



# 2022

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of Jacksonville, Arkansas  
For the Fiscal Year Ended December 31, 2022

The cover picture shows two of our newest police vehicles. The police department tries to maintain a working fleet of dependable vehicles with the required decals and lighting. Each vehicle is also equipped with cameras and computers to ensure effective and efficient documentation for our officers.

# **Annual Comprehensive Financial Report**

**City of Jacksonville,  
Arkansas**

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**Fiscal Year Ended**

**December 31, 2022**

**Prepared by:**

FINANCE DEPARTMENT

Cheryl Erkel, CGFM  
DIRECTOR OF FINANCE



# CITY OF JACKSONVILLE, ARKANSAS

YEAR ENDED DECEMBER 31, 2022

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YEAR ENDED DECEMBER 31, 2022

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# CITY OF JACKSONVILLE, ARKANSAS

YEAR ENDED DECEMBER 31, 2022

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# City of Jacksonville, Arkansas

#1 Municipal Drive  
Jacksonville, AR 72076



September 28, 2023

## **Honorable Mayor, Members of the City Council, and Citizens of the City of Jacksonville, Arkansas:**

The Annual Comprehensive Financial Report (ACFR) of the City of Jacksonville, Arkansas (the “City”) for the year ended December 31, 2022, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

This report provides a comprehensive overview of the City’s financial position and the results of operations for the past fiscal year. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not out weigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Jacksonville’s financial statements have been audited by Forvis, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Jacksonville for the fiscal year ended December 31, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles utilized and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Jacksonville’s financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Jacksonville was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal Grantor Agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal

awards. These reports are included in the City of Jacksonville's Annual Comprehensive Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Jacksonville's MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE GOVERNMENT**

Situated approximately 17 miles north of Little Rock and the Arkansas River, Jacksonville registered as a town on June 29, 1870. The coming of the railroad brought more people and the rural community of about two hundred built homes, raised cotton and established new businesses. The City of Jacksonville was incorporated on September 6, 1941 as a political subdivision of the State of Arkansas. Today Jacksonville occupies a land area of 29 square miles and serves a population of 29,477.

The City is empowered by state statute to extend its corporate limits by annexation when deemed appropriate by the governing council and to levy a property tax, by a vote of the public, on both real and personal properties located within its boundaries to a limit of 5 mills for general operations. In 1993, the voters approved a permanent one-cent sales and use tax and in return, the City rescinded its 5 mills property tax. In 2003, the voters approved an additional one-cent sales and use tax for capital improvements and operations. In 2019, the Jacksonville City Council voted to reallocate the 1.0 mill property tax levied to pay off the 2006 Library Construction and Improvement Bonds. The tax was reallocated as 0.5 mill for City general operations and 0.5 mil for capital equipment effective for the 2019 assessed taxes collectible in 2020.

The City of Jacksonville operates under the Mayor-Council form of government. The Mayor is elected by the citizens of Jacksonville for a term of four years. The Mayor serves as the chief executive of the City, presides over City Council meetings and has the ability to vote on City Council items in the event of a tie. The City Council is made up of two members from each ward (ten total members) within the City. Each member serves a four year staggered term with four council members elected every two years. The City Council has the ability to enact laws (ordinances) for the health, safety and welfare of the City not in conflict with the United States Constitution or the constitution of the State of Arkansas. The legal level of budgetary control is maintained at the fund level for all funds. However, management control is maintained at the department level.

The City of Jacksonville provides a full range of services including police and fire protection, emergency ambulance service, animal control, library, community development (planning and zoning), construction and maintenance of streets, roads and infrastructure, sanitation and recycling, parks and recreation, district court, and general administrative services. In addition, water and sewer services are provided through legally separate authorities, the Jacksonville Municipal Water Works and the Jacksonville Wastewater Utility. These two entities have been included in the comprehensive annual financial report as discretely presented component units. Another discretely presented component unit is the Jacksonville Advertising and Promotion

Commission, which was created for the development, establishment, improvement, maintenance, and operation of recreational and tourist facilities within the City. Discretely presented component units are legally separate entities and are not part of the primary government's operations.

The City's accounting records for general government activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being reported when the services or goods are received and the liabilities are incurred. Accounting records for the City's sanitation services, emergency medical services, and the operations of the shooting complex are maintained on an accrual basis.

The annual operating budget serves as the foundation for the City's financial planning and control. Control over spending and allocation of resources are the main focus of the budget. The annual budget process begins in August of each year. Appropriation requests by fund, function, and department are submitted to the Mayor and resources are allocated based on priorities established by the City Council. The Mayor submits a proposed budget to the City Council. The City Council approves and adopts a final budget before January 1. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The Mayor is authorized to transfer budgeted amounts within departments. Any revisions that alter the total expenditures must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. These comparisons are part of the required supplementary information located in the financial section.

## **ECONOMIC CONDITION**

Like other cities across America, the City has bounced back from the various impacts of the COVID-19 pandemic during 2022. The information presented in the financial statements may be understood better when considered from the broader perspective of the specific environment within which the City of Jacksonville operates.

The City of Jacksonville historically benefits from low unemployment rates. However, the impact of the COVID 19 pandemic caused lots of fluctuation. The City's unemployment rate decreased from 3.9% in December 2021 to 3.6% in December 2022. Jacksonville is part of the Little Rock-North Little Rock-Conway metropolitan statistical area (MSA), a six-county area of more than 740,602 people. The unemployment rate for the metropolitan area has increased from 2.7% in December 2021 to 3.2% in December 2022.

Jacksonville is home to the Little Rock Air Force Base (LRAFB), which opened in October 1955. The base encompasses 6,100 acres and includes one runway and one assault landing strip. The base has more than 7,700 active-duty military and civilian members, and roughly 3,607 family members live and work on and around the base with an estimated 211,003 veterans in Arkansas. The impact on the regional economy totaled \$1.79 billion according to their Economic Impact Statement for Fiscal Year 2022. Additionally, the base was the 12<sup>th</sup> largest employer in the State of Arkansas in fiscal year 2022 with 7,850 jobs on base. LRAFB is a major training facility for the United States Air Force and is the home of C-130 Combat Airlift.

In March 2023, Unity Hospital completed Phase I of their renovations and began servicing the community. They offer an array of acute care services. They operate a 13 bed emergency

department, a 24 bed behavioral unit, an inpatient/observation unit, full imaging services, and inpatient cardiopulmonary. Additional services such as surgical and inpatient care will be offered after Phase II of the renovations are complete. Other principal employers that make their home in Jacksonville include:

- Pathfinders, Inc.
- Jacksonville North Pulaski School District
- Wal-Mart
- Sig Sauer Inc.
- Lomanco, Inc.

To help with the workforce, the Jacksonville North Pulaski School District participates in the Academies of Central Arkansas, which is a joint initiative between the public school districts across Pulaski County and the regional business community. Currently, the Jacksonville High School offers training for HVAC, Welding, Automotive Services, Construction Technology, Architecture Construction, Certified Nursing Assistant, Law, Public Safety & Cyber Security, Culinary, and Education & Teaching. In addition, the LRAFB University Center has five universities offering both undergraduate and graduate programs.

The City of Jacksonville has an increasing property tax base which includes appreciation and improvements on property, new subdivisions, new businesses, and annexations. Over the past five years, Jacksonville's levy has increased an average of 2.0% with the 2021 levy collectible in 2022 increasing by 2.9%.

Sales tax revenue is derived from the City's two-cent sales and use tax and the City's portion (8.3%) of the Pulaski County sales and use tax. Our sales tax revenue has been growing at an average rate of 6.5% over the past five years which includes an increase of 14.3 % for 2021 and an increase of 4.5% for 2022. Some of this increase is due to internet sales, which has become more popular since the COVID 19 pandemic began. On average, sales tax revenue supports approximately 70% of the City's General Fund budget.

The City of Jacksonville receives intergovernmental revenues based on population. According to the 2020 U. S. Census, the population for the City increased 4.0% while Pulaski County's population increased 2.2% compared to the 2010 Census data.

## **LONG-TERM FINANCIAL PLANNING**

The City of Jacksonville's long-term Capital Improvement Plan is based on a comprehensive development plan established by citizen input and requests. The Capital Improvement Plan provides for the orderly replacement of capital facilities and equipment, including buildings and other improvements. Funding for these infrastructure improvements comes primarily from county and local sales and use tax revenue with some citizen donations dedicated to specific projects. The Capital Improvement Plan is updated annually to remove completed projects and to add new projects.

In July 2005, the citizens of Jacksonville voted to levy an annual ad valorem tax levy at the rate of one (1.0) mill for the acquisition, construction, and equipping of land and capital improvements for the City’s public library. The ad valorem tax is pledged to a bond issue in the amount of \$2,500,000 used to finance the project. The tax was due to expire upon payment in full of the bonds in May 2020; however, in 2019 the City Council voted to keep the 1.0 millage with 0.5 going to the General Fund and 0.5 going to the Capital Equipment Fund. This tax went into effect in 2020.

In 2015, the City pledged revenues from utility franchise taxes to a bond issue in the amount of \$8,815,000. The bonds were issued for the refunding of short-term financing notes, rehabilitation of the City’s Central Fire Station, purchase of a Fire Department ladder truck and two pumper trucks, replacement of playground equipment within the Parks and Recreation Department, rehabilitation of Splash Zone water park, replacement of exercise equipment at the City’s Community Center, and the construction of a roundabout at Harris and General Samuels roads. These bonds were refunded by the 2020 Capital Improvement and Refunding Revenue Bonds.

In December 2020, the City pledged revenues from utility franchise taxes to a bond issue in the amount of \$7,935,000. The bonds were issued for the refunding of the 2015 Capital Improvement Bonds, rehabilitation of the City’s Court Facility, constructing a new City Mechanic Shop with a wash bay, Public Safety Building repairs, and other betterments and improvements.

In March 2021, The American Rescue Plan Act (ARPA) was signed into law. The goal was to provide needed relief to local governments, among others, to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. The City was awarded \$5,444,517 in coronavirus state and local fiscal recovery funds under ARPA. City Council has approved the following projects:

Replace Fire Station 2	\$ 1,600,000
Jacksonville Wastewater equipment	\$ 500,000
Jacksonville Water - 167 widening	\$ 500,000
1 inclusive playground & re-locate equipment to other parks	\$ 500,000
Ball Field lights - fields 5, 6, & 7 at Dupree Park	\$ 450,000
Purchase Police vehicles (5 with upfitting)	\$ 380,880
Pump track and Bowl skate park	\$ 350,000
Employee retention - Water, Wastewater, City	\$ 313,613
Loop Rd relocation wastewater lines	\$ 200,000
Pavillion & dugout covers @ Dupree	\$ 200,000
Security cameras & software	\$ 185,225
New Scoreboards at Excell Park	\$ 90,000
New Server - IT	\$ 61,526
Total ARPA monies allocated as of December 2022	\$ 5,331,245

## **MAJOR INITIATIVES**

Jacksonville is continuously looking for ways to improve the city to ensure the safety of its citizens. A major initiative is a rail grade separation on J.P. Wright Loop Road. It has been in the

planning stages for 20 years. This project will produce an overpass over the railroad crossing. The City has received a State Grant that will fund 80% of the costs. In 2021, the City purchased properties for easements and right of ways so that utilities could be relocated. The actual physical work began in 2023.

The next street project on the horizon, is the straightening of West Main Street. It involves removing an “S” curve and installing a round-a-bout or a traffic signal. In 2022, the plans for the design and construction were started.

The City has entered into an agreement with Rock Region METRO to provide transportation services throughout our city. Rock Region Metro will provide Micro Transit Services within our city to our citizens as soon as they receive the vehicles that are on back order. The service will act similar to a taxi service with a small fee to the rider.

## **ENVIRONMENTAL CONSCIOUSNESS**

The City of Jacksonville is striving to educate the public on environmental awareness. Educational materials regarding recycling initiatives are on display at the Ron Newport Recycling Park located in front of the recycling center. The City of Jacksonville currently does not offer curbside service for recycling. However, drop off service is available at the Recycling Center located at 1300 Marshall Road for its residents. They accept paper and cardboard, aluminum and tin cans, and most #1 and #2 plastics Tuesday through Saturday. The Recycling Center also accepts scrap metal, used tires, electronics, and household chemicals on Wednesday and Saturdays.

Jacksonville is also doing its part to help the environment. Jacksonville requires new commercial properties to have a 20’ buffer area that is to be maintained in a natural state with dense undergrowth or have a perimeter planting strip six-foot wide that contains one tree and four shrubs for every forty feet. These properties are also required to have interior planting areas of 100 - 200 feet with one tree for every 15 parking spaces. This increases the oxygen in the atmosphere as well as beautifying the city.

The City of Jacksonville is also looking into energy savings. The City has begun to convert all lights inside City buildings to LED lights and replace outdated HVAC equipment. In addition, the City is considering the installation of a solar panel array for renewable energy.

## **AWARDS AND ACKNOWLEDGEMENTS**

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governmental financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the 25<sup>th</sup> consecutive year that the City of Jacksonville has achieved this prestigious award. We believe that the current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report is a team effort by the entire City of Jacksonville's Finance Department. We would like to express our sincere appreciation to each and every staff member with a big "Thank You" for a job well done. Special thanks go to Assistant Finance Director Laura Collie, Accountant Jenifer Volpert, and Accounts Receivable Clerk Brandi Reeves. Their tenacious attention to detail makes this report an excellent communication tool.

We would like to acknowledge the thorough and professional manner in which Forvis conducted the annual audit. Their technical proficiencies add measurably to the quality of the entire report.

Finally, we would like to acknowledge the contributions of the Mayor and City Council who have consistently and actively supported the City's goal of excellence in all aspects of financial management. Their interest, encouragement, and support are sincerely appreciated.

Respectfully submitted,

*Cheryl Erkel*

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Cheryl Erkel, CGFM  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement for  
Excellence in  
Financial  
Reporting**

Presented to

**City of Jacksonville  
Arkansas**

For its Comprehensive Annual Financial Report

for the Fiscal Year Ended

**December 31, 2021**

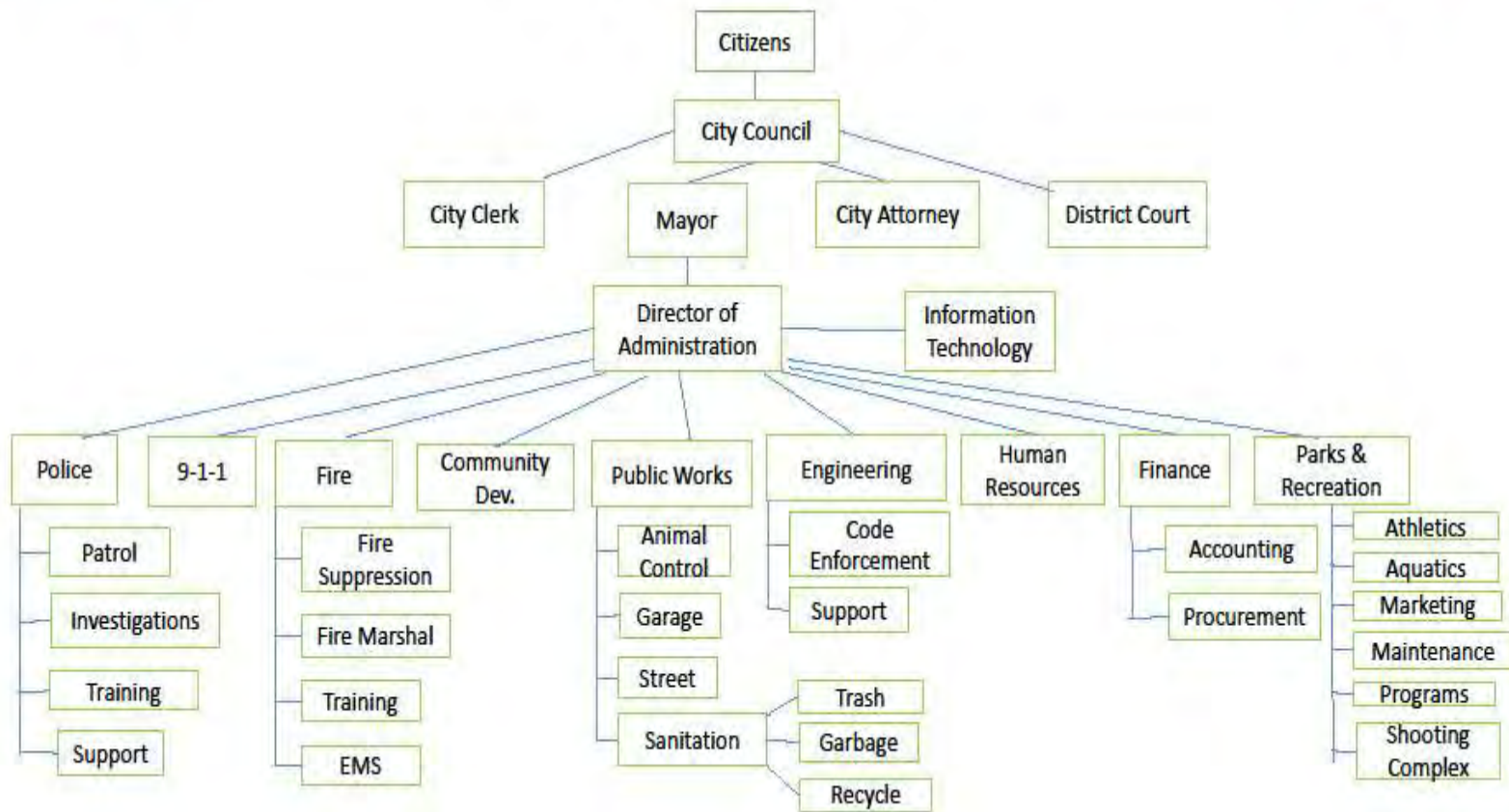
*Christopher P. Morill*

Executive Director/CEO





# City of Jacksonville Organizational Structure



**City of Jacksonville, Arkansas  
List of Elected and Appointed Officials  
December 31, 2022**

**Elected Officials**

	Bob Johnson		Mayor
Mike Deitz	Ward 1, Position 1	James Bolden III	Ward 1, Position 2
Brian Blevins	Ward 2, Position 1	Terry Sansing	Ward 2, Position 2
Reedie Ray	Ward 3, Position 1	Barbara Mashburn	Ward 3, Position 2
Mike Traylor	Ward 4, Position 1	Mary Twitty	Ward 4, Position 2
Tara Smith	Ward 5, Position 1	Rose Rains	Ward 5, Position 2
	Stephanie Friedman		City Attorney
	Susan Davitt		City Clerk/Treasurer
	Rita Bailey		District Court Judge

**Appointed Officials**

Director of Public Works	Jimmy Oakley
City Engineer	Adam Whitlow
Community Development Director	Benita Bosier-Ingram
Director of Finance	Cheryl Erkel
Fire Chief	Alan Laughy
Parks & Recreation Director	Kevin House
Human Resource Director	Charlette Nelson
Police Chief	Brett Hibbs
Sanitation Superintendent	Randy Watkins
Street Superintendent	Hal Toney
Superintendent of Emergency Services	Tabitha Hughes



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## Independent Auditor's Report

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas  
Jacksonville, Arkansas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Arkansas, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Jacksonville Municipal Water Works and Jacksonville Wastewater Utility, which represent 99%, 98%, and 95%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position, and where applicable, cashflows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 auditing standards generally accepted in the United States of America, 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 audit 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statement and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, and the schedule of expenditures of state awards but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the City'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 the City'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 the City's internal control over financial reporting and compliance.

**FORVIS,LLP**

Little Rock, Arkansas  
September 28, 2023



## Management’s Discussion and Analysis

For the Year Ended December 31, 2022

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As management of the City of Jacksonville (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2022. The information contained in this MD&A should be considered in conjunction with our letter of transmittal at the front of this report and the information contained in the Independent Auditor’s Reports, Financial Statements and Supplementary Information.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$45,683,181.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$25,538,849 of which \$9,131,705 was unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,131,705, which is 41% of total general fund expenditures.
- The City had general revenues of \$22,074,911, grants and contribution revenues of \$8,836,956, charges for services of \$6,630,538, and program expenses of \$32,992,283 for the year ended December 31, 2022.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Figure A demonstrates how required parts of this annual report are arranged and shows how they relate to one another. Figure B summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the type of information they contain. The remainder of this overview section of the management’s discussion and analysis explains each of the statements.

Figure A: Required Components of the City’s Annual Financial Report

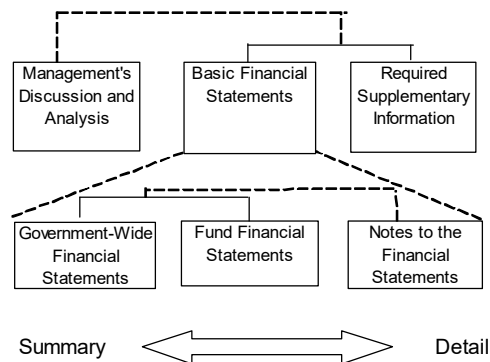


Figure B. Major features of the City's Government-wide and Fund Financial Statements

<i>Types of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire City (except fiduciary funds) including component units	Activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private business.	Instances in which the City acts as fiduciary for someone else's resources
<i>Required Financial Statements</i>	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures & changes in fund balances	Statement of net position  Statement of revenues, expenses & changes in fund net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, short-term and long term	All assets and liabilities, both short-term and long-term, the Agency's funds do not currently contain capital assets, although they can.
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities, and deferred inflows of resources, as applicable, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include sanitation services and emergency medical services.

The government-wide financial statements include not only the City itself (known as the primary government), but also the financial statements of the following discretely presented component units:

- Jacksonville Municipal Water Works
- Jacksonville Wastewater Utility
- Jacksonville Advertising and Promotion Commission



Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. Complete financial statements for these component units may be obtained by contacting the administrative offices listed on page 46 of this report.

The government-wide financial statements can be found on pages 26 through 29 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, and Special Projects Fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combined statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 30 through 32 of this report.

**Proprietary Funds** - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains a single proprietary fund type, an enterprise fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for sanitation services activities, shooting sports activities, and for emergency medical (ambulance) services provided by the City. The proprietary fund financial statements provide

information for the Sanitation Services Enterprise Fund, the Shooting Sports Complex Fund, and the Emergency Medical Services Enterprise Fund, which are major funds for the City.

Proprietary funds in general, charge customers for services provided. Like the government-wide financial statements, proprietary fund financial statements are presented using a long-term financial accounting approach and the full accrual basis of accounting. Additional information is provided in the proprietary funds' statement of cash flows.

The basic proprietary fund financial statements can be found on pages 34 through 36 of this report.

**Fiduciary Funds** - *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38 through 39 of this report.

**Notes to the Basic Financial Statements** - The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45 through 80 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found beginning on page 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 98 through 99 of this report.

## Government-wide Financial Analysis

The City is presenting current and prior year comparative information in the Management's Discussion and Analysis to provide a means of analyzing its financial condition and position as of December 31, 2022. The following table reflects the condensed Statement of Net Position.

