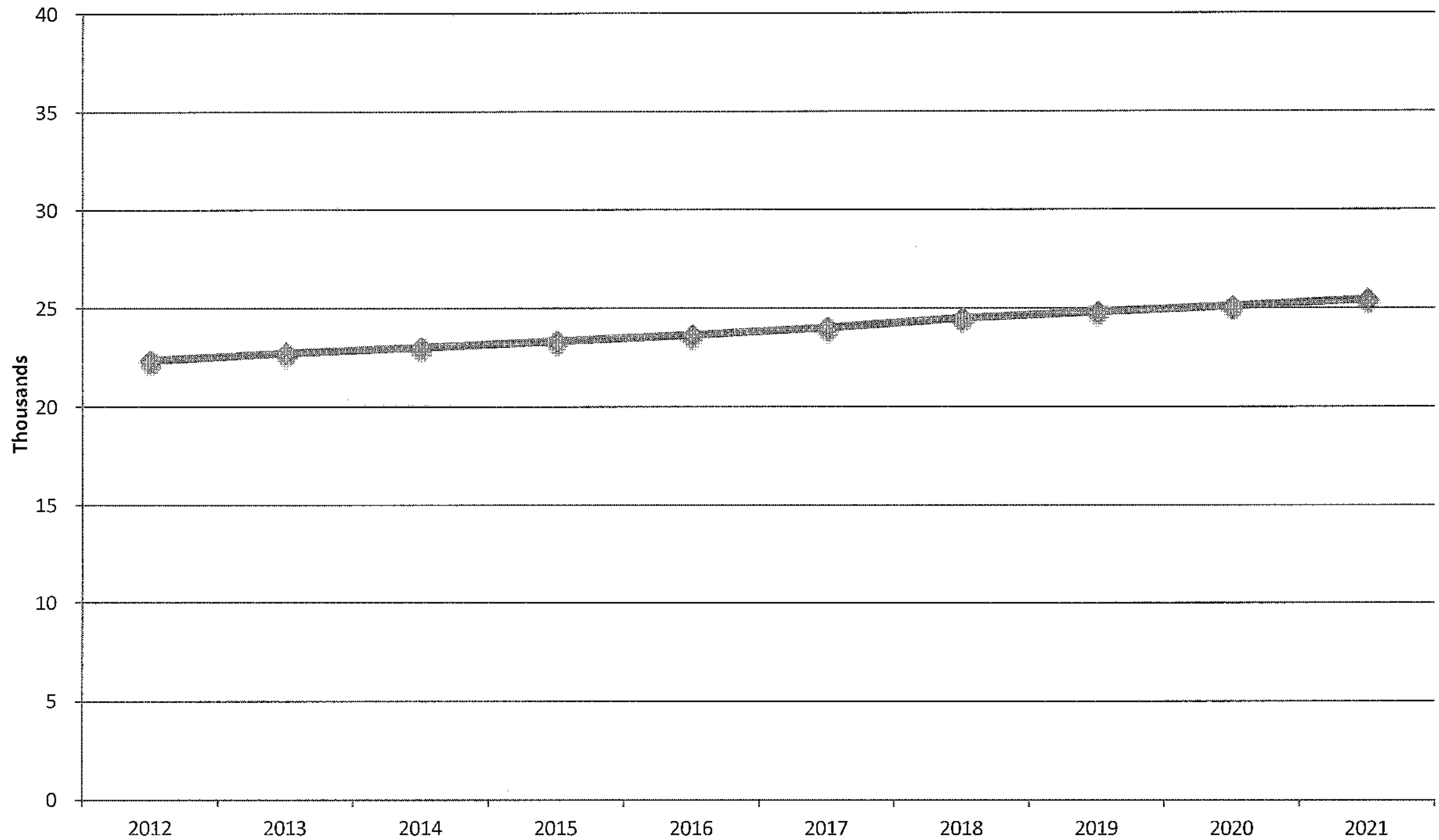
	2021	2020	2019	2018	2017
Average Number of Customers	25,456	25,101	24,818	24,508	24,031

CWL's five largest wastewater customers, by amounts billed for service in 2020 were as follows:

Customer	Annual Amount Billed
1. Nestle Prepared Foods	$ 810,675
2. Frito Lay Inc.	507,376
3. Post Foods LLC	477,479
4. Butterball LLC	197,657
5. Unilever	154,603

See independent auditor's report.