City of Jacksonville Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 28,144,896	\$ 22,148,074	\$ 3,371,269	\$ 3,045,105	\$ 31,516,165	\$ 25,193,179
Noncurrent assets	529,244	1,580,837	-	-	529,244	1,580,837
Capital assets	39,733,205	38,967,347	5,084,462	5,209,383	44,817,667	44,176,730
Other assets	-	751,898	-	-	-	751,898
Total assets	<u>68,407,345</u>	<u>63,448,156</u>	<u>8,455,731</u>	<u>8,254,488</u>	<u>76,863,077</u>	<u>71,702,645</u>
Total deferred outflows of resources	<u>8,442,319</u>	<u>2,552,946</u>	<u>696,778</u>	<u>211,896</u>	<u>9,139,097</u>	<u>2,764,842</u>
Total Assets and Deferred Outflows	<u>76,849,664</u>	<u>66,001,102</u>	<u>9,152,509</u>	<u>8,466,384</u>	<u>86,002,173</u>	<u>74,467,486</u>
Current Liabilities	2,596,949	2,215,816	469,966	141,053	3,066,915	2,356,869
Long-term liabilities	31,885,511	20,109,016	2,167,447	1,032,595	34,052,958	21,141,611
Total liabilities	<u>34,482,460</u>	<u>22,324,833</u>	<u>2,637,413</u>	<u>1,173,648</u>	<u>37,119,873</u>	<u>23,498,481</u>
Total deferred inflows of resources	<u>3,043,187</u>	<u>8,902,134</u>	<u>155,931</u>	<u>958,744</u>	<u>3,199,118</u>	<u>9,860,878</u>
Total Liabilities and Deferred Inflows	<u>37,525,647</u>	<u>31,226,965</u>	<u>2,793,344</u>	<u>2,132,392</u>	<u>40,318,991</u>	<u>33,359,358</u>
Net Position:						
Net investment in capital assets	32,565,198	32,470,428	5,084,462	5,209,383	37,649,660	37,679,811
Restricted	7,534,266	8,981,135	-	-	7,534,266	8,981,135
Unrestricted (Deficit)	(775,448)	(6,677,429)	1,274,703	1,124,610	499,255	(5,552,819)
Total Net Position	<u>\$ 39,324,016</u>	<u>\$ 34,774,135</u>	<u>\$ 6,359,165</u>	<u>\$ 6,333,993</u>	<u>\$ 45,683,181</u>	<u>\$ 41,108,127</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,683,182 at the close of the most recent fiscal year.

The largest portion of the City's net position, 83%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, and improvements other than buildings), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, 16%, represents resources that are subject to restrictions as to how they may be used. The remaining unrestricted net position of \$499,255 represents 1% of the City's net position.

The following table provides a summary of the City's operations for the fiscal year ended December 31, 2022, with unadjusted comparative totals for the fiscal year ended December 31, 2021.

City of Jacksonville

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
<i>Program revenues:</i>						
Charges for services	\$ 2,021,805	\$ 1,871,259	\$ 4,608,733	\$ 4,390,713	\$ 6,630,538	\$ 6,261,972
Operating grants and contributions	4,881,168	4,620,971	23,715	38,363	4,904,883	4,659,334
Capital grants and contributions	3,932,073	3,039,639	-	-	3,932,073	3,039,639
<i>General revenues:</i>						
Property taxes	1,063,014	979,374	-	-	1,063,014	979,374
Sales taxes	19,085,733	18,255,204	-	-	19,085,733	18,255,204
Franchise taxes	1,274,208	1,167,611	-	-	1,274,208	1,167,611
Investment income	327,990	44,099	22,200	6,160	350,190	50,259
Intergovernmental revenues	410,313	437,453	-	-	410,313	437,453
Gain/(loss) on sales of capital assets	(108,546)	(388,766)	-	77,857	(108,546)	(310,909)
<b>Total revenues</b>	<b>32,887,758</b>	<b>30,026,844</b>	<b>4,654,648</b>	<b>4,513,093</b>	<b>37,542,406</b>	<b>34,539,937</b>
<b>Expenses</b>						
General government	4,398,448	2,594,127	-	-	4,398,448	2,594,127
Public works	3,780,051	2,563,369	-	-	3,780,051	2,563,369
Parks and recreation services	3,686,218	3,160,003	-	-	3,686,218	3,160,003
Public safety	15,365,000	13,931,905	-	-	15,365,000	13,931,905
Housing and neighborhood programs	568,209	418,147	-	-	568,209	418,147
Agent fees on long-term debt	-	1,000	-	-	-	1,000
Interest on long-term debt	164,882	166,827	-	-	164,882	166,827
Sanitation services	-	-	1,846,007	1,339,894	1,846,007	1,339,894
AGFF Shooting Sports Complex	-	-	573,137	503,605	573,137	503,605
Emergency medical services	-	-	2,610,331	2,467,226	2,610,331	2,467,226
<b>Total expenses</b>	<b>27,962,808</b>	<b>22,835,378</b>	<b>5,029,475</b>	<b>4,310,725</b>	<b>32,992,283</b>	<b>27,146,103</b>
Change in net position before transfers	4,924,950	7,191,466	(374,827)	202,368	4,550,120	7,393,834
Transfers	(400,000)	(620,000)	400,000	620,000	-	-
Change in net position	<b>4,524,947</b>	<b>6,571,465</b>	<b>25,173</b>	<b>822,368</b>	<b>4,550,120</b>	<b>7,393,834</b>
Net Position, Beginning of Year, as previously reported	34,799,070	27,077,476	6,333,993	5,511,623	41,133,063	32,589,098
Adjustment applicable to prior years	-	1,125,196	-	-	-	1,125,196
Net Position, Beginning of Year, as restated	<b>34,799,070</b>	<b>28,202,672</b>	<b>6,333,993</b>	<b>5,511,623</b>	<b>41,133,063</b>	<b>33,714,296</b>
Net Position - End of Year	<b>\$ 39,324,016</b>	<b>\$ 34,774,135</b>	<b>\$ 6,359,165</b>	<b>\$ 6,333,993</b>	<b>\$ 45,683,181</b>	<b>\$ 41,108,134</b>

**Governmental Activities** - Governmental activities increased the City's net position in the current year by \$4,524,947. An increase in total assets of \$4,959,189 along with an increase in total liabilities of \$12,157,627 decreased net position by \$7,198,438. The increase in deferred outflows of \$6,290,242 along with a decrease in deferred inflows of resources of \$5,458,078, decreased net position by \$11,748,320. The majority of the change in net position was the reduction of deferred inflows of resources related to pensions and increases in current assets and deferred outflows of resources related to pensions.

Sales taxes represent 58% or \$19,085,733 of the City's governmental revenue in 2022. Sales tax revenues increased 4% from \$18,255,204 in 2021. Part of this growth is attributed to Act 822 – *To reform the Tax Laws Concerning the Levy and Collection of Sales and Use Tax, the Apportionment and allocation of Income for Tax Purposes, Corporate Income Tax Rates, and Net Operating Losses; and to Declare an Emergency*, enacted during the 2019 regular session of the Arkansas General Assembly, and effective beginning July 2019. The provisions of Act 822 were consistent with the favorable Supreme Court ruling on *South Dakota v. Wayfair, Inc.* in which the court held that states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. Grants and contributions added \$8,813,241 or 27% to total revenues as compared to \$7,660,610 received in 2021. The increase was mainly a result from the additional funding that we received through the American Recovery Plan. Charges for services increased \$150,546 to \$2,021,805 or 7% of total revenues compared to \$1,871,259 received in 2021. The increase was primarily attributable to the increase of revenues received from programs offered through Parks and Recreation.

Current year expenses were 85% of current year revenues, excluding transfers in.

**Business-type Activities** - Business-type activities increased the City's net position by \$25,173. Key elements of this increase are as follows:

- Net transfers increased net position by \$400,000. Operating losses of \$374,827 decreased net position.
- Sanitation Services activities contribute 42% of the operating revenue to the business-type activities. Sanitation service fees are billed through Jacksonville Municipal Water Works (a component unit of the City), net of a billing fee. Operating revenues were \$1,946,651 in 2022 compared to \$1,941,895 in 2021. Operating expenses in 2022 were \$1,846,007 compared to \$1,339,894 in 2021. Revenues increased due to increases in housing development. Expenses increased due to increase in pension expense.
- AGFF Shooting Sports Complex activities contributed 8% of the operating revenue to the business-type activities. The charges for services are the fees charged to the patrons of the sports complex. In 2022, those fees were \$346,400 compared to \$301,451 in 2021. The increase in revenues was due to a price increase in shooting range fees and an increase in pro shop sales. Operating expenses in 2022 were \$573,137 compared to \$503,605 in 2021. The increase was due to increase in pension expense.
- Emergency Medical Services activities contributed 50% of the operating revenue to the business-type activities. Ambulance service fees are billed through the City's fire department. Charges for services were \$2,315,682 in 2022 compared to \$2,147,367 in 2021. Operating expenses in 2022 were \$2,610,331 compared to \$2,467,226 in 2021. Revenues increased as a result of increased ambulance run volume. Expenses increased as a result of increase in bad debt expense from writing off old uncollectable accounts.

Current year operating expenses for business-type activities were 110% of current year operating revenues.

## **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

**Governmental Funds** - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2022 the City's governmental funds reported combined ending fund balances of \$25,538,849, an increase of \$4,341,915 in comparison with the prior year. Approximately \$7,909,042 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$2,458 of the governmental fund balance is *nonspendable*, representing inventories and prepaid expenditures. The *committed* portions of the fund balances were

\$8,495,641. Approximately \$9,131,705 constitutes *unassigned fund balance* and is available for spending at the government’s discretion.

The General Fund is the chief operating fund for the City. As of December 31, 2022, the total fund balance of the General Fund was \$9,145,058 of which \$9,131,705 was unassigned. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balances and total fund balance to total fund expenditures (including transfers out). Unassigned fund balance represents 41% of total General Fund expenditures while total fund balances represents 41% of the same amount. The fund balances of the General Fund increased by \$99,474 during 2022. The key factors in this increase were increases from sales tax revenues and additional funding from the American Recovery Plan.

The Street Fund had a total fund balance of \$6,235,064, which was a decrease of \$182,955 from 2021. The total amount of the fund balance is classified as restricted. The decrease was attributable to additional construction projects throughout the city.

The Special Projects Funds had a total fund balance of \$9,161,190, which was an increase of \$5,401,661 from 2021. The fund balance has \$676,443 classified as restricted and \$8,495,641 as committed. The increase in fund balance was due mainly from additional funding received from the American Recovery Plan in the General Fund allowed for funds to be set aside for additional capital improvements. These additional funds are expected to be spent within the next year. The ending fund balances and net changes for the individual funds reported in the financial statements as the Special Projects Funds were:

<u>Fund</u>	<u>Ending Balance</u>	<u>Net Change</u>
Capital Improvements	\$ 5,060,082	\$ 2,890,750
Capital Drainage	546,626	9,695
Capital Equipment	3,539,691	2,519,555
Downtown Revitalization	14,791	(18,339)

The City maintains seven non-major governmental funds in addition to the above mentioned major funds. These funds had a total fund balance of \$997,536. The net decrease in fund balances during 2022 for these funds was \$976,268. The ending fund balances and net changes for the non-major funds were:

<u>Fund</u>	<u>Ending Balance</u>	<u>Net Change</u>
Grants	\$ 73,200	\$ 93,740
CDBG	(4,885)	(28,204)
HOME	49,941	0
Asset Forfeiture	21,056	(574)
2020 Capital Improvement Construction	388,305	(1,128,156)
2006 Library Debt Service	36	(106)
2020 Capital Improvement Debt Service	469,883	87,036

**Proprietary Funds** - The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but with more detail.

Net position for the Sanitation Services Enterprise Fund was \$2,958,641 in 2022, which was an increase of \$119,450 compared to \$2,839,190 as reported in 2021. This increase is due to an increase in housing development and home sales in our community. Other factors concerning the finances of this fund have already been addressed in the discussion of the City’s business-type activities.

Net position for the AGFF Shooting Sports Complex Fund in 2022 was \$2,799,639, which was a decrease of \$26,737 compared to \$2,826,376 as reported in 2021. This decrease was due to a reduction in supplemental support from the General Fund and an increase in personnel costs. Other factors concerning the finances of this fund have already been addressed in the discussion of the City’s business-type activities.

Net position for the Emergency Medical Services Enterprise Fund in 2022 was \$600,886, which was a decrease of \$67,540 compared to a net position of \$668,426 reported in 2021. This decrease was due to a reduction in supplemental support from the General Fund. Other factors concerning the finances of this fund have already been addressed in the discussion of the City’s business-type activities.

### General Fund Budgetary Highlights

The 2022 General Fund budget appropriated \$28,255,169 as compared to the 2021 budget of \$20,993,819, an increase of approximately 36%.

### Capital Assets and Debt Administration

**Capital Assets.** The City’s investment in capital assets for governmental and business-type activities as of December 31, 2022, amounts to \$44,817,667 (net of accumulated depreciation). The investment in capital assets includes land, buildings and building improvements, improvements other than buildings, equipment, infrastructure, and construction in progress. The total increase in the City’s investment in capital assets for the current fiscal year was \$640,941 net of depreciation, an increase of 1%. Governmental capital assets increased 2%, while capital assets for business-type activities decreased 2%.

City of Jacksonville  
Capital Assets, net of depreciation

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 10,333,488	\$ 10,338,488	\$ 480,385	\$ 480,385	\$10,813,873	\$ 10,818,873
Land improvements	498,800	557,262	91,559	101,303	590,358	658,563
Infrastructure	7,769,790	8,322,328	-	-	7,769,790	8,322,328
Buildings	15,244,070	15,921,866	2,218,423	2,289,793	17,462,493	18,211,659
Vehicles	2,132,222	1,997,904	1,801,104	1,790,554	3,933,326	3,788,458
Equipment	1,543,246	1,262,236	492,997	547,351	2,036,242	1,809,587
Construction in progress	2,211,591	567,265	-	-	2,211,591	567,265
<b>Total</b>	<b>\$ 39,733,205</b>	<b>\$ 38,967,347</b>	<b>\$ 5,084,462</b>	<b>\$ 5,209,382</b>	<b>\$44,817,667</b>	<b>\$ 44,176,726</b>

Additional information on the City's capital assets can be found in *Note 3* on pages 59-60 of this report.

**Long-term Liabilities.** On December 31, 2022, the City's primary government had long-term liabilities outstanding of \$8,153,584, including obligations under direct financing agreements of \$24,672, and \$7,522,995 of bonds secured solely by specified revenue source.

Total long-term bonds and obligations under a direct financing agreement decreased \$465,712 a decrease of 5%. The decrease was attributable to debt retirements during 2022.

The City is within all of its legal debt limitations. Under the Arkansas Constitution, the City is allowed to issue, with voter approval, general obligation debt up to 20% of total assessed valuation. Outstanding revenue bonds on December 31, 2022, of \$7,522,995 are well below the statutory limit of \$71,355,303. The City is allowed to issue short-term financings (maturities of less than five years) up to 5% of total assessed valuation. Outstanding short-term financings, including direct financing obligations at December 31, 2022, of \$24,672 are well below the statutory limit of \$17,838,826. Voter approval is not required for short-term financing.

Additional information regarding the City's long-term liabilities can be found in *Note 4* on pages 57-58 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The Federal Government has issued economic initiatives to stimulate the economy as it recovers from the negative impact of the COVID 19 pandemic. As the City receives funds, they will create a plan on how to use these "one time" monies for the most benefit without generating re-occurring costs.

The City's elected and appointed officials have an established practice of making annual budgetary decisions for the General and Street Funds by considering revenue growth, staffing needs, unassigned reserve levels as well as reviewing the performance of the local economy to determine continued economic expansion.

The goal of the Mayor and City Council is to maintain financial stability by adopting budgets with a minimum unassigned fund balance of 16.6% of operating expenditures. With this in mind, the 2023 budgets were adopted for the General Fund at \$25,111,377 and \$3,225,042 for the Street Fund.

### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Director's Office, #1 Municipal Drive, Jacksonville, Arkansas 72076.

General information relating to the City of Jacksonville, Arkansas can be found on the City's website, <http://www.cityofjacksonville.net>.



# BASIC FINANCIAL STATEMENTS

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 16,968,565	\$ 1,374,935	\$ 18,343,500	\$ 14,502,560
Restricted cash and investments, current	350,000	-	350,000	5,980,769
Investments	4,719,923	763,188	5,483,111	1,865,213
Receivables, net of allowance for uncollectible accounts				
Taxes	1,865,495	-	1,865,495	-
Sales taxes	3,405,705	-	3,405,705	-
Accounts	21,587	1,185,925	1,207,512	2,716,285
Accrued interest	288	72	360	746
Grants and other governments	497,136	-	497,136	-
Other	313,739	-	313,739	-
Inventories	2,458	47,149	49,607	660,876
Prepaid expenses and other	-	-	-	99,356
<b>Total current assets</b>	<b>28,144,896</b>	<b>3,371,269</b>	<b>31,516,166</b>	<b>25,825,805</b>
<b>Noncurrent Assets</b>				
<b>Restricted assets</b>				
Cash and cash equivalents	879,244	-	879,244	1,169,007
Less amount required to meet current obligations	(350,000)	-	(350,000)	-
<b>Total restricted assets</b>	<b>529,244</b>	<b>-</b>	<b>529,244</b>	<b>1,169,007</b>
<b>Capital assets</b>				
Nondepreciable	12,545,079	480,385	13,025,464	15,163,931
Depreciable, net	27,188,126	4,604,077	31,792,203	75,658,587
<b>Total capital assets</b>	<b>39,733,205</b>	<b>5,084,462</b>	<b>44,817,667</b>	<b>90,822,518</b>
<b>Other assets</b>				
Other	-	-	-	284,258
<b>Total other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,258</b>
<b>Total noncurrent assets</b>	<b>40,262,448</b>	<b>5,084,462</b>	<b>45,346,911</b>	<b>92,275,783</b>
<b>Total assets</b>	<b>68,407,345</b>	<b>8,455,731</b>	<b>76,863,077</b>	<b>118,101,588</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows - pensions	8,249,788	696,778	8,946,566	1,170,589
Deferred outflows - OPEB	192,531	-	192,531	-
Bond refunding	-	-	-	173,388
<b>Total deferred outflows of resources</b>	<b>8,442,319</b>	<b>696,778</b>	<b>9,139,097</b>	<b>1,343,977</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 76,849,664</b>	<b>\$ 9,152,509</b>	<b>\$ 86,002,173</b>	<b>\$ 119,445,566</b>

See Accompanying Notes to Basic Financial Statements.

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	
	<b>Activities</b>	<b>Activities</b>		
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 645,763	\$ 341,436	\$ 987,199	\$ 2,177,505
Accrued wages payable and related liabilities	566,129	37,481	603,610	-
Accrued expenses and other	197,887	-	197,887	231,115
Accrued interest payable	-	-	-	44,508
Compensated absences, current	560,000	91,049	651,049	-
Bonds payable, current	350,000	-	350,000	4,329,816
Notes Payable, current	24,672	-	24,672	-
Due to fiduciary funds	66,325	-	66,325	-
Unearned revenue	186,173	-	186,173	-
Total current liabilities	<u>2,596,949</u>	<u>469,966</u>	<u>3,066,915</u>	<u>6,782,944</u>
<b>Noncurrent Liabilities</b>				
Bonds payable, net of unamortized premium and discount	7,172,995	-	7,172,995	33,664,748
Customer deposits	-	-	-	883,364
Compensated absences	45,917	-	45,917	-
Net pension liability	23,527,255	2,167,447	25,694,702	3,748,030
Net OPEB liability	1,139,344	-	1,139,344	-
Other long-term liabilities	-	-	-	699,484
Total noncurrent liabilities	<u>31,885,511</u>	<u>2,167,447</u>	<u>34,052,958</u>	<u>38,995,626</u>
Total liabilities	<u>34,482,460</u>	<u>2,637,413</u>	<u>37,119,873</u>	<u>45,778,570</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows - pensions	2,050,617	155,931	2,206,548	137,588
Deferred inflows - OPEB	992,570	-	992,570	-
Total deferred inflows of resources	<u>3,043,187</u>	<u>155,931</u>	<u>3,199,118</u>	<u>137,588</u>
<b>Net Position</b>				
Net investment in capital assets	32,185,537	5,084,462	37,270,000	52,792,322
Restricted - expendable				
Street maintenance	6,235,064	-	6,235,064	-
Capital projects	676,443	-	676,443	-
Debt service	478,562	-	478,562	3,263,856
Law enforcement activities	21,056	-	21,056	-
Housing and neighborhood programs	49,941	-	49,941	-
Grant funds	73,200	-	73,200	-
Total restricted - expendable	<u>7,534,266</u>	<u>-</u>	<u>7,534,266</u>	<u>3,263,856</u>
Unrestricted (deficit)	<u>(395,787)</u>	<u>1,274,703</u>	<u>878,916</u>	<u>17,473,230</u>
Total net position	<u>39,324,016</u>	<u>6,359,165</u>	<u>45,683,181</u>	<u>73,529,408</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 76,849,664</u>	<u>\$ 9,152,509</u>	<u>\$ 86,002,173</u>	<u>\$ 119,445,566</u>

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General administration	\$ 1,518,970	\$ 368,764	\$ 123,877	\$ -
City council	120,304	-	-	-
Office of the mayor	275,040	-	-	-
City clerk	162,761	-	-	-
City attorney	275,491	-	-	-
District court	241,420	318,805	-	-
Director of administration	22,033	-	-	-
Information technology	553,160	-	-	-
Finance	538,629	18,000	-	-
Human resources	245,024	-	-	-
Fleet services	215,963	30,279	-	-
Community programs	229,655	-	20,800	750,082
Public works	3,780,051	76,676	-	3,181,991
Parks and recreation services	3,686,218	673,767	482,312	-
Police	7,717,298	32,831	800,624	-
Fire	6,336,582	-	3,296,783	-
Emergency communication services	988,077	472,618	-	-
Animal control	323,043	12,448	6,383	-
Housing and neighborhood programs	568,209	17,618	150,389	-
Interest expense on long-term debt	164,882	-	-	-
Total governmental activities	27,962,808	2,021,805	4,881,168	3,932,073
Business-type Activities				
Sanitation services	1,846,007	1,946,651	-	-
AGFF Shooting Sports Complex	573,137	346,400	-	-
Emergency Medical services	2,610,331	2,315,682	23,715	-
Total business-type activities	5,029,475	4,608,733	23,715	-
Total primary government	\$ 32,992,283	\$ 6,630,538	\$ 4,904,883	\$ 3,932,073
<b>Component Units</b>				
Municipal Water Works	\$ 9,718,822	\$ 8,512,982	\$ -	\$ 243,067
Wastewater Utility	5,831,950	5,480,065	-	5,206,498
Advertising and Promotion Commission	782,414	-	-	-
Total component units	\$ 16,333,186	\$ 13,993,047	\$ -	\$ 5,449,565

General revenues  
 Property taxes  
 Sales taxes  
 Utility franchise taxes  
 Investment income  
 Grants and contributions not restricted to specific programs  
 Gain (loss) on sale of capital assets  
 Other  
 Transfers  
  
 Total general revenues and transfers  
  
 Change in Net Position  
  
 Net Position, Beginning of Year  
  
 Net Position, End of Year

See Accompanying Notes to Basic Financial Statements.