AVERAGE WASTEWATER CUSTOMERS
(UNAUDITED)



See independent auditor's report.

CWL
SCHEDULE OF FINANCIAL AND OPERATING RATIOS (UNAUDITED)
December 31, 2021 and 2020

	2021	2020
1. Current Ratio	4.17	6.78
2. Return on Investment	2.79%	2.08%
3. Operating Margin	4.43%	4.08%
4. Plant In Service Per Retail Customer	$2,551	$2,297

1. **CURRENT RATIO** – Total current assets divided by total current liabilities.
2. **RETURN ON INVESTMENT** – Income before contributions divided by average net position.
3. **OPERATING MARGIN** – Income from operations divided by operating revenues.
4. **PLANT IN SERVICE PER RETAIL CUSTOMER** – Undepreciated cost of utility plant divided by the average number of customers.

See independent auditor's report.

FROST, PLLC
Certified Public Accountants

Independent Auditor's 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*

Board of Directors
City Water and Light Plant of the City of Jonesboro (Arkansas)
Jonesboro, Arkansas

We have audited, 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, the financial statements of the business-type activities and aggregate fiduciary fund statements of City Water and Light Plant of the City of Jonesboro (Arkansas) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City Water and Light Plant of the City of Jonesboro (Arkansas)'s basic financial statements, and have issued our report thereon dated March 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control. Accordingly, we do not express an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Water and Light Plant of the City of Jonesboro (Arkansas)'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Frost, PLLC

Certified Public Accountants

Little Rock, Arkansas
March 16, 2022

FROST, PLLC
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance

Board of Directors
City Water and Light Plant of the City of Jonesboro (Arkansas)
Jonesboro, Arkansas

Report on Compliance for Each Major Federal Program

We have audited City Water and Light Plant of the City of Jonesboro (Arkansas)'s, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of City Water and Light Plant of the City of Jonesboro (Arkansas)'s major federal programs for the year ended December 31, 2021. City Water and Light Plant of the City of Jonesboro (Arkansas)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City Water and Light Plant of the City of Jonesboro (Arkansas)'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City Water and Light Plant of the City of Jonesboro (Arkansas)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City Water and Light Plant of the City of Jonesboro (Arkansas)'s compliance.

Opinion on Each Major Federal Program

In our opinion, City Water and Light Plant of the City Of Jonesboro (Arkansas) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Report on Internal Control Over Compliance

Management of City Water and Light Plant of the City Of Jonesboro (Arkansas) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City Water and Light Plant of the City of Jonesboro (Arkansas)'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Frost, PLLC

Certified Public Accountants

Little Rock, Arkansas
March 16, 2022

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section 1 – Summary of Auditor's Results

Combined Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____Yes __X__No
- Significant deficiency(ies) identified? _____Yes __X__None Reported

Noncompliance material to combined financial statements noted? _____Yes __X__No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____Yes __X__No
- Significant deficiency(ies) identified? _____Yes __X__None Reported

Type of auditor's report issued on compliance for major federal programs: Unqualified

Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____Yes __X__No

Identification of major federal programs:

Federal Assistance Listing ("FAL") Numbers(s) and Name of Federal Program or Cluster	
Disaster Grants-Public Assistance	97.036

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as a low-risk auditee? __X__Yes _____No

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Reference Number	Summary of Finding	Status

No matters are reportable.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor Program or Cluster Title	FAL Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security Federal Emergency Agency passed through to the State of Arkansas Department of Emergency Management			
Disaster Grants-Public Assistance	97.036	$ 0	$ 879,122

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS)

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

1. The accompanying schedule of expenditures of federal awards ("SEFA") includes the federal award activity of City Water and Light Plant of Jonesboro, Arkansas under programs of the federal government for the year ended December 31, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the SEFA presents only a selected portion of the operations of City Water and Light, it is not intended to and does not present the financial position, changes in net assets or cash flows of City Water and Light.

2. Expenditures reported on the SEFA are reported on the accrual basis of accounting. Disbursements are recognized following, as applicable, the cost principles in U.S. Office of Management and Budget's Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. City Water and Light has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.