**Net (Expense) Revenue and  
Changes in Net Position**

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (1,026,330)	\$ -	\$ (1,026,330)	\$ -
(120,304)	-	(120,304)	-
(275,040)	-	(275,040)	-
(162,761)	-	(162,761)	-
(275,491)	-	(275,491)	-
77,386	-	77,386	-
(22,033)	-	(22,033)	-
(553,160)	-	(553,160)	-
(520,629)	-	(520,629)	-
(245,024)	-	(245,024)	-
(185,684)	-	(185,684)	-
541,227	-	541,227	-
(521,384)	-	(521,384)	-
(2,530,139)	-	(2,530,139)	-
(6,883,843)	-	(6,883,843)	-
(3,039,799)	-	(3,039,799)	-
(515,459)	-	(515,459)	-
(304,212)	-	(304,212)	-
(400,201)	-	(400,201)	-
(164,882)	-	(164,882)	-
(17,127,763)	-	(17,127,763)	-
-	100,644	100,644	-
-	(226,737)	(226,737)	-
-	(270,934)	(270,934)	-
-	(397,027)	(397,027)	-
\$ (17,127,763)	\$ (397,027)	\$ (17,524,790)	\$ -
\$ -	\$ -	\$ -	\$ (962,773)
-	-	-	4,854,613
-	-	-	(782,414)
-	-	-	3,109,426
1,063,014	-	1,063,014	-
19,085,733	-	19,085,733	1,056,365
1,274,208	-	1,274,208	-
327,990	22,200	350,190	155,437
410,313	-	410,313	-
(108,546)	-	(108,546)	-
-	-	-	6,559,674
(400,000)	400,000	-	-
21,652,710	422,200	22,074,911	7,771,476
4,524,947	25,173	4,550,120	10,880,902
34,799,070	6,333,993	41,133,063	62,648,505
\$ 39,324,016	\$ 6,359,165	\$ 45,683,181	\$ 73,529,408

# CITY OF JACKSONVILLE, ARKANSAS

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General	Street	Special Projects	Total Nonmajor Funds	Total
<b>Assets</b>					
Cash	\$ 6,208,350	\$ 3,335,933	\$ 7,298,478	\$ 125,805	\$ 16,968,565
Restricted cash	-	-	-	879,244	879,244
Investments	-	2,760,904	1,959,019	-	4,719,923
Accounts receivable					
Taxes	1,187,927	512,007	165,525	36	1,865,495
Sales taxes	3,405,705	-	-	-	3,405,705
Accounts	-	-	16,531	5,056	21,587
Accrued interest	-	229	59	-	288
Grants and other governments	3,531	319,243	-	174,362	497,136
Other	313,739	-	-	-	313,739
Due from other funds	61,817	-	-	8,643	70,460
Inventories	2,458	-	-	-	2,458
<b>Total Assets</b>	<b>\$ 11,183,529</b>	<b>\$ 6,928,316</b>	<b>\$ 9,439,611</b>	<b>\$ 1,193,146</b>	<b>\$ 28,744,601</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 470,783	\$ 29,042	\$ 112,896	\$ 33,041	\$ 645,763
Due to other funds	-	-	-	70,460	70,460
Due to fiduciary funds	66,326	-	-	-	66,326
Accrued wages payable and related liabilities	552,735	13,394	-	-	566,129
Other liabilities	25,144	80,638	-	92,105	197,887
<b>Total liabilities</b>	<b>1,114,988</b>	<b>123,073</b>	<b>112,896</b>	<b>195,607</b>	<b>1,546,565</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues - property taxes	923,483	570,179	165,525	-	1,659,187
<b>Total deferred inflows of resources</b>	<b>923,483</b>	<b>570,179</b>	<b>165,525</b>	<b>-</b>	<b>1,659,187</b>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Inventories	2,458	-	-	-	2,458
<b>Restricted</b>					
Street maintenance	-	6,235,064	-	-	6,235,064
Capital projects	-	-	676,443	379,661	1,056,104
Debt service	-	-	-	478,562	478,562
Law enforcement activities	-	-	-	21,056	21,056
Housing & neighborhood programs	-	-	-	49,941	49,941
Grant funds	-	-	-	73,200	73,200
<b>Committed</b>					
Capital projects	-	-	8,099,726	-	8,099,726
Equipment	10,895	-	385,020	-	395,915
<b>Assigned</b>					
Capital projects	-	-	-	-	-
Unassigned(dificit)	9,131,705	-	-	(4,885)	9,126,820
<b>Total fund balances</b>	<b>9,145,058</b>	<b>6,235,064</b>	<b>9,161,190</b>	<b>997,536</b>	<b>25,538,849</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,183,529</b>	<b>\$ 6,928,316</b>	<b>\$ 9,439,611</b>	<b>\$ 1,193,146</b>	<b>\$ 28,744,601</b>

See Accompanying Notes to Basic Financial Statements.

# CITY OF JACKSONVILLE, ARKANSAS

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2022

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Total fund balances per statement \$ 25,538,849

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 39,733,205

Liabilities and related inflows/outflows of resources that are not due and payable in the current period and are not reported in the funds :

Notes payable	(24,672)
Bonds payable	(7,522,995)
Accrued compensated absences	(605,917)
Net pension liability	(23,527,255)
Deferred inflows and outflows of resources from pensions and OPEB	5,399,132
Net OPEB liability	(1,139,344)

Other long-term assets such as property taxes are not available for current period expenditures and, therefore are reported as unavailable revenue in the funds.

1,473,014

Net position of governmental activities \$ 39,324,016

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Capital assets \$ 39,733,205

Notes payable (24,672)

General obligation bonds net of premiums and discounts (7,522,995)

Unspent bond proceeds 379,661

Net investment in capital assets \$ 32,565,198

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2022

	General	Street	Special Projects	Total Nonmajor Funds	Total
<b>Revenues</b>					
Property taxes	\$ 782,599	\$ -	\$ 146,099	\$ 544	\$ 929,242
Sales taxes	19,085,733	-	-	-	19,085,733
Licenses and permits	291,681	-	-	-	291,681
Intergovernmental	4,887,230	2,983,992	88,829	656,626	8,616,676
Charges for services	1,153,639	-	6,313	-	1,159,952
Fines and fees	344,192	-	-	-	344,192
Utility franchise taxes	1,274,208	-	-	-	1,274,208
Investment income	126,510	114,978	74,481	12,020	327,990
Contributions and donations	-	-	17,900	-	17,900
Miscellaneous	402,130	15,623	385,470	17,618	820,841
<b>Total revenues</b>	<b>28,347,921</b>	<b>3,114,593</b>	<b>719,092</b>	<b>686,808</b>	<b>32,868,414</b>
<b>Expenditures</b>					
General government					
General government and administration	856,174	-	11,383	1,045,291	1,912,847
City council	115,971	-	-	-	115,971
Mayor	273,027	-	-	-	273,027
City clerk	161,607	-	-	-	161,607
City attorney	274,188	-	-	-	274,188
District court	383,026	-	-	-	383,026
Director of administration	21,600	-	-	-	21,600
Information technology	618,661	-	-	-	618,661
Finance	524,472	-	-	-	524,472
Human resources	245,267	-	-	-	245,267
Fleet services	219,405	-	-	-	219,405
Community programs	156,610	-	36,239	-	192,849
<b>Total general government</b>	<b>3,850,007</b>	<b>-</b>	<b>47,622</b>	<b>1,045,291</b>	<b>4,942,920</b>
Public works					
Public works coordinator	169,453	-	-	-	169,453
Engineering	315,500	-	-	-	315,500
Code enforcement	333,303	-	-	-	333,303
Streets and drainage	-	3,297,548	-	-	3,297,548
<b>Total public works</b>	<b>818,256</b>	<b>3,297,548</b>	<b>-</b>	<b>-</b>	<b>4,115,803</b>
Parks and recreation services	3,459,198	-	7,900	89,775	3,556,873
Police	7,371,013	-	111,909	37,130	7,520,052
Fire	5,616,950	-	150,000	-	5,766,950
Emergency communication services	795,729	-	-	-	795,729
Animal control	347,164	-	-	-	347,164
Housing and neighborhood programs	-	-	-	572,152	572,152
Debt Service					
Principal	-	-	-	345,000	345,000
Interest	-	-	-	162,856	162,856
Agent fees	-	-	-	1,000	1,000
<b>Total expenditures</b>	<b>22,258,317</b>	<b>3,297,548</b>	<b>317,431</b>	<b>2,253,204</b>	<b>28,126,500</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>6,089,604</b>	<b>(182,955)</b>	<b>401,661</b>	<b>(1,566,396)</b>	<b>4,741,915</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	650	-	5,000,000	590,779	5,591,429
Transfers out	(5,990,779)	-	-	(650)	(5,991,429)
<b>Total other financing sources (uses)</b>	<b>(5,990,130)</b>	<b>-</b>	<b>5,000,000</b>	<b>590,129</b>	<b>(400,000)</b>
<b>Net Change in Fund Balances</b>	<b>99,474</b>	<b>(182,955)</b>	<b>5,401,661</b>	<b>(976,268)</b>	<b>4,341,915</b>
<b>Fund Balances, Beginning of Year</b>	<b>9,045,583</b>	<b>6,418,019</b>	<b>3,759,528</b>	<b>1,973,804</b>	<b>21,196,935</b>
<b>Fund Balances, End of Year</b>	<b>\$ 9,145,058</b>	<b>\$ 6,235,064</b>	<b>\$ 9,161,190</b>	<b>\$ 997,536</b>	<b>\$ 25,538,849</b>

See Accompanying Notes to Basic Financial Statements.



# CITY OF JACKSONVILLE, ARKANSAS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

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Net change in fund balances - total governmental funds \$ 4,341,915

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, for government-wide statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases	3,407,181
Retirements	(307,519)
Depreciation expense	(2,333,804)

Governmental funds report debt as expenditures. However, for government-wide statements, the liability must be properly reflected in the statement of net position.

Debt issued or incurred:	
Principal repayments:	
Revenue bonds	345,000
Notes payable	120,334
Amortization of bond premiums and discounts	379

Revenues that do not provide current financial resources, such as property taxes, are not reported as revenues for the funds but are reported as revenues in the statement of activities. 133,772

Expenses that do not require current financial resources (such as interest and compensated absences) are not reported as expenses for the funds but are reported as expenses in the statement of activities. (43,785)

Current year pension and OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. (1,138,524)

Change in net position of governmental activities \$ 4,524,947

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# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current assets</b>				
Cash	\$ 1,170,104	\$ 76,594	\$ 128,237	\$ 1,374,935
Investments	763,188	-	-	763,188
Accounts receivable, net of allowance for uncollectible accounts	308,612	849	876,464	1,185,925
Accrued interest	72	-	-	72
Inventories	-	47,149	-	47,149
Total current assets	2,241,976	124,592	1,004,701	3,371,269
<b>Noncurrent assets</b>				
Capital assets				
Land and improvements	-	480,385	-	480,385
Buildings and improvements	-	3,002,337	-	3,002,337
Vehicles	3,676,809	13,486	1,019,034	4,709,329
Furniture and equipment	1,492,137	34,637	588,580	2,115,354
	5,168,946	3,530,845	1,607,614	10,307,405
Less accumulated depreciation	(3,623,578)	(738,538)	(860,827)	(5,222,943)
Net capital assets	1,545,368	2,792,307	746,787	5,084,462
Total noncurrent assets	1,545,368	2,792,307	746,787	5,084,462
Total assets	3,787,344	2,916,899	1,751,488	8,455,731
<b>Deferred outflows of resources</b>				
Deferred outflows - pensions	202,208	42,057	452,513	696,778
Total deferred outflows of resources	202,208	42,057	452,513	696,778
Total assets and deferred outflow of resources	\$ 3,989,552	\$ 2,958,956	\$ 2,204,001	\$ 9,152,509
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 326,518	\$ 3,663	\$ 11,255	\$ 341,436
Accrued wages payable	15,950	2,848	18,683	37,481
Compensated absences	38,637	14,378	38,034	91,049
Total current liabilities	381,105	20,889	67,972	469,966
<b>Noncurrent liabilities</b>				
Net pension liability	634,077	135,078	1,398,292	2,167,447
Total noncurrent liabilities	634,077	135,078	1,398,292	2,167,447
Total liabilities	1,015,182	155,967	1,466,264	2,637,413
<b>Deferred inflows of resources</b>				
Deferred inflows - pensions	15,728	3,350	136,853	155,931
Total deferred inflows of resources	15,728	3,350	136,853	155,931
<b>Net Position</b>				
Net investment in capital assets	1,545,368	2,792,307	746,787	5,084,462
Unrestricted (deficit)	1,413,273	7,332	(145,902)	1,274,703
Total net position	2,958,641	2,799,639	600,886	6,359,165
Total liabilities, deferred inflows of resources and net position	\$ 3,989,552	\$ 2,958,956	\$ 2,204,001	\$ 9,152,509

See Accompanying Notes to Basic Financial Statements.

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
<b>Operating Revenues</b>				
Charges for services	\$ 1,888,217	\$ 231,086	\$ 2,311,637	\$ 4,430,940
Miscellaneous	58,434	115,314	4,045	177,793
Total operating revenues	1,946,651	346,400	2,315,682	4,608,733
<b>Operating Expenses</b>				
Salaries, wages and employee benefits	755,014	227,162	776,690	1,758,866
Supplies and materials	283,540	23,327	166,601	473,468
Services	106,786	50,539	137,370	294,695
Repairs and maintenance	166,338	8,225	24,917	199,480
Landfill fees	272,071	-	-	272,071
Other	12,816	180,276	1,345,588	1,538,680
Depreciation	249,442	83,608	159,165	492,215
Total operating expenses	1,846,007	573,137	2,610,331	5,029,475
<b>Operating Income (Loss)</b>	100,644	(226,737)	(294,649)	(420,742)
<b>Nonoperating Revenues</b>				
Interest income	18,806	-	3,394	22,200
Grant revenues	-	-	23,715	23,715
Interest expense	-	-	-	-
Net nonoperating revenues	18,806	-	27,109	45,915
<b>Income (Loss) Before Contributions and Transfers</b>	119,450	(226,737)	(267,540)	(374,827)
Transfers in	-	200,000	200,000	400,000
Changes in Net Position	119,450	(26,737)	(67,540)	25,173
<b>Net Position, Beginning of Year</b>	2,839,190	2,826,376	668,426	6,333,992
<b>Net Position, End of Year</b>	\$ 2,958,641	\$ 2,799,639	\$ 600,886	\$ 6,359,165

See Accompanying Notes to Basic Financial Statements.

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
<b>Operating Activities</b>				
Receipts from customers	\$ 1,833,241	\$ 246,080	\$ 1,094,719	\$ 3,174,040
Other receipts	58,434	115,314	3,085	176,833
Payments to employees	(789,545)	(225,276)	(862,786)	(1,877,607)
Payments to suppliers	(278,582)	(29,104)	(163,606)	(471,293)
Payments to service providers	(109,359)	(49,353)	(136,007)	(294,720)
Other payments	(430,659)	(188,818)	(26,141)	(645,617)
Net cash provided by (used in) operating activities	283,529	(131,158)	(90,735)	61,636
<b>Noncapital Financing Activities</b>				
Operating grants	-	-	23,715	23,715
Transfers from other funds	-	200,000	200,000	400,000
Net cash provided by noncapital financing activities	-	200,000	223,715	423,715
<b>Capital and Related Financing Activities</b>				
Purchases of capital assets	(63,942)	-	(20,528)	(84,470)
Net cash provided by (used in) capital and related financing activities	(63,942)	-	(20,528)	(84,470)
<b>Investing Activities</b>				
Proceeds from maturities of cash investments	149,494	-	-	149,494
Purchase of cash investments	303	-	-	303
Interest income	18,806	-	3,394	22,200
Net cash provided (used) by investing activities	168,603	-	3,394	171,997
<b>Net Increase (Decrease) in Cash</b>	388,193	68,842	115,845	572,880
<b>Cash, Beginning of Year</b>	781,911	7,752	12,392	802,055
<b>Cash, End of Year</b>	\$ 1,170,104	\$ 76,594	\$ 128,237	\$ 1,374,935

See Accompanying Notes to Basic Financial Statements.

# CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds			
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>				
Operating income (loss)	\$ 100,644	\$ (226,737)	\$ (294,649)	\$ (420,742)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	249,442	83,608	159,165	492,215
Provision for uncollectible accounts	-	182,342	-	182,342
Changes in assets and liabilities				
Receivables, net	(42,160)	14,994	127,710	100,544
Inventory	-	(4,585)	-	(4,585)
Deferred outflows of resources	(143,553)	(30,116)	(311,213)	(484,882)
Accounts payable	10,134	(324)	3,135	12,945
Accrued expenses	456,729	(79,027)	608,910	986,612
Deferred inflows of resources	(347,707)	(71,313)	(383,793)	(802,813)
Net cash provided by (used in) operating activities	<u>\$ 283,529</u>	<u>\$ (131,158)</u>	<u>\$ (90,735)</u>	<u>\$ 61,636</u>

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

DECEMBER 31, 2022

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	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 482,352	\$ 21,974
Investments		
U.S. Government obligations	3,961,288	-
Corporate bonds	735,998	-
Mutual funds	6,136,211	-
Receivables		
Due from primary government	66,190	135
Accrued interest	22,050	-
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 11,404,089</u>	<u>\$ 22,109</u>
<b>Net Position</b>		
Net position restricted for pension benefits	<u>\$ 11,404,089</u>	<u>\$ 22,109</u>

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*See Accompanying Notes to Basic Financial Statements.*

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED DECEMBER 31, 2022

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions		
Employer	\$ 46,904	\$ -
District Court fines collected	-	441,157
Contributed from General Fund		
Property taxes	607,594	-
State insurance turnback and guarantee fund	181,590	-
Total contributions	<u>836,088</u>	<u>441,157</u>
Investment income		
Net increase in fair value of investments	(1,687,037)	-
Interest and dividends	247,412	-
Gain on sale of investments	1,406	-
Less investment expense	<u>126,844</u>	<u>-</u>
Net investment income	<u>(1,565,063)</u>	<u>-</u>
Total additions	<u>(728,975)</u>	<u>441,157</u>
<b>Deductions</b>		
Benefits paid directly to participants	1,359,057	
District Court fines distributed		419,048
Administrative expenses	23,400	
Total deductions	<u>1,382,457</u>	<u>419,048</u>
<b>Change in Net Position</b>	<b>(2,111,432)</b>	<b>22,109</b>
<b>Net Position Restricted for Pension Benefits, Beginning of Year</b>	<u>13,515,521</u>	<u>-</u>
<b>Net Position Restricted for Pension Benefits, End of Year</b>	<u>\$ 11,404,089</u>	<u>\$ 22,109</u>

See Accompanying Notes to Basic Financial Statements.

# CITY OF JACKSONVILLE, ARKANSAS

## STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNITS DECEMBER 31, 2022

	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,802,203	\$ 11,846,244	\$ 854,113	\$ 14,502,560
Investments	1,151,932	-	713,281	1,865,213
Receivables, net of allowance for uncollectible accounts				
Accounts	1,516,829	881,731	123,824	2,522,384
Revenues earned and unbilled	-	193,901	-	193,901
Accrued interest	687	-	59	746
Inventories	539,297	121,579	-	660,876
Prepaid expenses	81,318	18,038	-	99,356
Restricted Current Assets				
Cash and cash equivalents	1,964,642	4,016,127	-	5,980,769
<b>Total current assets</b>	<b>7,056,908</b>	<b>17,077,620</b>	<b>1,691,277</b>	<b>25,825,805</b>
<b>Noncurrent assets</b>				
Restricted assets				
Cash and cash equivalents	-	1,169,007	-	1,169,007
<b>Total restricted noncurrent assets</b>	<b>-</b>	<b>1,169,007</b>	<b>-</b>	<b>1,169,007</b>
Capital assets				
Land	1,113,986	411,491	-	1,525,477
Buildings and improvements	2,663,393	2,437,312	-	5,100,705
Machinery and equipment	3,210,868	2,927,943	-	6,138,811
LRAFB Distribution System	17,750,941	-	-	17,750,941
Water system	61,424,836	-	-	61,424,836
Sewer system	-	62,390,323	-	62,390,323
Construction in progress	5,018,903	8,619,551	-	13,638,454
	91,182,927	76,786,620	-	167,969,547
Less accumulated depreciation	(34,515,431)	(42,631,597)	-	(77,147,028)
<b>Net capital assets</b>	<b>56,667,496</b>	<b>34,155,023</b>	<b>-</b>	<b>90,822,518</b>
Other assets	284,258	-	-	284,258
<b>Total noncurrent assets</b>	<b>56,951,754</b>	<b>35,324,030</b>	<b>-</b>	<b>92,275,783</b>
<b>Total Assets</b>	<b>64,008,662</b>	<b>52,401,650</b>	<b>1,691,277</b>	<b>118,101,588</b>
<b>Deferred Outflows of Resources</b>				
Deferred amounts on refunding	-	173,388	-	173,388
Deferred outflows from pensions	665,931	504,658	-	1,170,589
<b>Total deferred outflows of resources</b>	<b>665,931</b>	<b>678,046</b>	<b>-</b>	<b>1,343,977</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 64,674,593</b>	<b>\$ 53,079,696</b>	<b>\$ 1,691,277</b>	<b>\$ 119,445,566</b>

See Accompanying Notes to Basic Financial Statements.



	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 1,640,135	\$ 394,475	\$ 142,895	\$ 2,177,505
Accrued interest payable	8,875	35,633	-	44,508
Bonds payable-current portion	3,394,816	935,000	-	4,329,816
Accrued expenses and other	180,331	50,784	-	231,115
Total current liabilities	<u>5,224,157</u>	<u>1,415,892</u>	<u>142,895</u>	<u>6,782,944</u>
<b>Noncurrent liabilities</b>				
Bonds payable, net of unamortized discount	12,583,195	21,081,553	-	33,664,748
Customer deposits	883,364	-	-	883,364
Net pension liability	2,035,228	1,712,802	-	3,748,030
Other long-term liabilities	2,010	697,474	-	699,484
Total noncurrent liabilities	<u>15,503,797</u>	<u>23,491,829</u>	<u>-</u>	<u>38,995,626</u>
Total liabilities	<u>20,727,954</u>	<u>24,907,721</u>	<u>142,895</u>	<u>45,778,570</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows from pensions	77,175	60,413	-	137,588
<b>Net Position</b>				
Net investment in capital assets	40,689,485	12,102,837	-	52,792,322
Restricted-expendable	1,955,767	1,308,089	-	3,263,856
Unrestricted	1,224,212	14,700,636	1,548,382	17,473,230
Total net position	<u>43,869,464</u>	<u>28,111,562</u>	<u>1,548,382</u>	<u>73,529,408</u>

Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 64,674,593</u>	<u>\$ 53,079,696</u>	<u>\$ 1,691,277</u>	<u>\$ 119,445,566</u>
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# CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Advertising and Promotion Commission	\$ 782,414	\$ -	\$ -	\$ -
Total governmental activities	782,414	-	-	-
Business-type Activities				
Municipal Water Works	9,718,822	8,512,982	-	243,067
Wastewater Utility	5,831,950	5,480,065	-	5,206,498
Total business-type activities	15,550,772	13,993,047	-	5,449,565
Total component units	\$ 16,333,186	\$ 13,993,047	\$ -	\$ 5,449,565
General revenues				
Sales taxes				
Investment income				
Other				
Total general revenues				
Change in Net Position				
Net Position, Beginning of Year				
Net Position, End of Year				

See Accompanying Notes to Basic Financial Statements.

**Net (Expense) Revenue and  
Changes in Net Position**

Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Advertising and Promotion Commission	Total
\$ -	\$ -	\$ (782,414)	\$ (782,414)
-	-	(782,414)	(782,414)
(962,773)	-	-	(962,773)
-	4,854,613	-	4,854,613
(962,773)	4,854,613	-	3,891,840
<u>\$ (962,773)</u>	<u>\$ 4,854,613</u>	<u>\$ (782,414)</u>	<u>\$ 3,109,426</u>
-	-	1,056,365	1,056,365
7,427	145,903	2,107	155,437
6,559,674	-	-	6,559,674
<u>6,567,101</u>	<u>145,903</u>	<u>1,058,472</u>	<u>7,771,476</u>
5,604,328	5,000,516	276,058	10,880,902
<u>38,265,136</u>	<u>23,111,046</u>	<u>1,272,324</u>	<u>62,648,506</u>
<u>\$ 43,869,464</u>	<u>\$ 28,111,562</u>	<u>\$ 1,548,382</u>	<u>\$ 73,529,408</u>



# CITY OF JACKSONVILLE, ARKANSAS

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2022

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### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

The City of Jacksonville, Arkansas (the “City”), is a municipal corporation operating under the authority of Arkansas state statute. The City operates under the Mayor-City Council form of government. Citizens elect the Mayor at large and ten council members by wards. The Mayor and City Council are responsible for setting City policy.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard setting body accepted in the United States for establishing governmental accounting and financial reporting principles. A description of the more significant accounting and financial reporting policies and practices of the City follows:

#### ***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the City of Jacksonville and its component units. The component units are legally separate entities for which the City is considered to be financially accountable. Accountability is defined as the City’s substantive appointment of the majority of the component unit’s governing board. Furthermore, to be financially accountable, the City must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to or impose specific financial burdens on the City.

The City’s employee benefit plans, being fiduciary in nature, were not evaluated as potential component units but instead are reported as fiduciary funds.

The City’s primary government consists of those funds or organizations that make up the legal entity for which it is financially responsible. Under these criteria, the following are included in the primary government reporting entity:

#### **Discretely Presented Component Units**

##### **Major Component Units:**

***Jacksonville Municipal Water Works (“JMWW”)*** – The City’s Mayor appoints, with City Council approval, a five member Water Commission which acts as the governing body of JMWW. JMWW receives no financial benefit from the City; however, the City has the power to impose its will on JMWW. Rate changes must be approved by the Mayor and City Council. JMWW provides commercial and residential water services that primarily benefit the citizens of Jacksonville.

***Jacksonville Wastewater Utility (“JWWU”)*** – JWWU is governed by a five member commission appointed by the Mayor and approved by the City Council. The City has the power to impose its will on JWWU. Rate changes must be approved by the Mayor and City Council. JWWU provides wastewater treatment services that primarily benefit the citizens of Jacksonville.

There were no significant transactions between the major component units and the City or its other component units in 2022.

**Other Component Unit:**

**Jacksonville Advertising and Promotion Commission (“Commission”)** – The seven member governing body is appointed by the City Council. The City has the power to impose its will on the Commission. The Commission has the authority to authorize and disburse expenditures of the City’s hotel/motel tax and prepared food tax.

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

**Administrative Offices**

Jacksonville Municipal Water Works  
1900 Marshall Road  
Jacksonville, Arkansas 72076

Jacksonville Wastewater Utility  
248 Cloverdale Road  
Jacksonville, Arkansas 72076

Jacksonville Advertising and Promotion Commission  
1 Municipal Drive  
Jacksonville, Arkansas 72076

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

**Government-wide Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the City’s own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

**Fund Financial Statements**

The fund financial statements provide information about the City’s funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *General Fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *Street Fund* is a special revenue fund which accounts for gasoline and road taxes received from state and county levies. Revenues are expended for maintenance and repair of streets, sidewalks, and traffic control signals as well as street lighting.

The *Special Projects Fund* is a capital projects fund used to account for the accumulation of financial resources utilized for construction, renovation, expansion and major improvements of various City facilities, acquisition of land, and new acquisitions and replacements of capital equipment used in City operations. The fund is perpetual.

The City reports the following proprietary (enterprise) funds:

The *Sanitation Services Fund*, a blended component unit of the City, is a major enterprise fund which accounts for the activities of providing solid waste collection and disposal and for operations of the City's waste recycling center.

The *AGFF Shooting Sports Complex Fund*, a blended component unit of the City, is a major enterprise fund which accounts for operation of the City's public shooting range facility.

The *Emergency Medical Services Fund*, a blended component unit of the City, is a major enterprise fund which accounts for the activities of providing emergency medical transportation services.

Additionally, the City reports the following fund types:

*Special Revenue Funds* – The special revenue funds, which include federal and state grants, are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, which are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Fund* – The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

*Pension Trust Funds* – Accounts for assets held in trust for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. Plan trustees must act in accordance with the specific purposes and terms of these retirement plans.

*Custodial Funds* – Accounts for activities associated with collecting and disbursing fines, court costs, forfeitures and restitution monies for the District Court.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfer in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column. However, interfund services provided and used are not eliminated in the process of consolidation.

## ***Measurement Focus and Basis of Accounting***

### **Government-wide, Proprietary and Fiduciary Funds**

The government-wide, proprietary, fiduciary, and custodial fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as nonoperating items.

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include taxes; fines and forfeitures; grants, entitlements, and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Franchise taxes, other taxes, and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants, entitlements, and donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as deferred revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included in the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of general long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The City considers revenues reported in the governmental funds to be available if they are collectible within sixty (60) days after year-end. Principal revenue sources considered susceptible to accrual include property taxes, sales taxes, franchise taxes, grant revenues and investment earnings. Other revenues, such as fines and forfeitures, are considered measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures when payment is due. Pension expenditures are recognized when amounts are contributed to a plan or when expected to be liquidated with expendable available financial resources.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and cash equivalents include demand deposits and cash on hand. In order to facilitate cash management, the operating cash of certain funds is pooled into common bank accounts.



**Investments and Investment Income**

All investments in the City's Pension Trust Funds are carried at fair value. For all other funds, investments in certificate of deposit and money market investments are carried at amortized cost, which approximates fair value.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments. Investment income is assigned to funds with which the related investment asset is associated.

**Inventories**

Inventories, consisting of merchandise, material, and supplies, are valued at cost. Cost is determined using the first-in, first-out method. The costs of governmental fund type inventories are recorded as expenditures when purchased.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value on the date of donation.

The City's capitalization policy defines capital assets as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year. Exceptions are for infrastructure assets which are defined as having a constructed cost greater than or equal to \$100,000. Renewal and betterments of property and equipment are capitalized, whereas normal repairs and maintenance are charged to expense as incurred.

Capital assets are depreciated using the straight-line method over their estimated useful lives ranging from 15 – 50 years for infrastructure, 10 – 40 years for buildings and 3 – 25 years for land improvements, vehicles and equipment.

Depreciation expense is charged directly to the department/function based on the department that utilizes the related asset.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities, business-type activities and component units. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums and discounts are deferred and amortized using the effective interest rate method. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

**Compensated Absences**

The City allows nonuniformed employees to accumulate unused vacation of up to 80 hours, police to accumulate unused vacation of up to 84 hours, and firefighters to accumulate unused vacation of up to 144 hours for one year. Upon termination, any accumulated unused vacation time will be paid to the employee. Generally, City employees are allowed to accumulate unused sick leave up to a maximum of 90 days. Any accumulated unused sick leave up to 60 days is paid upon employee retirement from the

City. At the end of term of service, police officers will be paid for any accumulated unused sick leave upon retirement up to 60 days. At the end of term of service, firefighters will be paid for any accumulated unused sick leave upon retirement up to 60 days, provided that payment does not exceed three months' salary. Historically, employees have been compensated for unused sick and vacation time from the General Fund, the Street and CDBG Special Revenue Funds, the Sanitation Services Enterprise Fund, and the AGFF Shooting Sports Complex Fund, as well as the Emergency Medical Services Fund based on the assignment of the employee at termination.

The City records a liability for compensated absences as the employee earns benefits attributable to services rendered that is not contingent on a specific event that is outside the control of the City. Additionally, the City accrues benefits for earned sick leave only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured such as a result of employee resignations and retirements.

### ***Unearned Revenue***

Unearned revenue includes amounts that have been received before all eligibility requirements for revenue recognition have been met. These amounts are recorded as a liability until such requirements are met, at which point, they will be recorded as revenue.

### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Deferred Outflows/Inflows of Resources***

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred outflow for a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized to interest expense over the shorter of the life of the refunded and new debt. In addition, the City has deferred outflows related to pensions, with one being the amount of contributions made to the pension plans after the measurement date, and the other the difference in investment experience between actual earnings and projected earnings on pension plan investments and the difference in assumption changes. Deferred outflows related to contributions made after the measurement date will be recognized as a reduction of net pension liability. The remaining amounts will be amortized to pension expense over future periods as shown within Note 6.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include property taxes in the governmental funds. The City also has deferred inflows related to pensions. This consists of the difference between the expected and actual experience related to the pension plans as well as the difference in assumption changes. These amounts are amortized over future periods to pension expense as shown within Note 6.

### ***Net Position/Fund Balance***

Net position of the government-wide financial statements and proprietary funds of the City are classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position are noncapital assets that must be used

for a particular purpose as specified by creditors, grantors, or donors external to the City, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is remaining assets and deferred outflows of resources less remaining liabilities and deferred inflows of resources that do not meet the definition of net investment in capital assets, restricted expendable, or restricted nonexpendable.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are used first.

The fund balances of the City's governmental funds are classified in five components:

*Nonspendable* – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

*Restricted* – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Committed fund balances may be used only for specific purposes determined by ordinance of the City Council. Commitments may be changed or lifted only by issuance of an ordinance by the City Council.

*Assigned* – Assigned fund balances are intended to be used by the City for specific purposes as determined by the Mayor or City Council. In governmental funds other than the General Fund, assigned fund balances represent the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City applies committed amounts first, followed by assigned amounts, and then unassigned amounts when the expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

### ***Budgetary Information***

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and Street Funds. All annual appropriations lapse at year end.

### ***Pension Plan Descriptions***

The City participates in four defined benefit pension plans; which are comprised of two single employer defined benefit pension plans and two cost sharing multiple employer defined pension plans, each of which are described and illustrated in detail in Note 6.

### ***Future Adoption of Accounting Pronouncements***

The GASB has issued the following potentially significant statements which the City has not yet adopted and which require adoption subsequent to December 31, 2022:

<b>Statement No.</b>		<b>Adoption Required in Fiscal Year</b>
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	Various
100	<i>Accounting Changes and Error Corrections- an admendment of GASB Statement No. 62</i>	2024
101	Compensated Absences	2024

The impact of these standards on the City's net position has not been determined.

## **Note 2: Deposits and Investments**

### ***Deposits***

Custodial credit risk is the risk that, in the event of the failure of a financial institution, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

City statute requires that deposits in financial institutions be collateralized with federal depository insurance or other interest bearing securities of the United States, the State of Arkansas, Arkansas political subdivisions or agencies or instrumentalities of these entities at 102%. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

State statutes require all time and demand deposits to be fully insured or collateralized. Accounts with under \$250,000 balance of either an interest bearing account or non-interest bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been fully collateralized and meets statutes' requirements. At December 31, 2022, none of the City's primary government bank balances were exposed to custodial credit risk.

### ***Investments***

The investment policy of the City is governed by State statute and a Council adopted City Investment Policy. Major controls stipulated in the Investment Policy include: depository limitations require Federal Deposit Insurance Corporation ("FDIC") insurance or full 102 percent collateralization; all collateral for repurchase agreements and deposits held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as are maximum maturity and maximum weighted average maturity.

Arkansas statutes authorize the City to invest in direct obligations of the U.S. Government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U.S. Government; obligations of agencies and instrumentalities created by act of the United States Congress and authorized thereby to issue such securities or evidence of indebtedness, regardless of guarantee of repayment by the U.S. Government; obligations of political subdivisions of the United States; certain obligations issued by the State Board of Education; short-term warrants of political subdivisions of the State of Arkansas and municipalities; the sale of federal funds with a maturity of not more than one business day; demand, savings or time deposits fully insured by a federal deposit insurance agency; repurchase agreements that are fully insured by obligations of the U.S. government, any U.S. State or any political subdivision thereof; securities of or other interest in, any open-end type investment company or investment trust registered under the *Investment Company Act of 1940*, and which is considered a money market fund, provided that the portfolio is limited principally to U.S. government obligations and the investment company or trust takes delivery of collateral either directly or through an authorized custodian; and bank certificates of deposit.

Arkansas statutes also authorize the City to invest no more than 20% of its capital base in corporate debt obligations; revenue bond issue of any state, municipality or political subdivisions; industrial development bonds for corporate obligors issued through any state or political subdivision; securities or interest in an open-end or close-end management type investment company or trust registered under the *Investment Company Act of 1940* with certain limitations; securities or interest issued, assumed, or guaranteed by certain international banks; and uninsured demand, savings or time deposits or accounts of any depository institution chartered by the United States, any U.S. state, or District of Columbia. The pension trust funds are authorized to also invest in common stocks, investment grade corporate bonds and other appropriate securities.

The investments of the City as shown on the Statement of Net Position consist of non-negotiable certificates of deposit with an average maturity of 1 year. The pension trust funds' investments, carried at fair value, and maturities as of December 31, 2022 were as follows:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury obligations	\$ 1,097,342	\$ -	\$ -	\$ 8,459	\$ 1,088,883
U.S. Agencies obligations	2,863,946	454,630	1,927,342	481,974	-
Corporate bonds	735,997	83,855	459,643	192,499	-
Mutual funds	6,136,212	6,136,212	-	-	-
	<u>10,833,497</u>	<u>\$ 6,674,698</u>	<u>\$ 2,386,985</u>	<u>\$ 682,932</u>	<u>\$ 1,088,883</u>
Money Market Fund	259,321				
	<u>\$ 11,092,818</u>				

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the City records investments at fair value. However, for participating interest-earning investments contracts with maturities of one year or less at time of purchase, the City reports these investments at amortized costs.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures evenly over time as needed to provide the cash flow and liquidity necessary for operations. The City's investment policy states that the maximum maturity for any investment is limited to a final stated maturity of five years, unless the investment funds are defined for use after five years.

The pension trust funds investment policies address interest rate risk by managing asset allocation. The Policemen's Pension and Relief Fund allows for 2% to 30% in cash and cash equivalents, 35% to 75% in fixed income investments and 20% to 50% in equities. The Firemen's Pension and Relief Fund allows 5% to 15% in cash and cash equivalents, 25% to 40% in fixed income investments and 40% to 70% in equities.

**Credit Risk** – Credit risk of investments is the risk that the issuer or other counterparty will not fulfill its obligations. It is the City's policy, excluding fiduciary funds, to invest almost exclusively in government-issued treasuries and agencies, and FDIC insured certificates of deposit. As of December 31, 2022, the City's investments, exclusive of the pension trust funds, consisted of FDIC insured certificates of deposit.

The investment policy of the Firemen's Pension and Relief Fund states that plan assets may be invested in investment grade bonds rated by Standard and Poor's of BBB+ or better and in commercial paper rated A1 or better. The Policemen's Pension and Relief Fund investment policy requires a credit analysis of each debt instrument prior to inclusion in the portfolio.

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of failure of the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. Exclusive of the

pension trust funds, on December 31, 2022, investments held by the City were limited to certificates of deposit which were FDIC insured or collateralized at 102% of the deposits fair value and U.S. Treasury Fund money market accounts. The City’s collateral is held by third party financial institutions. Monthly and quarterly collateral reports are sent to the City’s finance department.

**Concentration of Credit Risk** – The City’s investment policy limits investments in securities from any one issuer to 5% of the cost basis of the City’s portfolio at the time of purchase, and limits concentration in any one business sector to 15% of the cost basis of the portfolio excluding U.S. Government obligations and collateralized certificates of deposit. The City had no concentration of credit risk as of December 31, 2022.

The Policemen’s Pension and Relief Fund limits investments in any one equity issuer to 7% of the fair value of the total portfolio. No single industry may exceed 20% of the portfolio. The Firemen’s Pension and Relief Fund limits investments in the securities of any one company or government agency to 5% of the portfolio, and allows no more than 10% of the portfolio to be invested in any one industry.

**Foreign Currency Risk** – This risk relates to the adverse effects on the fair value of an investment from changes in exchange rates. The City’s investment policy doesn’t directly address foreign currency risk. The City had no investments that were denominated in foreign currency on December 31, 2022.

**Fair Value of Assets** – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

**Recurring Measurements**

The following table represents the fair value measurements of assets recognized in the accompanying fiduciary funds financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at December 31, 2022:

	Fair Value	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2022</b>				
U.S. Treasury obligations	\$ 1,097,342	\$ -	\$ 1,097,342	\$ -
U.S. Agencies obligations	2,863,946	-	2,863,946	-
Corporate bonds	735,997	-	735,997	-
Bond mutual funds	-	-	-	-
Mutual funds	6,136,212	6,136,212	-	-
Total investments by fair value level	<u>\$ 10,833,497</u>	<u>\$ 6,136,212</u>	<u>\$ 4,697,285</u>	<u>\$ -</u>

**Investments Measured at the Net Asset Value (NAV)**

Money Market Fund	\$ 259,321
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**Investments** – Where quoted market prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are

estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Summary of Carrying Values** – The carrying values of deposits and investments shown above are included in the statements of net position as follows:

	<b>Primary Government</b>
Carrying value	
Deposits	\$ 24,950,860
Investments	<u>11,092,818</u>
	<u>\$ 36,043,678</u>
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 18,343,500
Short-term investments	5,483,111
Noncurrent Assets	
Restricted cash and investments	879,244
Cash and investments - fiduciary funds	<u>11,337,823</u>
	<u>\$ 36,043,678</u>

### Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2022 is presented as follows:

<b>Governmental Activities</b>	<b>Balance January 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31, 2022</b>
Capital Assets, non-depreciable				
Land	\$ 10,338,488	\$ 198,000	\$ (203,000)	\$ 10,333,488
Construction in progress	<u>567,265</u>	<u>1,644,326</u>		<u>2,211,591</u>
Total capital assets, non-depreciable	<u>10,905,753</u>	<u>1,842,326</u>	<u>(203,000)</u>	<u>12,545,079</u>
Capital Assets, depreciable				
Land improvements	1,599,285	-	-	1,599,285
Infrastructure	35,452,919	-	-	35,452,919
Buildings	28,527,373	103,656	-	28,631,029
Vehicles	7,383,112	505,690	-	7,888,802
Equipment	<u>10,726,586</u>	<u>955,509</u>	<u>(106,570)</u>	<u>11,575,525</u>
Total capital assets, depreciable	<u>83,689,275</u>	<u>1,564,855</u>	<u>(106,570)</u>	<u>85,147,560</u>
Less accumulated depreciation				
Land improvements	1,042,021	58,462	-	1,100,483
Infrastructure	27,130,591	552,538	-	27,683,129
Buildings	12,605,508	781,452	-	13,386,960
Vehicles	5,385,207	371,372	-	5,756,579
Equipment	<u>9,464,350</u>	<u>569,981</u>	<u>(2,051)</u>	<u>10,032,280</u>
Total accumulated depreciation	<u>55,627,677</u>	<u>2,333,804</u>	<u>(2,051)</u>	<u>57,959,431</u>
Total capital assets, depreciable, net	<u>28,061,594</u>	<u>(768,949)</u>	<u>(104,519)</u>	<u>27,188,126</u>
Total governmental activities, net	<u>\$ 38,967,347</u>	<u>\$ 1,073,377</u>	<u>\$ (307,519)</u>	<u>\$ 39,733,205</u>

Total Business-Type Activities	Balance	Increases	Decreases	Balance
	January 1, 2022			December 31, 2022
Capital Assets, non-depreciable				
Land	\$ 480,385	\$ -	\$ -	\$ 480,385
Construction in Progress	-	-	-	-
Total capital assets, non-depreciable	<u>480,385</u>	<u>-</u>	<u>-</u>	<u>480,385</u>
Capital Assets, depreciable				
Buildings	2,854,808	-	-	2,854,808
Land Improvements	147,529	-	-	147,529
Vehicles	4,426,503	282,826	-	4,709,329
Equipment	<u>2,030,885</u>	<u>250,296</u>	<u>(165,824)</u>	<u>2,115,354</u>
Total capital assets, depreciable	<u>9,459,723</u>	<u>533,122</u>	<u>(165,824)</u>	<u>9,827,020</u>
Less accumulated depreciation				
Buildings	565,016	71,370	-	636,386
Land Improvements	46,226	9,744	-	55,970
Vehicles	2,635,950	272,277	-	2,908,227
Equipment	<u>1,483,534</u>	<u>221,876</u>	<u>(83,051)</u>	<u>1,622,359</u>
Total accumulated depreciation	<u>4,730,726</u>	<u>575,266</u>	<u>(83,051)</u>	<u>5,222,943</u>
Total Business-type activities	<u>\$ 5,209,382</u>	<u>\$ (42,144)</u>	<u>\$ (82,773)</u>	<u>\$ 5,084,462</u>

Construction in progress is composed of the following:

	Expended to December 31, 2022	Estimated Amount To Complete
<b>Primary Government</b>		
General Government		
Military Road sidewalk	\$ 17,200	\$ 212,800
Loop Road rail grade	828,736	8,169,652
Court Building Renovation	403,603	396,397
City Mechanic Shop	622,002	4,424
Pump Track	10,500	317,740
Curtain for Shooting Range	179,550	138,450
Fire Station 2 relocation	150,000	2,850,000
	<u>\$ 2,211,591</u>	<u>\$ 12,089,463</u>

Depreciation expense was charged to functions/programs of the primary government as follows:



<b>Governmental Activities</b>		
General government		
General administration	\$	204,030
District Court		1,981
Information technology		56,403
Community programs		36,806
		<u>299,220</u>
Total general government		299,220
Public works		
Streets and drainage		653,942
		<u>653,942</u>
Total public works		653,942
Parks and recreation services		386,994
Police		334,095
Fire		291,175
Emergency services		355,536
Animal control		12,843
		<u>2,333,804</u>
Total depreciation expense - governmental activities		2,333,804
<b>Business-type Activities</b>		
Sanitation services		287,078
AGFF Shooting Sports Complex		204,579
Emergency medical services		83,609
		<u>575,266</u>
Total depreciation expense - business-type activities		575,266
Total depreciation expense - primary government	\$	<u>2,909,070</u>

#### Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2022 were as follows:

	Balance January 1, 2022 (as restated)	Increases	Decreases	Balance December 31, 2022	Amounts Due In One Year
<b>Governmental Activities</b>					
Bonds payable-					
2020 Capital Improvement and Refunding	\$ 7,860,000	\$ -	\$ 345,000	\$ 7,515,000	\$ 350,000
Add: issuance premium	8,374	-	379	7,995	-
Bonds payable, net	<u>7,868,374</u>	<u>-</u>	<u>345,379</u>	<u>7,522,995</u>	<u>350,000</u>
Notes payable	145,005	-	120,333	24,672	24,672
Compensated absences	562,132	75,199	31,414	605,917	560,000
Governmental activities long-term liabilities	<u>\$ 8,575,511</u>	<u>\$ 75,199</u>	<u>\$ 497,126</u>	<u>\$ 8,153,584</u>	<u>\$ 934,672</u>
<b>Business-type Activities</b>					
Compensated absences	\$ 68,200	\$ 22,849	\$ -	\$ 91,049	\$ 91,049
Total business-type activities long-term liabilities	<u>\$ 68,200</u>	<u>\$ 22,849</u>	<u>\$ -</u>	<u>\$ 91,049</u>	<u>\$ 91,049</u>

#### Governmental Activities

**2020 Capital Improvement and Refunding Revenue Bonds** - Bonds in the amount of \$7,935,000 were issued to finance the cost of (1) acquiring, constructing, equipping, renovating, expanding, and refurbishing various capital improvements, including the court facility renovations, Public Safety Building roof repair, new City Mechanic shop with car wash, and for related purposes (together, the "Capital

Improvements”), (2) refunding the City’s Capital Improvement and Refunding Revenue Bonds, Series 2015, (3) funding a debt service reserve, and (4) paying the costs associated with the issuance of the bonds. These bonds are limited obligations of the City, payable solely from the revenues received by the City from all franchise fees collected from public utilities for the privilege of using the City’s streets, rights-of-way and other public places in the City. Principal payments are due annually beginning June 1, 2021. Interest payments are due semiannually on June 1 and December 1, beginning June 1, 2021. The bonds are subject to extraordinary, optional and special redemption, in whole or in part, on any interest payment date from bond proceeds not needed, or additional monies from franchise fees, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. Bond interest rates range from 1.625% to 2.375% and final maturity is scheduled to be June 1, 2040.

**Annual Debt Service Requirements**

The following schedule shows the annual debt-service requirements to pay principal and interest on the general obligation bonds and revenue bonds outstanding at December 31, 2022.

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 350,000	\$ 155,906	\$ 505,906
2024	360,000	148,806	508,806
2025	365,000	141,556	506,556
2026	370,000	134,206	504,206
2027	380,000	126,706	506,706
2028-2032	2,005,000	522,438	2,527,438
2033-2037	2,225,000	302,916	2,527,916
2038-2040	1,460,000	52,606	1,512,606
Total	<u>\$ 7,515,000</u>	<u>\$ 1,585,139</u>	<u>\$ 9,100,139</u>

**Pledged Revenues**

The following is a summary of pledged revenues of the City for the year ended December 31, 2022:

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
				Portion of Pledged Revenue Stream		
2020 Capital Improvement and Refunding Revenue Bonds	Franchise fees for public utilities	\$ 1,105,000	\$ 507,856	46%	\$ 9,100,139	Until 2040

**Note 5: Interfund Balances and Transfers**

Interfund receivables and payables result from transactions between various funds within the City. The balances by fund on December 31, 2022 are as follows:

Fund	Interfund Receivables	Interfund Payables
<b>Primary Government</b>		
Governmental Funds to/from Nonfiduciary Funds		
General	\$ 61,817	\$ -
CDBG	-	61,043
Grants	-	774
2020 Capital Improvements Construction	8,643	-
2020 Capital Improvements Debt Service	-	8,643
Governmental Funds to/from Fiduciary Funds		
General Fund	-	66,325
Total governmental funds	<u>70,460</u>	<u>136,785</u>
Fiduciary Funds		
Policemen's Pension	33,095	-
Firemen's Pension	33,095	-
Custodial	135	-
Total fiduciary funds	<u>66,325</u>	<u>-</u>
Total	<u>\$ 136,785</u>	<u>\$ 136,785</u>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The amounts due to the fiduciary funds result from the collection and remittance of property taxes by the General Fund that are levied to fund the Policemen's and Firemen's Pension Plans.

Interfund transfers in and transfers out for the year ended December 31, 2022, are as follows:

Fund	Interfund Transfers	
	In	Out
Governmental Funds:		
Major Funds:		
General Fund	\$ 650	\$ 5,990,779
Capital Projects- Special Projects	5,000,000	-
Nonmajor Funds	<u>590,779</u>	<u>650</u>
Total governmental funds	<u>5,591,429</u>	<u>5,991,429</u>
Proprietary Funds:		
AGFF Shooting Sports Complex	200,000	-
Emergency Medical Services	<u>200,000</u>	<u>-</u>
Total proprietary funds	<u>400,000</u>	<u>-</u>
Total	<u>\$ 5,991,429</u>	<u>\$ 5,991,429</u>

The transfers out of \$5,990,779 from the General Fund are transfers out to supplement the Emergency Medical Services Fund for operational expenses in the amount of \$200,000, to supplement the AGFF Shooting Sports Complex Fund for operational expenses in the amount of \$200,000, to supplement the special project funds \$5,000,000 for future capital improvements, and to meet debt service requirements in the 2020 Capital Improvements Debt Service Fund in the amount of \$590,779.

## Note 6: Pension Plans

### *Pension Trust Funds*

Substantially all of the City's employees receive retirement benefits. The City sponsors two single employer defined benefit plans, the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. The City also contributes to the Arkansas Public Employees Retirement System (APERS) and to the Arkansas Local Police and Fire Retirement System (LOPFI), which are statewide cost sharing multiple employer defined benefit pension plans. The City typically contributes to these funds through the Governmental Funds: General and Street and the Enterprise Funds: Sanitation, AGFF Shooting Sports Complex, and Emergency Services based upon employees and their retirement plans. The assets of the Plans are maintained in legally separate trusts and each Plan's assets may be used only for the payment of benefits to the members of that plan or their beneficiaries in accordance with the terms of the Plan. A summary of the net pension liability, deferred outflows, deferred inflows and pension expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

<b>Governmental Activities</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Pension Expense (Income)</b>
Policemen's Pension and Relief Fund	\$ 366,221	\$ 738,422	\$ 166,245	\$ 713,733
Firemen's Pension and Relief Fund	2,039,207	952,576	234,624	182,852
Arkansas Public Employee Retirement System	5,433,453	1,745,858	134,771	154,130
Arkansas Local Police and Fire Retirement System - Fire	8,301,015	2,687,856	835,571	1,252,802
Arkansas Local Police and Fire Retirement System - Police	7,387,359	2,525,945	1,080,275	927,660
	<u>\$ 23,527,255</u>	<u>\$ 8,650,657</u>	<u>\$ 2,451,486</u>	<u>\$ 3,231,177</u>
<b>Business-Type Activities</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Pension Expense</b>
Arkansas Public Employee Retirement System	\$ 820,545	\$ 260,653	\$ 20,353	\$ 26,277
Arkansas Local Police and Fire Retirement System	1,346,902	436,125	135,578	203,277
	<u>\$ 2,167,447</u>	<u>\$ 696,778</u>	<u>\$ 155,931</u>	<u>\$ 229,554</u>
Total Primary Government	<u>\$ 25,694,702</u>	<u>\$ 9,347,435</u>	<u>\$ 2,607,417</u>	<u>\$ 3,460,731</u>

## ***Policemen's Pension and Relief Fund and Firemen's Pension and Relief Fund***

### **A. Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The City of Jacksonville's financial statements for its single-employer defined benefit plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. City contributions to each plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

#### **Method Used to Determine Fair Value of Investments**

The fair value of investments other than mutual funds is determined using quoted market prices. The fair value of investments in mutual funds is determined using the fund's current per share price.

### **B. Covered Employees Information**

As of the December 31, 2022 measurement date, there were 15 police and 31 fire retirees and beneficiaries covered by benefit terms of the plans. There are no active employees in the plans.

### **C. Financial Information**

The statement of fiduciary net position and the statement of changes in fiduciary net position as of and for the year ended December 31, 2022 for the Policemen's and Firemen's Pension and Relief Funds are below:

<b>Statement of Fiduciary Net Position</b>		
	<b>Policemen's Pension And Relief Fund</b>	<b>Firemen's Pension And Relief Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 105,739	\$ 376,613
Investments	5,641,030	5,192,467
Receivables	45,355	42,885
Total assets	<u>5,792,124</u>	<u>5,611,965</u>
<b>Net Position</b>		
Net position restricted for pension benefits	<u>\$ 5,792,124</u>	<u>\$ 5,611,965</u>
<b>Statement of Changes in Fiduciary Net Position</b>		
	<b>Policemen's Pension And Relief Fund</b>	<b>Firemen's Pension And Relief Fund</b>
<b>Additions</b>		
Contributions	\$ 395,885	\$ 440,203
Net investment income	(699,719)	(865,344)
Total additions	<u>(303,834)</u>	<u>(425,141)</u>
<b>Deductions</b>		
Benefits paid directly to participants	590,836	768,221
Administrative expenses	18,400	5,000
Total deductions	<u>609,236</u>	<u>773,221</u>
<b>Change in Net Position</b>	(913,070)	(1,198,362)
<b>Net Position Restricted For Pension Benefits, Beginning of Year</b>	<u>6,705,194</u>	<u>6,810,327</u>
<b>Net Position Restricted For Pension Benefits, End of Year</b>	<u>\$ 5,792,124</u>	<u>\$ 5,611,965</u>

#### **D. Plan Descriptions and Funding Information**

The **Policemen's Pension and Relief Fund (Policemen's Fund)** is a single-employer defined benefit pension plan administered by the City, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by State of Arkansas Act #16, as amended. Policemen's Fund assets are administered by a Board of Trustees.

The Policemen's Fund provides retirement benefits for policemen who have completed 20 years of service. Disability benefits are available to policemen who become permanently disabled, unless the disability is the result of gainful employment performed outside of the police department. The Policemen's Fund also provides benefits for surviving spouses and dependent children of deceased policemen. No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the Deferred Retirement Option Plan ("DROP") for up to 5 years. All policemen hired after January 1, 1983 participate in the Arkansas Local Police

and Fire Retirement System created by Act 364 of 1981. Therefore, the Policemen's Fund is effectively closed to new members.

Contributions to the Policemen's Fund are set forth in Arkansas statute. The City's contribution to the Policemen's Fund consists of a one mill real and personal property tax collection, an insurance premium tax turnback collected by the State Insurance Commissioner, and a \$3 assessment against each court case plus 10% of fines and forfeitures collected. Administrative costs are financed through Fund assets approved by the Board of Trustees. Total contributions for 2022 to the Policemen's Fund were \$395,885. The City's share of contributions was \$395,885 and included \$303,797 in property taxes and \$45,184 in state insurance premium taxes and other supplements received from the state.

The ***Firemen's Pension and Relief Fund (Firemen's Fund)*** is a single-employer defined benefit pension plan administered by the City, established in accordance with legislation enacted by the Arkansas General Assembly. Benefit provisions are established by State of Arkansas Act #14, as amended. Fund assets are administered by a Board of Trustees.

The Firemen's Fund provides retirement benefits for firemen who have completed 20 years of service. Disability benefits are available to firemen who become permanently disabled, unless the disability is the result of gainful employment performed outside of the fire department. The Firemen's Fund also provides benefits for surviving spouses and dependent children of deceased firemen. No benefits are vested to participants until normal retirement. At normal retirement, participants may elect to continue working and enter the DROP for up to 5 years. All firemen hired after January 1, 1983 participate in the Arkansas Local Police and Fire Retirement System created by Act 364 of 1981. Therefore, the Firemen's Fund is effectively closed to new members.

Contributions to the Firemen's Fund are set forth in Arkansas statute. The City's contribution to the Firemen's Fund consists of a one mill real and personal property tax collection and an insurance premium tax turnback collected by the State Insurance Commissioner. Administrative costs are financed through Fund assets approved by the Board of Trustees. Total contributions for 2022 to the Firemen's Fund were \$440,203. The City's share of contributions was \$440,203 and included \$303,797 in property taxes and \$136,406 in state insurance premium taxes.

## **E. Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The State of Arkansas Fire and Police Pension Review Board is responsible for the coordination of the actuarial valuations performed on the Policemen's and Firemen's Pension and Relief Funds. Actuarial evaluations are performed annually and the last evaluation was as of December 31, 2022.

For the December 31, 2022 actuarial valuations of each plan, the entry age cost method was used. The actuarial value of pension benefit assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses), projected salary increases of 4.2% - 8.0%, which includes an inflation rate of 2.5% and no cost of living increases. The remaining amortization period on December 31, 2022 was 5 years using a level dollar, open basis, amortization period. The mortality assumption was based on the 1983 Group Annuity

Table for males, set back five years for females. There were no factors that significantly affected the identification of trends such as changes in benefits, actuarial methods or assumptions.

The actuarial assumptions used in the December 31, 2022 actuarial valuations were based on the results of an actuarial experience study for the period 2007 through 2012.

#### F. *Net Pension Liability and Changes in Net Pension Liability*

The components of the net pension liability were as follows as of December 31, 2022:

	<u>Policemen's Fund</u>	<u>Firemen's Fund</u>
Total pension liability	\$ 6,265,586	\$ 7,647,777
Plan's fiduciary net position	5,899,363	5,608,570
City's net pension liability	<u>\$ 366,223</u>	<u>\$ 2,039,207</u>
 Plan's fiduciary net position as a percentage of total pension liability	 94.16%	 73.34%

Changes in the total pension liability, plan fiduciary net position, and the net pension liability for the year ended December 31, 2021 were as follows:

	<u>Policemen's Pension and Relief Fund</u>			<u>Firemen's Pension and Relief Fund</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset)Liability</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances as of Beginning of Year</b>	\$5,965,719	\$6,717,617	(751,898)	\$8,063,772	\$6,814,435	1,249,337
Changes for the year:						
Interest on total pension liability	284,597	-	284,597	385,467	-	385,467
Differences between expected and actual experience	(182,875)	-	(182,875)	(92,615)	-	(92,615)
Changes in assumptions	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-
Employer contributions	-	350,701	(350,701)	-	375,405	(375,405)
Net investment income	-	(592,479)	592,479	-	(851,123)	851,123
Benefit payments and refunds	(547,570)	(547,570)	-	(708,848)	(708,848)	-
Administrative expenses	-	(16,433)	16,433	-	(10,901)	10,901
Benefit changes	745,714	-	745,714	-	-	-
Other	-	(12,473)	12,473	-	(10,398)	10,398
Net changes	<u>299,866</u>	<u>(818,254)</u>	<u>1,118,119</u>	<u>(415,995)</u>	<u>(1,205,865)</u>	<u>789,870</u>
<b>Balances as of End of Year</b>	<u>\$6,265,586</u>	<u>\$5,899,363</u>	<u>366,223</u>	<u>\$7,647,777</u>	<u>\$5,608,570</u>	<u>\$2,039,207</u>

#### G. *Pension Income and Expense and Deferred Outflows and Inflows of Resources Related to Pensions*

For the year ended December 31, 2022, the City recognized pension expense of \$713,733 for the Policemen's Pension and Relief Fund and pension expense of \$182,852 for the Firemen's Pension and Relief Fund, as measured in accordance with GASB Statement No. 68. On December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Policemen's Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	\$ 738,422	\$ 166,245
Totals	\$ 572,177	\$ -

	Firemen's Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	\$ 952,576	\$ 234,624
	\$ 717,952	\$ -

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

Year Ending December 31,	Policemen's Fund	Firemen's Fund
2023	\$ 69,728	\$ 81,773
2024	154,697	160,889
2025	163,146	238,643
2026	184,606	236,647
	\$ 572,177	\$ 717,952

**H. Long-Term Expected Rate of Return**

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 rates were built on a target allocation for all local police and fire pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The target allocation and the long-term expected rates of return are shown in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
		Policemen's Fund	Firemen's Fund
Domestic fixed income	80.00%	2.25%	2.25%
Domestic equity	10.00%	4.75%	4.75%
Foreign equity	0.00%	6.25%	6.25%
Cash & equivalents	10.00%	0.25%	0.25%
<b>Total</b>	<b>100.00%</b>		

**I. Discount Rate**

A single discount rate of 5.0% was used to measure the total pension liability for both the Policemen's and Firemen's Pension and Relief Funds. This single discount rate was based on the expected rate of return on pension plan investments of 5.0%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan



investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **J. Sensitivity to Discount Rate Changes**

The following presents the net pension liability calculated using the discount rate of 5% for the Policemen's and Firemen's Pension and Relief Funds as well as what the net pension liability(asset) would be if it were calculated using a discount rate that is one percentage point lower (4.0%) or one percentage point higher (6.0%) than the current rate:

		1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Policemen's Pension and Relief Fund	Net pension liability (asset)	\$ 889,609	\$ 366,221	\$ (89,742)
Firemen's Pension and Relief Fund	Net pension liability	\$ 2,681,851	\$ 2,039,207	\$ 1,479,951

### **Cost Sharing Multiple-Employer Defined Benefit Pension Plans**

#### **Arkansas Public Employees Retirement System**

##### **Plan Description and Funding Information**

The **Arkansas Public Employees Retirement System ("APERS")** is a statewide cost-sharing, multiple employer pension plan established by authority of the Arkansas General Assembly with the passage of Act 177 of 1957 to provide retirement, disability, and survivor benefits for eligible employees and elected officials of state and local governmental entities in Arkansas. The plan covers all state employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under the system, college and university employees and certain non-teaching school employees and other public entities specifically defined by law. The costs of administering the plan are paid out of investment earnings. At December 31, 2022, the City of Jacksonville had 116 employees enrolled in this plan.

The general administration and responsibility for the proper operation of APERS is vested in a nine-member board of trustees, which includes the State Auditor, State Treasurer, Director of the State Department of Finance and Administration, and three state and three non-state employees appointed by the Governor of Arkansas.

APERS was originally established as a contributory plan. However, with the passage of Act 793 of 1977, existing members and previous members were offered the opportunity to choose to become non-contributory members. Anyone joining the System subsequent to January 1, 1978, and had not previously been a member, was automatically enrolled as a non-contributory member. Act 2084 of 2005 provided for a new contributory program mandatory for APERS members first hired on or after July 1, 2005 and those non-contributory members who elected to become contributory. Members participating in the contributory program contribute 5.25% of their annual compensation. Active APERS members employed before July 1, 2005 were given until December 31, 2005 to elect coverage under the contributory program, or remain in the non-contributory program.

Benefit provisions are established by state law and may be amended by the Arkansas General Assembly. Members are eligible for full retirement benefits (1) at age sixty-five with five years of actual service, (2) at any age with twenty-eight years of actual service, or (3) under the old contributory plan (prior to 7/1/05), at age sixty with twenty years of actual service, or at age fifty-five with thirty-five years of credited service. The normal retirement benefit amount, paid on a monthly basis, is determined by the member's final average salary and the number of years of service. A member may retire with a reduced benefit at age fifty-five with at least five years of actual service or at any age with twenty-five years of actual service.

Members are eligible for disability benefits with five years of service. Disability benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of-living adjustment of 3% of the current benefit is added each year.

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the cost of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A.,24-2-701) (a). Contribution provisions applicable to the participating employers are established by the APERS Board of Trustees, and are based on the actuary's determination of the rate required to fund the plan. Contributory member contribution rates were 5.25% for most covered employees and 7.75% for two elected officials for fiscal year 2022.

Detailed information about APERS's fiduciary net position is available in a separately issued APERS financial report, which may be obtained at [www.apers.org/publications](http://www.apers.org/publications).

The City was required to contribute at an actuarially determined rate which was 15.32% of covered payroll for employees and 17.82% for two newly elected officials for the year ended December 31, 2022. For 2022, participating members' contributions were \$214,023 and the City's contributions were \$795,539.

***Pension Liabilities, Pension Expense, and Deferred Outflows / Inflows of Resources Related to APERS***

As of December 31, 2022, the City reported a liability of \$6,253,998 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability is based on actual City's contributions to the Plan relative to the actual contributions of all participating APERS members for the year ended June 30, 2022. At June 30, 2022, the City's proportion was 0.2319402%, compared to 0.22805020% for the prior year.

Pension related items are allocated between governmental and business activities on the basis of total contributions made during the year. The allocation for June 30, 2022 related pension items was 80% for governmental activities and 20% for business activities (Sanitation Services and AGFF Shooting Sports Complex Funds), which was an increase from the prior year. A deferred outflow and inflow have been recorded for each as shown below.

For the year ended December 31, 2022, the City recognized pension expense of \$180,407. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>APERS</b>	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>
Difference between expected and actual experience	\$ 150,117	\$ 75,507
Net differences between expected and actual earnings on pension plan investments	1,319,290	-
Changes of assumptions	-	-
Changes in proportion	112,693	79,617
Contributions subsequent to the measurement date	424,412	-
	<u>\$ 2,006,512</u>	<u>\$ 155,124</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$424,412 will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2022, related to the Plan will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>			
2023	\$	276,376	
2024		197,165	
2025		11,544	
2026		941,892	
	\$	<u>1,426,976</u>	

### ***Actuarial Assumptions***

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017.

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation	June 30, 2022
Actuarial Cost Method	Entry Age Normal Level Percent-of-
Amortization Method	Payroll
Remaining Amortization	26 year closed
Asset Valuation Method	4-Year Smoothed Market with 25% Corridor
Investment rate of return	7.15%
Projected salary increase	3.25% - 9.85%
Inflation	3.25%
Cost of living adjustments	3.0% Annual Compounded

### ***Long-term Expected Return on Plan Assets***

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 (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the table below:

<b>APERS</b>		<b>Long-Term</b>
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Real</b>
		<b>Rate of Return</b>
Broad domestic equity	37.00%	6.22%
International equity	24.00%	6.69%
Real assets	16.00%	4.81%
Absolute return	5.00%	3.05%
Domestic fixed	18.00%	0.57%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate**

In the June 30, 2022 actuarial valuation, a single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

		<b>1%</b>	<b>Current Single</b>	<b>1%</b>
		<b>Decrease</b>	<b>Rate Assumption</b>	<b>Increase</b>
		<b>(6.15%)</b>	<b>(7.15%)</b>	<b>(8.15%)</b>
<b>Arkansas Public Employees Retirement</b>	Net pension liability	\$ 9,942,713	\$ 6,253,998	\$ 3,208,632

**Arkansas Local Police and Fire Retirement System**

**Plan Description and Funding Information**

The **Local Police and Fire Retirement System (LOPFI)** is a statewide cost-sharing multiple employer defined benefit pension plan that provides retirement, disability and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. The authority to establish and amend benefit provisions is set forth in Arkansas state statutes and is vested in the Arkansas Legislature with the concurrence of the Governor. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the Plan. LOPFI issues a publicly available financial report that includes financial statements and required supplementary information of the Plan, which may be obtained from the internet at [www.lopfi-prb.com](http://www.lopfi-prb.com) or by contacting the following:

Arkansas Local Police and Fire Retirement System  
P.O. Drawer 34164  
Little Rock, Arkansas 72203  
501.682.1745

Contribution requirements are set forth in Arkansas statute. LOPFI members were required to contribute 2.5% for participating policemen and 8.5% for participating firemen of their annual covered salary. The City is required to contribute at an actuarially determined rate, which was 24.0% for participating policemen and participating firemen. City contributions for 2022 to the Plan were \$1,547,273.

***Pension Liabilities, Pension Expense, and Deferred Outflows / Inflows of Resources Related to LOPFI***

At December 31, 2022, the LOPFI Police and LOPFI Fire reported a liability of \$7,387,359 and \$9,647,917, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The City's proportion of the net pension liability was based on actual City contributions to the Plan during the measurement period to total employer contributions of the group for the fiscal year ended December 31, 2022. The City's proportionate share was 0.69190% and 0.90362% respectively, for LOPFI Police and LOPFI Fire compared to 0.79000% and 0.94319% respectively, for the prior year. The contributions used excluded contributions made for prior service, excess benefits and irregular payments.

For LOPFI Fire, pension related items are allocated between governmental and business activities on the basis of total contributions made during the year. The allocation for December 31, 2022 LOPFI Fire related pension items was 86% for governmental activities and 14% for business activities (Emergency Medical Services Fund), which was unchanged from the prior year. Deferred outflows and inflows of resources have been recorded for each as shown below.

For the year ended December 31, 2022, the LOPFI Police and LOPFI Fire recognized pension expense of \$927,660 and \$1,456,079, respectively. On December 31, 2022, the LOPFI Police and LOPFI Fire reported deferred outflows and inflows of resources related to pensions from the following sources:

<u>LOPFI - Police</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 485,600	\$ -
Net difference between expected and actual earnings on plan investments	1,798,210	-
Changes in assumptions	80,536	572,790
Changes in proportion	161,599	507,485
Total	<u>\$ 2,525,945</u>	<u>\$ 1,080,275</u>
<u>LOPFI - Fire</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 634,195	\$ -
Net difference between expected and actual earnings on plan investments	2,348,469	-
Changes in assumptions	105,181	748,066
Changes in proportion	36,136	223,083
Total	<u>\$ 3,123,981</u>	<u>\$ 971,149</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2022 related to the Plans will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>LOPFI Police</u>	<u>LOPFI Fire</u>
2023	\$ 186,527	\$ 277,768
2024	329,826	491,163
2025	360,796	537,283
2026	568,521	846,618
	<u>\$ 1,445,670</u>	<u>\$ 2,152,832</u>

### Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>LOPFI - Police</u>	<u>LOPFI - Fire</u>
Wage inflation	3.00%	3.00%
Price inflation	2.25%	2.25%
Salary increases	3.25% - 18.75%, including inflation	3.25% - 18.75%, including inflation
Investment rate of return	7.25%	7.25%
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor	5-year smoothed market; 20% corridor

Mortality rates were based on the RP-2000 Combined Health Mortality Table Projected to 2019 Table, set forward two years for men.

The actuarial assumptions used for the December 31, 2022 actuarial valuation were based on the results of an actuarial experience study for the period 2008 through 2011.

### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>LOPFI Police and Fire Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Stock - Large Cap	21%	4.05%
U.S. Stock - Small Cap	21%	4.65%
International Equity	9%	5.27%
Emerging Markets	9%	7.49%
U.S. Corporate Bonds	25%	-0.35%
Real Estate	5%	3.76%
Private Equity	10%	9.10%
<b>Total</b>	<u>100%</u>	

### Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Plan assets are expected to be invested using a strategy to achieve the expected rate of return. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### ***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's proportionate share of the net pension liability calculated using a single discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

<b>Local Police and Fire Retirement System (LOPFI)</b>		<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
LOPFI - Police	Net pension liability	\$ 11,000,203	\$ 7,387,359	\$ 4,463,738
LOPFI - Fire	Net pension liability	\$ 14,366,303	\$ 9,647,917	\$ 5,829,658

### **Note 7: Deferred Compensation Plan**

The City offers its employees the option to participate in a deferred compensation plan. The purpose of the plan is to provide retirement income and other deferred benefits to City of Jacksonville employees in accordance with provisions of Section 457 of the Internal Revenue Code, as amended. The plan, available to all permanent employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributed to those amounts, property, or rights are held in trust by a third party for the participants. Accordingly, the City has not presented the assets and liabilities from the plan in these basic financial statements.

### **Note 8: Other Postemployment Benefits**

#### ***General Information about the OPEB Plan***

The City of Jacksonville participates in the Municipal Health Benefit Fund (MHBF), a statewide cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the Arkansas Municipal League. MHBF provides medical benefits to retired employees of participating municipalities. Arkansas statute provides that any municipal city official or employee vested in any of the City's retirement plans with 20 years of service and attains 55 years of age may continue to participate in the City's healthcare plan after retirement. The State of Arkansas has the authority to establish and amend the requirements of this statute. The City does not issue stand alone financial statements of the plan. However, all required information is presented in this report.

The contribution requirements of plan members are established by terms and conditions as set forth in the MHBF Funding Booklet. Plan members pay the entire cost of monthly insurance premiums at the same rate charged to active employees and receive a benefit from the blended premium rate from all of the employees participating in the MHBF insurance plan. The City is not required to make contributions to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-go financing method. The plan has three active participants who pay monthly premiums ranging from \$445 for single coverage to \$992 for family coverage. Total contributions for the year ending December 31, 2022 was \$14,324.

#### ***Net OPEB Liability***

The City's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability of the City at December 31, 2022 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
<b>Balances at January 1, 2022</b>	\$1,803,551	\$0	1,803,551
Changes for the year:			
Service cost	123,006	-	123,006
Interest	43,186	-	43,186
Differences between expected and actual experience	(558,276)	-	(558,276)
Employer contributions	-	14,324	(14,324)
Employee contributions	-	-	-
Benefit payments	(14,324)	(14,324)	-
Change in discount rate	(257,799)	-	(257,799)
Net changes	(664,207)	-	(664,207)
<b>Balances at December 31, 2022</b>	<u>\$1,139,344</u>	<u>\$0</u>	<u>\$1,139,344</u>

### ***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended December 31, 2022, the City recognized OPEB expense of \$77,121. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 671,243
Changes of assumptions	192,531	321,327
	<u>\$ 192,531</u>	<u>\$ 992,570</u>

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,	
2023	\$ (74,747)
2024	(74,747)
2025	(74,747)
2026	(74,747)
2027	(74,747)
Thereafter	(426,304)
Total	<u>\$ (800,039)</u>

### ***Actuarial Assumptions***

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.



Inflation	3.00%
Investment rate of return	4.31%
Health care cost trend rates	8% in year 1, graded downward 0.5% per year, to 5% in year 7 and later
Pre and post-retirement mortality	RP 2014 Mortality Table
Base claim costs	Retiree(no Medicare) \$1,387.52, Retiree (with Medicare) \$758.57 Premium assumed at \$758.57 per month for net subsidy of \$628.95
Administrative Costs	None assumed
Family Coverage	Sponsor provide single coverage only
Selection of coverage	85% of eligible retirees would select plan upon retirement, 15% would continue past age 65
Voluntary terminations	Same as assumptions used by APERS

**Long-term Expected Rate of Return**

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 Real Rate of Return
Domestic fixed income	0.00%	0.00%
International fixed income	0.00%	0.00%
Domestic equity	0.00%	0.00%
Foreign equity	0.00%	0.00%
Cash	100.00%	2.81%
<b>Subtotal</b>	100.00%	2.81%
Inflation		1.50%
<b>Total</b>		4.31%

**Discount Rate**

A discount rate of 4.31% was used to measure the total OPEB liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The plan net position (assets) in future years can then be projected and compared to the obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required. The single discount rate is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and to Changes in the Healthcare Cost Trend Rates**

*Sensitivity of the net OPEB liability to changes in the discount rate:* The following table presents the net OPEB liability of the City calculated using the single discount rate of 4.31%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (3.31%) or 1-percentage-point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Net OPEB liability	\$ 1,259,210	\$ 1,139,344	\$ 1,029,856

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:* The following presents the net OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trends:

	1% Decrease in HCCTR	Current Discount Rate in HCCTR	1% Increase in HCCTR
Net OPEB liability	\$ 1,259,210	\$ 1,139,344	\$ 1,338,789

#### **Note 9: Interlocal Agreement: Central Arkansas Library System**

The cities of Little Rock, Jacksonville, Maumelle, Sherwood, and Pulaski and Perry Counties entered into an agreement on January 28, 1998, to establish the public library system for the Central Arkansas area which will offer library services to the public within the communities of each of the participating entities. The agreement states that the funding will be derived from tax millage assessed by the participating entities, state formula distribution, fees and fines, and endowment fund earnings and gifts. The Board of Directors shall consist of seven directors for the City of Little Rock, one each for the Cities of Jacksonville, Maumelle and Sherwood, two directors from Pulaski County and one director representing Perry County. The City provided a building and paid \$71,801 for operating expenses in 2022. Separate financial statements of the Central Arkansas Library System are available at 100 Rock Street, Little Rock, Arkansas 72201.

#### **Note 10: Risk Management**

The City and its component units have various insurance policies to cover their potential liability risk areas (i.e., automobile, personal property, contents and outside structures, and worker's compensation). The type of coverage and the liability limits vary with each entity. Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers, and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$3,000 fee to AML for each legal matter it handles. Coverage under these policies meets statutory liability limits and requirements, and the City's risk of loss is effectively transferred. Additionally, the City has instituted various safety programs to reduce losses. The budgeting process includes provisions for accumulating funds to cover deductibles and any minor items which would not be covered by commercially purchased policies. There have been no significant reductions in insurance coverage from 2021 to 2022 and there were no settlements that exceeded insurance coverage in the past three fiscal years.

#### **Note 11: Property Taxes**

City property taxes are levied each November 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The property tax is considered due the first Monday in January (the lien date) after the levy; however, the tax is not considered delinquent until October 11 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes which remain delinquent for a period of three years are certified to the land commissioner where a lien is recorded and held on file. If property taxes remain delinquent for a period of seven years, the property will be subsequently sold by the land commissioner. If proceeds from the sale are sufficient to cover all claims, the City will collect on the past due property taxes. Pulaski County is the collecting agent and remits collections to the City, net of a collection fee, on a monthly basis.

In the governmental funds, property taxes are measurable when levied even though not available. As a result, on December 31, 2022 property taxes receivable and related deferred inflows of resources of \$1,473,014 have been recorded in the governmental funds. In the government-wide statement of net

position, property taxes are considered earned at the time levied. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible. The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value and applies the statutory rate of 20% to arrive at assessed value.

Millages available to finance City operations and for other purposes are as follows:

Description	Millage Limit	Levied 2021 for 2022 Collections
General government	5.00	0.50
General government-capital improvements	-	0.50
Library capital improvement bonds	5.00	-
Firemen's Pension and Relief Fund	1.00	1.00
Policemen's Pension and Relief Fund	1.00	1.00
Roads	1.45	1.45
	13.45	4.45

## Note 12: Sales Taxes

In April 1982, Pulaski County began assessing a 1% sales and use tax on retail sales in the county. Each city within Pulaski County receives a portion of the tax based upon population of the city. Currently the City receives approximately 8.276% of the county tax. The tax is collected by the state and remitted to the City, net of a collection fee. County sales taxes remitted to the City or in control of the collecting agent totaled \$8,226,081 for 2022. These taxes are included in the General Fund's sales tax revenues in the accompanying financial statements.

In March 1993, the City began assessing a 1% sales and use tax on retail sales in the City. Upon approval of the tax by the City's voters, the City rescinded its five (5) mill general property tax assessment. Revenues from the tax are used to fund capital improvements and general municipal services within the City. In November 2003, City voters approved an additional 1% sales and use tax. The City began assessing the tax in January 2004. Revenues from the additional 1% tax are to be used to construct, develop, maintain, and operate a joint education center, an outdoor family aquatics center, a training facility for the Jacksonville Police and Fire Departments, other City capital improvements and for the general operation and improvement of City facilities and services. The tax is collected by the state and remitted to the City, net of a collection fee. Taxes for this purpose remitted to the City or in control of the collecting agent totaled \$10,734,361 for 2022. These taxes are included in the General Fund's sales tax revenues in the accompanying financial statements.

## Note 13: Contingencies

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the *Single Audit Act* as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City, its agencies, and its employees are defendants in legal proceedings, many of which normally occur in governmental operations. Most of these matters are subject to the legal representation and coverage of the Arkansas Municipal League Legal Defense Program ("Program").

The Program, a pooled risk, funded trust, provides coverage for legal defense, expenses, and damages in suits against City officials and employees and civil rights suits against the municipal government. The Program only pays judgments for actual damages (not punitive damages) imposed on municipal

governments and employees. The maximum coverage of any one loss cannot exceed 25% of the Program's funded reserves at the time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less.

The City attorney represents the City in all other actions. The City appropriates funds as necessary to meet settlements and awards. The City accrues a liability when it is incurred and when the contingency is probable and reasonably estimable.

In the opinion of the City's management and legal counsel, the amount of potential financial exposure as a result of these matters would not have a material adverse impact on the financial position of the City. However, events could occur in the near term that would cause these estimates to change materially.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City. The duration of these uncertainties and future changes caused by the current economic environment and the ultimate financial effects cannot be reasonably estimated at this time but could be significant.

## Note 14: Discretely Presented Component Units

### Jacksonville Municipal Water Works (JMWW)

#### Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

<b>Jacksonville Municipal Water Works</b>	<b>Balance January 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31, 2022</b>
<b>Capital Assets, non-depreciable</b>				
Land	\$ 889,750	\$ 224,236	\$ -	\$ 1,113,986
Construction in progress	2,000,717	3,018,186	-	5,018,903
<b>Total capital assets, non-depreciable</b>	<b>2,890,467</b>	<b>3,242,422</b>	<b>-</b>	<b>6,132,889</b>
<b>Capital Assets, depreciable</b>				
Utility system	56,551,579	4,873,257	-	61,424,836
LRAFB water distribution system	17,750,941	-	-	17,750,941
Buildings and improvements	2,663,393	-	-	2,663,393
Furniture and equipment	3,190,768	20,100	-	3,210,868
<b>Total capital assets, depreciable</b>	<b>80,156,681</b>	<b>4,893,357</b>	<b>-</b>	<b>85,050,038</b>
Less accumulated depreciation	31,915,127	2,600,304	-	34,515,431
<b>Total capital assets, depreciable, net</b>	<b>48,241,554</b>	<b>2,293,053</b>	<b>-</b>	<b>50,534,607</b>
<b>Total capital assets, net</b>	<b>\$ 51,132,021</b>	<b>\$ 5,535,475</b>	<b>\$ -</b>	<b>\$ 56,667,496</b>

#### Long-Term Liabilities

Long-term debt consists of Water Capital Improvement Revenue Bonds and Little Rock Air Force Base Distribution System Contingent Liability for which the changes in the year are as follows:

Jacksonville Municipal Water Works	Balance January 1, 2022	Increases	Decreases	Balance December 31, 2022	Amounts Due In One Year
Water revenue bonds	\$ 19,334,060	\$ -	\$ 3,356,049	\$ 15,978,011	\$ 3,394,816

The annual requirements to amortize water bond indebtedness outstanding, and scheduled, including interest are as follows:

Year	Principal	Interest	Total
2023	\$ 3,394,816	\$ 180,992	\$ 3,575,808
2024	3,437,025	138,783	3,575,808
2025	3,479,779	96,029	3,575,808
2026	3,195,888	48,915	3,244,803
2027	1,849,830	16,242	1,866,072
2028-2032	620,673	1,351	622,024
Total	<u>\$ 15,978,011</u>	<u>\$ 482,312</u>	<u>\$ 16,460,323</u>

### **Net Pension Liability**

JMWW participates in the Arkansas Public Employees Retirement System (APERS). The general information and actuarial assumptions related to this plan can be found in *Note 6* above. See below for information about JMWW's Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At December 31, 2022, JMWW reported a liability of \$2,035,228 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. JMWW's portion of the net pension liability was based on JMWW's contributions to the pension plan relative to the total contributions of all participating APERS members. At June 30, 2022, JMWW's proportion was 0.0754799% compared to its proportion measured as of June 30, 2021 of 0.0715724%.

For the year ended December 31, 2022, JMWW recognized pension expense of \$232,516. At December 31, 2022, JMWW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 48,852	\$ 24,572
Net differences between expected and actual earnings on pension plan investments	429,334	-
Changes of assumptions	-	-
Changes in proportion	69,222	52,603
Contributions subsequent to the measurement date	118,523	-
	<u>\$ 665,931</u>	<u>\$ 77,175</u>

The \$118,523 reported as net pension liability at December 31, 2022, related to pensions resulting from JMWW's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		
2023	\$	88,381
2024		61,058
2025		21,382
2026		299,412
		<u>\$ 470,233</u>

### ***Sensitivity of JMWW Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents JMWW proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what JMWW proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

		1% Decrease (6.15%)	Current Single Rate Assumption (7.15%)	1% Increase (8.15%)
APERS- Jacksonville Water	Net pension liability	<u>\$ 3,235,640</u>	<u>\$ 2,035,228</u>	<u>\$ 1,044,179</u>

### **Jacksonville Wastewater Utility (JWWU)**

#### ***Capital Assets***

Capital asset activity for the year ended December 31, 2022 was as follows:

<b>Jacksonville Wastewater Utility</b>	<b>Balance January 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31, 2022</b>
Capital Assets, non-depreciable				
Land	\$ 411,491	\$ -	\$ -	\$ 411,491
Construction in progress	1,519,873	7,099,678	-	8,619,551
Total capital assets, non-depreciable	<u>1,931,364</u>	<u>7,099,678</u>	<u>-</u>	<u>9,031,042</u>
Capital Assets, depreciable				
Utility system	62,184,936	290,977	(85,588)	62,390,325
Buildings and improvements	2,437,312	-	-	2,437,312
Furniture and equipment	2,678,994	263,320	(14,371)	2,927,943
Total capital assets, depreciable	<u>67,301,240</u>	<u>554,297</u>	<u>(99,959)</u>	<u>67,755,578</u>
Less accumulated depreciation	<u>40,661,408</u>	<u>2,068,801</u>	<u>(98,612)</u>	<u>42,631,597</u>
Total capital assets, net	<u>\$ 28,571,196</u>	<u>\$ 5,585,174</u>	<u>\$ (1,347)</u>	<u>\$ 34,155,023</u>

#### ***Long-Term Liabilities***

Long-term debt consists of Wastewater Refunding and Construction Revenue Bonds for which the changes in the year are as follows:

Jacksonville Wastewater Utility	Balance	Increases	Decreases	Balance	Amounts Due In One Year
	January 1, 2022			December 31, 2022	
Wastewater revenue bonds	\$ 22,635,000	\$ -	\$ 500,000	\$ 22,135,000	\$ 935,000
Less: issuance discount	(130,435)	11,988	-	(118,447)	-
	<u>\$ 22,504,565</u>	<u>\$ 11,988</u>	<u>\$ 500,000</u>	<u>\$ 22,016,553</u>	<u>\$ 935,000</u>

The annual requirements to amortize wastewater bond indebtedness outstanding, and scheduled, including interest are as follows:

Year	Principal	Interest	Total
2023	\$ 935,000	\$ 472,622	\$ 1,407,622
2024	955,000	453,492	1,408,492
2025	970,000	438,012	1,408,012
2026	985,000	420,680	1,405,680
2027	1,005,000	400,904	1,405,904
2028-2032	5,310,000	1,724,624	7,034,624
2033-2037	5,910,000	1,134,494	7,044,494
Thereafter	6,065,000	383,798	6,448,798
Total	<u>\$ 22,135,000</u>	<u>\$ 5,428,626</u>	<u>\$ 27,563,626</u>

### Net Pension Liability

JWWU participates in the Arkansas Public Employees Retirement System (APERS). The general information and actuarial assumptions related to this plan can be found in *Note 6* above. See below for information about JWWU's Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At December 31, 2022, JWWU reported a liability of \$1,712,802, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. JWWU's proportion of the net pension liability is based on the JWWU's contributions to the pension plan relative to the contributions of all participating APERS members. At June 30, 2022, JWWU's proportion was 0.06352218% compared to its proportion measured as of June 30, 2020 of 0.06368725%.

For the year ended December 31, 2022, JWWU recognized pension expense of \$134,659. At December 31, 2022, JWWU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 361,318	\$ -
Net differences between expected and actual earnings on pension plan investments	20,434	-
Changes of assumptions	-	-
Changes in proportion	222	39,734
Contributions subsequent to the measurement date	102,005	-
	<u>\$ 483,979</u>	<u>\$ 39,734</u>

The \$102,005 reported as deferred outflows of resources at December 31, 2022, related to pension resulting from JWWU's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,		
2023	\$	43,839
2024		44,080
2025		2,341
2026		251,980
	\$	<u>342,240</u>

***Sensitivity of JWWU Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents JWWU proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what JWWU proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

		1% Decrease (6.15%)	Current Single Rate Assumption (7.15%)	1% Increase (8.15%)
APERS- Jacksonville WasteWater	Net pension liability	<u>\$ 2,723,042</u>	<u>\$ 1,712,802</u>	<u>\$ 878,758</u>



# REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF JACKSONVILLE, ARKANSAS

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 755,000	\$ 765,000	\$ 782,599	\$ 17,599
Sales taxes	17,916,000	19,387,359	19,085,733	(301,626)
Licenses and permits	257,100	288,931	291,681	2,750
Intergovernmental	1,798,323	4,855,081	4,887,230	32,149
Charges for services	676,500	648,719	1,153,639	504,920
Fines and fees	248,616	280,116	344,192	64,076
Utility franchise taxes	1,088,900	1,150,762	1,274,208	123,446
Investment income	-	5,286	126,510	121,224
Miscellaneous	690,250	873,915	402,130	(471,785)
Total revenues	23,430,689	28,255,169	28,347,921	92,752
<b>Expenditures</b>				
General government				
General administration	213,598	204,091	856,174	(652,083)
City council	116,285	115,860	115,971	(111)
Mayor	270,482	272,732	273,027	(295)
City clerk	169,063	163,126	161,607	1,519
City attorney	306,874	296,758	274,188	22,570
District court	518,232	423,827	383,026	40,801
Director of administration	15,189	21,750	21,600	150
Director of information technology	628,970	674,730	618,661	56,069
Finance	530,513	528,534	524,472	4,062
Human resources	214,837	227,599	245,267	(17,668)
Fleet services	213,401	216,868	219,405	(2,537)
Community programs	360,456	910,917	156,610	754,307
Total general government	3,557,900	4,056,792	3,850,007	206,785
Public works				
Public works coordinator	210,905	167,012	169,453	(2,441)
Engineering	400,291	322,843	315,500	7,343
Code enforcement	446,768	368,330	333,303	35,027
Total public works	1,057,964	858,185	818,256	39,929
Parks and recreation services	3,620,759	5,231,604	3,459,198	1,772,406
Police	7,620,669	7,822,064	7,371,013	451,051
Fire	5,364,801	5,790,142	5,616,950	173,192
Emergency communication services	1,024,726	850,773	795,729	55,044
Animal control	363,870	365,609	347,164	18,445
Total expenditures	22,610,689	24,975,169	22,258,317	2,716,852
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	820,000	3,280,000	6,089,604	2,809,604
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,000	5,000	650	(4,350)
Transfers out	(825,000)	(3,285,000)	(5,990,779)	(2,705,779)
Total other financing sources (uses)	(820,000)	(3,280,000)	(5,990,130)	(2,710,130)
<b>Net Change in Fund Balances</b>	-	-	99,474	99,474
<b>Fund Balances, Beginning of Year</b>	9,045,583	9,045,583	9,045,583	-
<b>Fund Balances, End of Year</b>	\$ 9,045,583	\$ 9,045,583	\$ 9,145,057	\$ 99,474

# CITY OF JACKSONVILLE, ARKANSAS

## BUDGETARY COMPARISON SCHEDULE

### STREET FUND

YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 2,702,000	\$ 2,917,159	\$ 2,983,992	\$ 66,833
Investment income	15,000	15,000	114,978	99,978
Miscellaneous	1,500	732,812	15,623	(717,189)
<b>Total revenues</b>	<u>2,718,500</u>	<u>3,664,971</u>	<u>3,114,593</u>	<u>(550,378)</u>
<b>Expenditures</b>				
Public works				
Streets and drainage	<u>2,718,500</u>	<u>3,664,971</u>	<u>3,297,548</u>	<u>367,423</u>
<b>Total expenditures</b>	<u>2,718,500</u>	<u>3,664,971</u>	<u>3,297,548</u>	<u>367,423</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	(182,955)	(182,955)
<b>Fund Balances, Beginning of Year</b>	<u>6,418,019</u>	<u>6,418,019</u>	<u>6,418,019</u>	-
<b>Fund Balances, End of Year</b>	<u>\$ 6,418,019</u>	<u>\$ 6,418,019</u>	<u>\$ 6,235,064</u>	<u>\$ (182,955)</u>

# CITY OF JACKSONVILLE, ARKANSAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2022

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### ***Budgets and Budgetary Accounting***

By December 1 of each year, the City's Mayor is required to submit to the City Council ("Council") a proposed budget for the fiscal year beginning on the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted prior to adoption of the budget to allow citizen input. The state statute governing adoption of annual budgets requires the Council to approve the budget prior to February 1. For practical purposes, the Council usually adopts the budget in December. Annual budgets are legally adopted for the General Fund and the Street Fund, a special revenue fund.

The Mayor is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures of any department must be approved by the Council.

Appropriations for special projects are made each year by the City Council to finance specific projects and capital outlays. These projects are carried forward each year until they are fully expended or repealed by the City Council.

The City prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP"). Appropriations lapse at the end of each year. The *Budgetary Comparison Schedules* for the General Fund and for the Street Fund present the original and revised budget amounts in comparison to the actual revenues and expenditures for the current year.

As of December 31, 2022, the Street Fund had an excess of expenditures over revenues of \$182,955. This was a result of a one-time payment made to Jacksonville Municipal Water Works to relocate water lines for the widening of Highway 167 project and the reduction in expected miscellaneous revenues.

# CITY OF JACKSONVILLE, ARKANSAS

## OTHER POST-EMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 123,006	\$ 130,094	\$ 86,593	\$ 80,712
Interest	43,186	35,310	53,332	53,176
Differences between expected and actual experience	(558,276)	-	(182,270)	-
Changes of assumptions	(257,799)	(54,148)	206,768	56,184
Benefit payments	<u>(14,324)</u>	<u>(14,324)</u>	<u>(14,324)</u>	<u>(27,454)</u>
Net change in total OPEB liability	(664,207)	96,932	150,099	162,618
Total OPEB liability - Beginning	<u>1,803,551</u>	<u>1,706,619</u>	<u>1,556,520</u>	<u>1,393,902</u>
Total OPEB liability - Ending (a)	<u><u>1,139,344</u></u>	<u><u>1,803,551</u></u>	<u><u>1,706,619</u></u>	<u><u>1,556,520</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	14,324	14,324	14,324	27,454
Benefit payments	<u>(14,324)</u>	<u>(14,324)</u>	<u>(14,324)</u>	<u>(27,454)</u>
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - Ending (b)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net OPEB liability - Ending (a)-(b)	<u><u>1,139,344</u></u>	<u><u>1,803,551</u></u>	<u><u>1,706,619</u></u>	<u><u>1,556,520</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered payroll	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

# CITY OF JACKSONVILLE, ARKANSAS

## OTHER POST-EMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 205,412	\$ 204,848	\$ 167,401	\$ 156,481
Contributions in relation to the actuarially determined contribution	14,324	14,324	14,324	27,454
Contribution deficiency (excess)	<u>\$ 191,088</u>	<u>\$ 190,524</u>	<u>\$ 153,077</u>	<u>\$ 129,027</u>
Covered employee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of employee payroll	N/A	N/A	N/A	N/A
Assumed single discount rate	4.31%	1.93%	3.26%	3.64%

### Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date

Actuarially determined contributions are calculated as of December 31 after the valuation date.

Actuarial cost method

Entry Age Normal

Amortization method

Level dollar over 30 years from January 1, 2018.

Remaining amortization period

30 years

Asset valuation method

Market value

Assumed single discount rate

Shown in table above.

Assumed inflation

3.00%

Assumed retirement age

Experience-based table of rates that are specific to the type of eligibility condition

Mortality

RP 2014 Mortality Table

### Other information:

The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

# CITY OF JACKSONVILLE, ARKANSAS

## OTHER POST-EMPLOYMENT BENEFIT PLAN - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS YEAR ENDED DECEMBER 31, 2022

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<b>Fiscal Year Ending</b>	<b>Annual Money- Weighted Rate of Return</b>
12/31/2018	0%
12/31/2019	0%
12/31/2020	0%
12/31/2021	0%
12/31/2022	0%

**Other information:**

The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

**CITY OF JACKSONVILLE, ARKANSAS**

**DEFINED BENEFIT PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN PENSION FUND NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED DECEMBER 31, 2022**

**Policemen's Pension and Relief Fund**

<b>Fiscal year ending December 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability:</b>								
Interest	\$ 284,597	\$ 275,867	\$ 275,568	\$ 280,024	\$ 278,842	\$ 286,440	\$ 307,361	\$ 330,964
Changes of benefit terms	745,714	576,604	384,292	418,451	449,142	-	-	-
Difference between expected and actual experience	(182,875)	(310,704)	(152,150)	(276,719)	(184,491)	77,943	(205,160)	(266,517)
Changes in assumptions	-	155,297	-	-	-	-	-	-
Benefit payments, including refunds of plan member contributions	(547,570)	(497,377)	(506,064)	(515,688)	(524,022)	(508,690)	(532,529)	(540,476)
<b>Net change in total pension liability</b>	<b>299,866</b>	<b>199,687</b>	<b>1,645</b>	<b>(93,933)</b>	<b>19,471</b>	<b>(144,307)</b>	<b>(430,328)</b>	<b>(476,029)</b>
<b>Total pension liability, beginning of year</b>	<b>5,965,719</b>	<b>5,766,031</b>	<b>5,764,386</b>	<b>5,858,319</b>	<b>5,838,848</b>	<b>5,983,154</b>	<b>6,413,482</b>	<b>6,889,512</b>
<b>Total pension liability, end of year</b>	<b>\$ 6,265,586</b>	<b>\$ 5,965,719</b>	<b>\$ 5,766,031</b>	<b>\$ 5,764,386</b>	<b>\$ 5,858,319</b>	<b>\$ 5,838,848</b>	<b>\$ 5,983,154</b>	<b>\$ 6,413,483</b>
<b>Plan fiduciary net position:</b>								
Employer contributions	\$ 350,701	\$ 370,790	\$ 338,600	\$ 334,222	\$ 334,484	\$ 329,627	\$ 341,668	\$ 334,472
Net investment income	(592,479)	425,307	350,256	706,670	(190,014)	491,440	304,119	(140,490)
Benefit payments, including refunds of plan member contributions	(547,570)	(497,377)	(506,064)	(515,688)	(524,022)	(508,690)	(532,529)	(540,476)
Administrative expense	(16,433)	(3,100)	(8,847)	(8,778)	(8,987)	(6,932)	(6,967)	(7,706)
Other	(12,473)	(3,046)	2,746	250	50	9,858	150	-
<b>Net change in plan fiduciary net position</b>	<b>(818,254)</b>	<b>292,574</b>	<b>176,691</b>	<b>516,676</b>	<b>(388,489)</b>	<b>315,303</b>	<b>106,441</b>	<b>(354,200)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>6,717,617</b>	<b>6,425,043</b>	<b>6,248,352</b>	<b>5,731,676</b>	<b>6,120,165</b>	<b>5,804,861</b>	<b>5,698,420</b>	<b>6,052,620</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 5,899,363</b>	<b>\$ 6,717,617</b>	<b>\$ 6,425,043</b>	<b>\$ 6,248,352</b>	<b>\$ 5,731,676</b>	<b>\$ 6,120,164</b>	<b>\$ 5,804,861</b>	<b>\$ 5,698,420</b>
<b>City's net pension liability (asset), end of year</b>	<b>\$ 366,223</b>	<b>\$ (751,898)</b>	<b>\$ (659,012)</b>	<b>\$ (483,966)</b>	<b>\$ 126,643</b>	<b>\$ (281,316)</b>	<b>\$ 178,293</b>	<b>\$ 715,063</b>
<b>Plan's fiduciary net position as a percentage of the total pension liability</b>	<b>94.16%</b>	<b>112.60%</b>	<b>111.43%</b>	<b>108.40%</b>	<b>97.84%</b>	<b>104.82%</b>	<b>97.02%</b>	<b>88.85%</b>
<b>Covered payroll</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Plan's net pension liability as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Note to the Schedule:**

A full 10 year schedule will be completed as information is available.



**CITY OF JACKSONVILLE, ARKANSAS**

**DEFINED BENEFIT PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN PENSION FUND NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED DECEMBER 31, 2022**

**Firemen's Pension and Relief Fund**

<b>Fiscal year ending December 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability:</b>								
Interest	\$ 385,467	\$ 382,936	\$ 408,225	\$ 431,668	\$ 454,423	\$ 464,671	\$ 481,908	\$ 528,688
Difference between expected and actual experience	(92,615)	101,022	(180,253)	(145,950)	(126,560)	126,580	91,701	(473,629)
Changes in assumptions	-	286,026	-	-	-	-	-	-
Benefit payments, including refunds of plan member contributions	(708,848)	(729,885)	(737,603)	(771,546)	(794,388)	(798,043)	(1,038,656)	(942,640)
<b>Net change in total pension liability</b>	<b>(415,995)</b>	<b>40,100</b>	<b>(509,631)</b>	<b>(485,828)</b>	<b>(466,525)</b>	<b>(206,792)</b>	<b>(465,046)</b>	<b>(887,581)</b>
<b>Total pension liability, beginning of year</b>	<b>8,063,772</b>	<b>8,023,672</b>	<b>8,533,304</b>	<b>9,019,132</b>	<b>9,485,657</b>	<b>9,692,449</b>	<b>10,157,495</b>	<b>11,045,076</b>
<b>Total pension liability, end of year</b>	<b>\$ 7,647,777</b>	<b>\$ 8,063,772</b>	<b>\$ 8,023,673</b>	<b>\$ 8,533,304</b>	<b>\$ 9,019,132</b>	<b>\$ 9,485,657</b>	<b>\$ 9,692,449</b>	<b>\$ 10,157,495</b>
<b>Plan fiduciary net position:</b>								
Employer contributions	\$ 375,405	\$ 465,720	\$ 444,520	\$ 435,210	\$ 388,103	\$ 380,031	\$ 418,220	\$ 399,410
Plan member contributions	-	-	-	-	-	-	2,191	7,017
Net investment income	(851,123)	321,461	699,386	687,769	(270,812)	658,346	176,675	(77,487)
Benefit payments, including refunds of plan member contributions	(708,848)	(729,885)	(737,603)	(771,546)	(794,388)	(798,043)	(1,038,656)	(942,640)
Administrative expense	(10,901)	(8,125)	(7,457)	(1,600)	(2,094)	(6,942)	(6,448)	(6,425)
Other	(10,398)	316	3,500	-	-	9,858	-	2,800
<b>Net change in plan fiduciary net position</b>	<b>(1,205,865)</b>	<b>49,487</b>	<b>402,346</b>	<b>349,833</b>	<b>(679,191)</b>	<b>243,250</b>	<b>(448,017)</b>	<b>(617,325)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>6,814,435</b>	<b>6,764,948</b>	<b>6,362,602</b>	<b>6,012,769</b>	<b>6,691,960</b>	<b>6,448,710</b>	<b>6,896,727</b>	<b>7,514,052</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 5,608,570</b>	<b>\$ 6,814,435</b>	<b>\$ 6,764,948</b>	<b>\$ 6,362,602</b>	<b>\$ 6,012,769</b>	<b>\$ 6,691,960</b>	<b>\$ 6,448,710</b>	<b>\$ 6,896,727</b>
<b>City's net pension liability, end of year</b>	<b>\$ 2,039,207</b>	<b>\$ 1,249,337</b>	<b>\$ 1,258,725</b>	<b>\$ 2,170,702</b>	<b>\$ 3,006,363</b>	<b>\$ 2,793,697</b>	<b>\$ 3,243,739</b>	<b>\$ 3,260,768</b>
<b>Plan's fiduciary net position as a percentage of the total pension liability</b>	<b>73.34%</b>	<b>84.51%</b>	<b>84.31%</b>	<b>74.56%</b>	<b>66.67%</b>	<b>70.55%</b>	<b>66.53%</b>	<b>67.90%</b>
<b>Covered payroll</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Plan's net pension liability as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Note to the Schedule:**

A full 10 year schedule will be completed as information is available.

# CITY OF JACKSONVILLE, ARKANSAS

## DEFINED BENEFIT PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS YEAR ENDED DECEMBER 31, 2022

	Year Ended December 31	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
<b>Policemen's Pension and Relief Fund</b>	2014	\$ 222,748	\$ 341,169	\$ (118,421)	\$ -	N/A
	2015	188,699	334,472	(145,773)	-	N/A
	2016	161,229	341,668	(180,439)	-	N/A
	2017	40,201	329,627	(289,427)	-	N/A
	2018	-	334,484	(334,484)	-	N/A
	2019	28,555	334,222	(305,667)	-	N/A
	2020	-	338,600	(338,600)	-	N/A
	2021	-	370,790	(370,790)	-	N/A
	2022	-	350,701	(350,701)	-	N/A

**Notes to the Schedule:**

A full 10 year schedule will be completed as information is available.

**Key Assumptions for ADC:**

Cost Method	Entry age normal
Amortization Method	Level dollar, open
Remaining Amortization	Five years
Asset Valuation	Market value of assets
Investment rate of return	5.00%
Mortality	1983 GAM

	Year Ended December 31	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
<b>Firemen's Pension and Relief Fund</b>	2014	\$ 745,307	\$ 395,673	\$ 349,634	\$ -	N/A
	2015	796,158	399,410	396,748	-	N/A
	2016	735,223	418,220	317,003	-	N/A
	2017	731,383	380,031	351,352	-	N/A
	2018	629,910	388,103	241,807	-	N/A
	2019	677,861	435,210	242,651	-	N/A
	2020	489,440	444,520	44,920	-	N/A
	2021	283,811	465,720	(181,909)	-	N/A
	2022	281,695	375,405	(93,710)	-	N/A

**Notes to the Schedule:**

A full 10 year schedule will be completed as information is available.

**Key Assumptions for ADC:**

Cost Method	Entry age normal
Amortization Method	Level dollar, open
Remaining Amortization	Five years
Asset Valuation	Market value of assets
Investment Return/Discount	5.00%
Mortality	1983 GAM

## CITY OF JACKSONVILLE, ARKANSAS

**COST SHARING PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**  
**YEAR ENDED DECEMBER 31, 2022**

**ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM**

June 30	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.2319402%	0.2280502%	0.2342207%	0.2257885%	0.2284472%	0.2546313%	0.2592827%	0.2593006%
City's proportionate share of the net pension liability	\$ 6,253,998	\$ 1,753,325	\$ 6,707,109	\$ 5,447,214	\$ 5,039,397	\$ 6,580,031	\$ 6,200,353	\$ 4,775,626
City's covered payroll	\$ 5,178,176	\$ 4,618,641	\$ 4,599,406	\$ 4,413,157	\$ 4,280,563	\$ 4,393,927	\$ 4,312,438	\$ 4,309,745
City's proportionate share of the net pension liability as a percentage of its covered payroll	120.78%	37.96%	145.83%	123.43%	117.73%	149.75%	143.78%	110.81%
Plan fiduciary net position as a percentage of the total pension liability	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

**Notes to the Schedule:**

Information in this schedule has been determined as of the measurement date (June 30 of the fiscal year) of the City's net pension liability.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

## CITY OF JACKSONVILLE, ARKANSAS

**COST SHARING PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2022**

**ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM**

December 31	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 795,539	\$ 720,204	\$ 759,906	\$ 744,077	\$ 684,529	\$ 661,320	\$ 685,822	\$ 679,053
Contributions related to the contractually required contribution	<u>795,539</u>	<u>720,204</u>	<u>759,906</u>	<u>744,077</u>	<u>684,529</u>	<u>661,320</u>	<u>685,822</u>	<u>679,053</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,236,373	\$ 4,777,726	\$ 4,731,388	\$ 4,616,073	\$ 4,302,673	\$ 4,405,479	\$ 4,556,439	\$ 4,403,272
Contributions as a percent of covered payroll	15.19%	15.07%	16.06%	16.12%	15.91%	15.01%	15.05%	15.42%

**Notes to the Schedule:**

Information in this schedule has been determined as of the City's most recent year-end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

# CITY OF JACKSONVILLE, ARKANSAS

**COST SHARING PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED DECEMBER 31, 2022**

**ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM**

<b>LOPFI - Police</b>								
<b>December 31</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's proportion of the net pension liability	0.691900%	0.790000%	0.739420%	0.742450%	0.804420%	1.052449%	1.140590%	1.217420%
City's proportionate share of the net pension liability	\$ 7,387,359	\$ 3,991,977	\$ 5,083,402	\$ 5,737,215	\$ 7,258,921	\$ 7,478,672	\$ 6,507,408	\$ 6,388,710
City's covered payroll	\$ 3,202,718	\$ 3,141,095	\$ 2,966,189	\$ 2,721,171	\$ 2,835,601	\$ 3,458,671	\$ 3,506,494	\$ 3,535,137
City's proportionate share of the net pension liability as a percentage of its covered payroll	230.66%	127.09%	171.38%	210.84%	255.99%	216.23%	185.58%	180.72%
Plan fiduciary net position as a percentage of the total pension liability	69.07%	77.79%	77.79%	73.03%	65.84%	71.17%	72.46%	72.41%
<b>LOPFI - Fire</b>								
<b>December 31</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's proportion of the net pension liability	0.903620%	0.943190%	0.947950%	0.926060%	0.937480%	0.947852%	1.038400%	0.989380%
City's proportionate share of the net pension liability	\$ 9,647,917	\$ 4,766,058	\$ 6,517,008	\$ 7,156,028	\$ 8,459,642	\$ 6,735,410	\$ 5,924,363	\$ 5,192,039
City's covered payroll	\$ 3,836,020	\$ 3,728,943	\$ 3,636,433	\$ 3,380,971	\$ 3,417,168	\$ 3,443,817	\$ 3,369,089	\$ 3,322,435
City's proportionate share of the net pension liability as a percentage of its covered payroll	251.51%	127.81%	179.21%	211.66%	247.56%	195.58%	175.84%	156.27%
Plan fiduciary net position as a percentage of the total pension liability	69.07%	77.79%	77.79%	73.03%	65.84%	71.17%	72.46%	72.41%

**Notes to the Schedule:**

Information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

# CITY OF JACKSONVILLE, ARKANSAS

## COST SHARING PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS YEAR ENDED DECEMBER 31, 2022

### ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM

#### LOPFI - Police

December 31	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 670,976	\$ 720,800	\$ 654,109	\$ 619,463	\$ 713,355	\$ 752,784	\$ 779,997	\$ 755,994
Contributions related to the contractually required contribution	<u>670,976</u>	<u>720,800</u>	<u>654,109</u>	<u>619,463</u>	<u>713,355</u>	<u>752,784</u>	<u>779,997</u>	<u>755,994</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,202,718	\$ 3,141,095	\$ 2,966,189	\$ 2,721,171	\$ 2,835,601	\$ 3,458,671	\$ 3,506,494	\$ 3,535,137
Contribution as a percent of covered payroll	20.95%	22.95%	22.05%	22.76%	25.16%	21.77%	22.24%	21.39%

#### LOPFI - Fire

December 31	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 876,297	\$ 859,014	\$ 838,281	\$ 772,808	\$ 760,297	\$ 678,135	\$ 686,207	\$ 614,388
Contributions related to the contractually required contribution	<u>876,297</u>	<u>859,014</u>	<u>838,281</u>	<u>772,808</u>	<u>760,297</u>	<u>678,135</u>	<u>686,207</u>	<u>614,388</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,836,020	\$ 3,728,943	\$ 3,636,433	\$ 3,380,971	\$ 3,417,168	\$ 3,443,817	\$ 3,369,089	\$ 3,322,435
Contribution as a percent of covered payroll	22.84%	23.04%	23.05%	22.86%	22.25%	19.69%	20.37%	18.49%

#### Notes to the Schedule:

Information in this schedule has been determined as of the City's most recent year-end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

# CITY OF JACKSONVILLE, ARKANSAS

## DEFINED BENEFIT PENSION PLANS - REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS YEAR ENDED DECEMBER 31, 2022

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	<b>Fiscal Year Ending</b>	<b>Annual Money-weighted Rate of Return</b>
Policemen's Pension and Relief Fund	12/31/2022	-9.15%
	12/31/2021	6.69%
	12/31/2020	5.68%
	12/31/2019	12.54%
	12/31/2018	(3.16%)
	12/31/2017	8.60%
	12/31/2016	5.43%
	12/31/2015	(2.36%)
	12/31/2013	12.05%
Firemen's Pension and Relief Fund	12/31/2022	-13.00%
	12/31/2021	4.85%
	12/31/2020	11.25%
	12/31/2019	11.77%
	12/31/2018	(4.17%)
	12/31/2017	10.55%
	12/31/2016	2.68%
	12/31/2015	(1.07%)
	12/31/2014	2.58%

### Notes to Schedule:

The amounts shown are net of investment expenses.

The actuary calculated these rates using the provided information: therefore, these are annual money-weighted rates. Monthly money-weighted returns were not available.





# NONMAJOR GOVERNMENTAL FUNDS

The **Special Revenue Funds** account for resources which are designated by law or contractual agreement for particular functions or activities and are legally required to be accounted for in separate funds. Such resources are derived from specific taxes, federal grant and entitlement monies, and multi-year appropriations.

**Community Development Block Grant Fund (CDBG)** – Accounts for CDBG grant funds received from the U.S. Department of Housing and Urban Development (“HUD”). These revenues are restricted to expenditure for specified projects by HUD, including housing or housing assistance provided to qualified citizens and improvements to neighborhood streets and drainage.

**HOME Investment Partnership Program Fund (HOME)** – Accounts for HOME grant funds received from the Arkansas Development Finance Authority. These revenues provide assistance for affordable housing to qualified citizens.

**Grants Fund** – Accounts for grant funds received for various programs. These monies are expended to satisfy purposes as outlined by each federal/state program.

The **Debt Service Fund** accounts for the accumulation of resources for the payment of principal and interest on general long-term debt.

**2006 Library Debt Service** – The 2006 Library Construction Bonds were issued for the purpose of acquiring, constructing, and equipping capital improvements to the public city library operated by the City and the Central Arkansas Library System. The Series 2006 bonds are limited tax general obligations, payable solely from the Library Tax and the pro-rata portion of the proceeds of a sales and use tax implemented pursuant to Amendment 79 to the Arkansas Constitution.

# CITY OF JACKSONVILLE, ARKANSAS

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS - NONMAJOR  
DECEMBER 31, 2022

	Special Revenue				Capital Project	Debt Service		Total
	CDBG	HOME	Grants	Asset Forfeiture	2020 Capital Improvements Construction	2006 Library Debt Service	2020 Capital Improvements Debt Service	
<b>Assets</b>								
Cash	\$ 75,864	\$ 49,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,805
Restricted cash	-	-	-	21,056	379,661	-	478,526	879,244
Accounts receivable	5,056	-	-	-	-	36	-	5,092
Grants and other governments	-	-	174,362	-	-	-	-	174,362
Due from other funds	-	-	-	-	8,643	-	-	8,643
<b>Total Assets</b>	<b>\$ 80,920</b>	<b>\$ 49,941</b>	<b>\$ 174,362</b>	<b>\$ 21,056</b>	<b>\$ 388,305</b>	<b>\$ 36</b>	<b>\$ 478,526</b>	<b>\$ 1,193,146</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 24,760	\$ -	\$ 8,281	\$ -	\$ -	\$ -	\$ -	\$ 33,041
Due to other funds	61,043	-	774	-	-	-	8,643	70,460
Accrued wages payable	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Other liabilities	-	-	92,105	-	-	-	-	92,105
<b>Total liabilities</b>	<b>85,803</b>	<b>-</b>	<b>101,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,643</b>	<b>195,607</b>
<b>Fund Balances</b>								
Restricted:								
Debt service	-	-	-	-	8,643	36	469,883	478,562
Law enforcement activities	-	-	-	21,056	-	-	-	21,056
Housing and neighborhood programs	-	49,941	-	-	-	-	-	49,941
Grant funds	-	-	73,200	-	-	-	-	73,200
Capital projects	-	-	-	-	379,661	-	-	379,661
Unassigned(dificit)	(4,885)	-	-	-	-	-	-	(4,885)
<b>Total fund balances</b>	<b>(4,885)</b>	<b>49,941</b>	<b>73,200</b>	<b>21,056</b>	<b>388,305</b>	<b>36</b>	<b>469,883</b>	<b>997,536</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 80,920</b>	<b>\$ 49,941</b>	<b>\$ 174,362</b>	<b>\$ 21,056</b>	<b>\$ 388,305</b>	<b>\$ 36</b>	<b>\$ 478,526</b>	<b>\$ 1,193,146</b>

# CITY OF JACKSONVILLE, ARKANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS - NONMAJOR YEAR ENDED DECEMBER 31, 2022

	Special Revenue			Asset Forfeiture	Capital Project	Debt Service		Total
	CDBG	HOME	Grants		2020 Capital Improvements Construction	2006 Library Debt Service	2020 Capital Improvements Debt Service	
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544	\$ -	\$ 544
Intergovernmental	150,389	-	502,262	3,975	-	-	-	656,626
Investment income	-	-	-	-	6,910	-	5,111	12,020
Miscellaneous	17,618	-	-	-	-	-	-	17,618
<b>Total revenues</b>	<b>168,007</b>	<b>-</b>	<b>502,262</b>	<b>3,975</b>	<b>6,910</b>	<b>544</b>	<b>5,111</b>	<b>686,808</b>
<b>Expenditures</b>								
General Administration	-	-	-	-	1,045,291	-	-	1,045,291
Community programs	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation services	-	-	-	-	89,775	-	-	89,775
Police	-	-	32,581	4,549	-	-	-	37,130
Fire	-	-	-	-	-	-	-	-
Emergency communication services	-	-	-	-	-	-	-	-
Animal Control	-	-	-	-	-	-	-	-
Housing and neighborhood programs	196,211	-	375,941	-	-	-	-	572,152
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	345,000	345,000
Interest	-	-	-	-	-	-	162,856	162,856
Agent fees	-	-	-	-	-	-	1,000	1,000
Issuance costs	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>196,211</b>	<b>-</b>	<b>408,522</b>	<b>4,549</b>	<b>1,135,066</b>	<b>-</b>	<b>508,856</b>	<b>2,253,204</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(28,204)</b>	<b>-</b>	<b>93,740</b>	<b>(574)</b>	<b>(1,128,156)</b>	<b>544</b>	<b>(503,745)</b>	<b>(1,566,397)</b>
<b>Other Financing Sources</b>								
Transfers in	-	-	-	-	-	-	590,779	590,779
Transfers out	-	-	-	-	-	(650)	-	(650)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(650)</b>	<b>590,779</b>	<b>590,129</b>
<b>Net Change in Fund Balances</b>	<b>(28,204)</b>	<b>-</b>	<b>93,740</b>	<b>(574)</b>	<b>(1,128,156)</b>	<b>(106)</b>	<b>87,033</b>	<b>(976,268)</b>
<b>Fund Balances, Beginning of Year-as previously reported</b>	<b>23,320</b>	<b>49,941</b>	<b>(20,539)</b>	<b>21,630</b>	<b>1,516,461</b>	<b>142</b>	<b>382,849</b>	<b>1,973,804</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position, Beginning of Year - as restated</b>	<b>23,320</b>	<b>49,941</b>	<b>(20,539)</b>	<b>21,630</b>	<b>1,516,461</b>	<b>142</b>	<b>382,849</b>	<b>1,973,804</b>
<b>Fund Balances, End of Year</b>	<b>\$ (4,885)</b>	<b>\$ 49,941</b>	<b>\$ 73,200</b>	<b>\$ 21,056</b>	<b>\$ 388,305</b>	<b>\$ 36</b>	<b>\$ 469,883</b>	<b>\$ 997,536</b>



# FIDUCIARY FUNDS

## Pension Trust Funds

**Pension Trust Funds** account for assets held in the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. Fund trustees must act in accordance with the specific purposes and terms of these retirement plans.

## Custodial Funds

The **Custodial Funds** account for activities associated with collecting and disbursing fines, court costs, forfeitures and restitution monies for the District Court.

# CITY OF JACKSONVILLE, ARKANSAS

## COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2022

	Employee Retirement Plans			Custodial Funds		
	Policemen's Pension And Relief Fund	Firemen's Pension And Relief Fund	Total	District Court Fines and Forfeitures Fund	District Court Restitution Fund	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 105,739	\$ 376,613	\$ 482,352	\$ 20,485	\$ 1,489	\$ 21,974
Investments						
U.S. Government obligations	1,558,330	2,402,958	3,961,288	-	-	-
Corporate bonds	735,998	-	735,998	-	-	-
Mutual funds	3,346,702	2,789,509	6,136,211	-	-	-
Receivables						
Due from other funds	33,095	33,095	66,190	-	135	135
Accrued interest	12,260	9,790	22,050	-	-	-
Total assets	<u>\$ 5,792,124</u>	<u>\$ 5,611,965</u>	<u>\$ 11,404,089</u>	<u>\$ 20,485</u>	<u>\$ 1,624</u>	<u>\$ 22,109</u>
<b>Net Position</b>						
Restricted for:						
Pensions	5,792,124	5,611,965	11,404,089	-	-	-
Individuals and organizations	-	-	-	20,485	1,624	22,109
Total net position	<u>\$ 5,792,124</u>	<u>\$ 5,611,965</u>	<u>\$ 11,404,089</u>	<u>\$ 20,485</u>	<u>\$ 1,624</u>	<u>\$ 22,109</u>

# CITY OF JACKSONVILLE, ARKANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2022

	Employee Retirement Plans			Custodial Funds		
	Policemen's Pension And Relief Fund	Firemen's Pension And Relief Fund	Total	District Court Fines and Forfeitures Fund	District Court Restitution Fund	Total
<b>Additions</b>						
Contributions						
Employer	\$ 46,904	\$ -	\$ 46,904	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-
Contributed from General Fund						
Property taxes	303,797	303,797	607,594	-	-	-
State insurance turnback and guarantee fund	45,184	136,406	181,590	-	-	-
Court fines & forfeitures	-	-	-	441,157	-	441,157
Restitution	-	-	-	-	-	-
Total contributions	<u>395,885</u>	<u>440,203</u>	<u>836,088</u>	<u>441,157</u>	<u>-</u>	<u>441,157</u>
Investment income						
Net increase(decrease) in fair value of investments	(885,842)	(801,194)	(1,687,037)	-	-	-
Interest and dividends	147,211	100,201	247,412	-	-	-
Gain on sale of investments	99,084	(97,678)	1,406	-	-	-
Less investment expense	(639,548)	(798,671)	(1,438,219)	-	-	-
Net investment income	<u>(699,719)</u>	<u>(865,344)</u>	<u>(1,565,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>(303,834)</u>	<u>(425,141)</u>	<u>(728,976)</u>	<u>441,157</u>	<u>-</u>	<u>441,157</u>
<b>Deductions</b>						
Benefits paid directly to participants	590,836	768,221	1,359,057	-	-	-
District Court fines distributed	-	-	-	446,638	-	446,638
Administrative expenses	18,400	5,000	23,400	-	-	-
Total deductions	<u>609,236</u>	<u>773,221</u>	<u>1,382,457</u>	<u>446,638</u>	<u>-</u>	<u>446,638</u>
<b>Change in Net Position</b>	(913,070)	(1,198,362)	(2,111,433)	(5,481)	-	(5,481)
<b>Net Position Restricted, Beginning of Year</b>	6,705,194	6,810,327	13,515,521	25,966	1,624	27,590
<b>Net Position Restricted , End of Year</b>	<u>\$ 5,792,124</u>	<u>\$ 5,611,965</u>	<u>\$ 11,404,089</u>	<u>\$ 20,485</u>	<u>\$ 1,624</u>	<u>\$ 22,109</u>





# DISCRETELY PRESENTED COMPONENT UNITS

# CITY OF JACKSONVILLE, ARKANSAS

## COMBINING STATEMENT OF CASH FLOWS DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED DECEMBER 31, 2022

	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
<b>Operating Activities</b>				
Receipts from customers	\$ 8,705,779	\$ 4,753,969	\$ -	\$ 13,459,748
Other receipts	6,559,674	568,050	-	7,127,724
Payments to employees	(2,577,262)	(1,887,548)	-	(4,464,810)
Payments to suppliers	(785,452)	(940,214)	(2,378)	(1,728,044)
Payments to service providers	(185,901)	(94,917)	(1,022,265)	(1,303,083)
Other payments	(3,092,083)	-	-	(3,092,083)
Net cash provided by (used in) operating activities	8,624,755	2,399,340	(1,024,643)	9,999,452
<b>Noncapital Financing Activities</b>				
Local tax levy supporting operations	-	-	1,097,093	1,097,093
<b>Capital and Related Financing Activities</b>				
Purchase of capital assets	(7,892,712)	(2,448,824)	-	(10,341,536)
Proceeds from issuance of long-term debt	-	-	-	-
Bond issuance costs	-	18,561	-	18,561
Principal paid on long-term debt	(3,356,049)	(500,000)	-	(3,856,049)
Interest paid on long-term debt	(218,677)	(492,225)	-	(710,902)
Net cash provided by (used in) capital and related financing activities	(11,467,438)	(3,422,488)	-	(14,889,926)
<b>Investing Activities</b>				
Proceeds from maturities of cash investments	2,181,996	-	-	2,181,996
Purchase of cash investments	(2,187,456)	-	(1,669)	(2,189,125)
Interest received	7,426	145,903	2,124	155,453
Net cash provided by (used in) investing activities	1,966	145,903	455	148,324
<b>Net Increase in Cash and Cash Equivalents</b>	(2,840,717)	(877,245)	72,905	(3,645,057)
<b>Cash and Cash Equivalents, Beginning of Year</b>	5,572,038	17,908,623	781,209	24,261,870
<b>Cash and Cash Equivalents, End of Year</b>	\$ 2,731,321	\$ 17,031,378	\$ 854,113	\$ 20,616,812
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>				
Operating income (loss)	\$ (987,163)	\$ 176,509	\$ (782,414)	\$ (1,593,068)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization expense	2,600,304	2,068,801	-	4,669,105
Closure and post-closure care costs	-	94,070	-	94,070
Accrued pension liability	-	-	-	-
(Gain) loss on disposal of capital assets	-	1,347	-	1,347
Amortization of deferred expenses	72,933	-	-	72,933
Other income, net	6,559,674	-	-	6,559,674
Changes in operating assets and liabilities				
Receivables, net	(5,722)	(158,046)	-	(163,768)
Revenues earned and unbilled	-	-	-	-
Prepaid expenses	(12,585)	(2,194)	-	(14,779)
Inventories	63,259	(8,925)	-	54,334
Due to other entities	183,839	-	-	183,839
Accounts payable	129,635	309,104	(242,229)	196,510
Accrued pension liability	1,484,956	-	-	1,484,956
Accrued expenses	12,620	(11,827)	-	793
Customer deposits	14,680	-	-	14,680
Deferrals related to pensions	(1,491,675)	(69,499)	-	(1,561,174)
Other liabilities	-	-	-	-
Net cash provided by (used in) operating activities	\$ 8,624,755	\$ 2,399,340	\$ (1,024,643)	\$ 9,999,452
<b>Presented on the Statement of Fund Net Position- Proprietary Funds as Follows:</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,802,203	\$ 11,846,244	\$ 854,113	\$ 14,502,560
Restricted for bond requirements-cash and cash equivalents	-	139,082	-	139,082
Restricted for capital assets-cash and cash equivalents	929,118	3,877,045	-	4,806,163
<b>Noncurrent assets</b>				
Cash and cash equivalents	-	1,169,007	-	1,169,007
<b>Total Cash and Cash Equivalents</b>	\$ 2,731,321	\$ 17,031,378	\$ 854,113	\$ 20,616,812

### Supplemental Disclosure of Noncash, Capital and Financing Activities

Jacksonville Municipal Water Works accepted utility property constructed by private developers. The fair value of this donated property in 2022 was \$243,067.

During 2022, Jacksonville Wastewater Utility accepted utility property constructed by private developers. The fair value of this donated property was \$5,206,498.

**City of Jacksonville, Arkansas**  
**STATISTICAL SECTION**

This section of the City of Jacksonville, Arkansas' comprehensive annual financial report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reflect about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends (Tables 1-5)</b>	108
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity (Tables 6-10)</b>	118
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
<b>Debt Capacity (Tables 11-15)</b>	123
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information (Tables 16-17)</b>	129
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information (Tables 18-20)</b>	131
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

# CITY OF JACKSONVILLE, ARKANSAS

## NET POSITION BY COMPONENT LAST TEN YEARS (Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 42,058,114	\$ 42,843,428	\$ 43,120,490	\$ 42,125,123
Restricted	1,184,762	1,831,423	6,086,120	4,161,056
Unrestricted (deficit)	3,544,078	2,694,078	(12,819,219)	(14,319,749)
Total governmental activities net position	<u>\$ 46,786,954</u>	<u>\$ 47,368,930</u>	<u>\$ 36,387,390</u>	<u>\$ 31,966,430</u>
Business-type activities				
Net investment in capital assets	\$ 887,393	\$ 989,853	\$ 1,366,575	\$ 1,820,668
Unrestricted	1,479,431	1,673,821	871,967	328,090
Total business-type activities net position	<u>\$ 2,366,824</u>	<u>\$ 2,663,674</u>	<u>\$ 2,238,542</u>	<u>\$ 2,148,758</u>
Primary government				
Net investment in capital assets	\$ 42,945,507	\$ 43,833,282	\$ 44,487,065	\$ 43,945,791
Restricted	1,184,762	1,831,423	6,086,120	4,161,056
Unrestricted (deficit)	5,023,509	4,367,899	(11,947,253)	(13,991,659)
Total primary government net position	<u>\$ 49,153,778</u>	<u>\$ 50,032,604</u>	<u>\$ 38,625,934</u>	<u>\$ 34,115,188</u>

(1) During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27", which significantly revises accounting for pension costs and liabilities. The adoption of GASB 68 resulted in a significant decrease of unrestricted net position of the governmental activities.

(2) During 2017, the AGFF Shooting Sports Complex was moved into an enterprise fund from the General Fund.

Table 1

<u>2017(2)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 37,788,738	\$ 35,873,213	\$ 34,351,016	\$ 27,537,475	\$ 32,470,428	\$ 32,185,537
4,759,509	5,023,813	5,284,005	13,674,802	8,981,135	7,534,266
(15,403,962)	(15,340,558)	(14,372,828)	(14,134,802)	(6,677,429)	(395,787)
<u>\$ 27,144,285</u>	<u>\$ 25,556,468</u>	<u>\$ 25,262,192</u>	<u>\$ 27,077,475</u>	<u>\$ 34,774,135</u>	<u>\$ 39,324,016</u>
\$ 5,284,651	\$ 5,080,941	\$ 5,050,271	\$ 5,627,241	\$ 5,209,383	\$ 5,084,462
178,852	(193,393)	347,011	(115,618)	1,124,610	1,274,703
<u>\$ 5,463,502</u>	<u>\$ 4,887,549</u>	<u>\$ 5,397,282</u>	<u>\$ 5,511,623</u>	<u>\$ 6,333,993</u>	<u>\$ 6,359,165</u>
\$ 43,073,389	\$ 40,954,154	\$ 39,401,287	\$ 33,164,716	\$ 37,679,811	\$ 37,270,000
4,759,509	5,023,813	5,284,005	13,674,802	8,981,135	7,534,266
(15,225,111)	(15,533,950)	(14,025,817)	(14,250,420)	(5,552,819)	878,916
<u>\$ 32,607,787</u>	<u>\$ 30,444,016</u>	<u>\$ 30,659,475</u>	<u>\$ 32,589,098</u>	<u>\$ 41,108,127</u>	<u>\$ 45,683,181</u>

CITY OF JACKSONVILLE, ARKANSAS

**CHANGES IN NET POSITION,  
LAST TEN YEARS  
(Accrual Basis of Accounting)**

	<u>2013</u>	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>
<b>Expenses</b>				
Governmental activities:				
General administration	\$ 614,247	\$ 538,999	\$ 569,284	\$ 556,838
City council	143,817	129,174	137,959	127,096
Office of the mayor	245,782	239,117	242,586	268,762
City clerk	140,796	137,910	133,400	156,334
City attorney	192,214	177,245	175,033	169,206
District court	342,963	340,907	339,984	363,278
Director of administration	114,376	114,063	108,044	129,570
Information technology	241,131	233,713	215,326	344,072
Finance	541,303	470,372	468,408	523,413
Human resources	236,759	227,865	223,741	234,627
Fleet services	144,176	151,582	142,922	155,398
Community programs	94,705	193,128	156,941	410,863
Public works	3,605,742	2,247,748	2,832,455	2,987,291
Parks and recreation services	2,953,709	3,381,026	3,547,411	4,109,087
Police	7,928,822	7,507,452	7,129,333	9,125,283
Fire	4,840,219	4,498,167	3,985,677	5,744,534
Emergency communication services	962,308	1,035,881	980,293	1,103,149
Animal control	320,102	318,606	296,316	329,470
Housing and neighborhood programs	588,290	239,470	200,669	240,454
Interest expense on long term debt	154,499	224,750	209,386	262,728
Agent fees on long-term debt	-	-	33,833	6,844
Debt issuance costs	-	-	145,014	-
Total governmental activities expenses	<u>24,405,960</u>	<u>22,407,174</u>	<u>22,274,017</u>	<u>27,348,297</u>
Business-type activities				
Sanitation services	1,522,422	1,459,139	1,516,551	1,575,392
Shooting complex services	-	-	-	813,554
Emergency medical services	1,876,427	2,005,367	2,472,158	1,994,625
Total business-type activities expenses	<u>3,398,849</u>	<u>3,464,506</u>	<u>3,988,709</u>	<u>4,383,571</u>
Total primary government expenses	<u>\$ 25,806,023</u>	<u>\$ 25,738,523</u>	<u>\$ 31,337,006</u>	<u>\$ 28,381,999</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General administration	\$ 156,458	\$ 183,919	\$ 365,550	\$ 259,848
District court	766,291	812,509	561,363	533,596
Finance	20,001	20,001	29,001	28,001
Fleet services	28,368	22,950	35,338	33,602
Public works	79,073	87,505	118,729	178,305
Parks and recreation services	797,053	980,103	1,024,897	1,037,505
Police	33,670	25,464	92,562	46,142
Fire	822	1,968	600	616
Emergency communication services	212,769	221,994	221,144	224,805
Animal control	19,365	24,415	18,770	10,508
Housing and neighborhood programs	486	67,693	53,217	300
Operating grants and contributions	4,428,410	4,598,762	4,145,981	4,413,390
Capital grants and contributions	685,232	211,790	933,951	259,177
Total governmental activities program revenues	<u>7,227,997</u>	<u>7,259,074</u>	<u>7,601,103</u>	<u>7,025,795</u>
Business-type activities				
Sanitation services	1,908,726	1,847,490	1,881,351	1,825,540
AGFF Shooting sports complex	-	-	-	-
Emergency medical services	1,132,011	1,387,624	1,550,301	1,579,660
Operating grants and contributions	6,500	-	12,460	11,947
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>3,047,237</u>	<u>3,235,114</u>	<u>3,444,112</u>	<u>3,417,147</u>
Total primary government program revenues	<u>\$ 10,275,234</u>	<u>\$ 10,494,188</u>	<u>\$ 11,045,215</u>	<u>\$ 10,442,942</u>

(1) During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27", which significantly revises accounting for pension costs and liabilities. The adoption of GASB 68 resulted in a significant decrease of unrestricted net position of the governmental activities.

Table 2

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>
\$	557,064	\$ 588,492	\$ 536,219	\$ 346,671	\$ 869,946	\$ 869,946	\$ 1,518,970
	135,390	115,767	102,366	103,693	128,940	128,940	120,304
	257,366	235,751	264,799	276,279	250,495	250,495	275,040
	137,719	132,710	149,541	158,409	134,299	134,299	162,761
	265,883	195,078	263,203	290,918	309,963	309,963	275,491
	327,002	288,647	410,884	343,938	49,467	49,467	241,420
	168,666	66,589	60,483	45,752	15,661	15,661	22,033
	281,286	328,045	396,834	517,127	523,392	523,392	553,160
	480,310	476,826	520,396	454,295	449,424	449,424	538,629
	182,619	173,136	179,466	220,407	209,005	209,005	245,024
	151,475	144,414	143,021	145,368	119,686	119,686	215,963
	247,008	197,863	236,212	194,578	209,140	209,140	229,655
	3,134,679	2,802,632	3,167,610	2,781,187	2,563,369	2,563,369	3,780,051
	2,875,561	2,688,822	3,053,109	3,117,949	3,160,003	3,160,003	3,686,218
	7,531,016	6,757,932	6,377,452	6,582,987	6,354,770	6,354,770	7,717,298
	5,465,496	6,345,142	5,840,076	5,376,174	5,498,885	5,498,885	6,336,582
	1,026,272	1,001,230	1,108,903	1,028,641	1,039,125	1,039,125	988,077
	307,420	285,996	336,284	313,737	317,201	317,201	323,043
	216,681	252,044	370,280	586,642	418,147	418,147	568,209
	242,525	223,214	199,807	184,860	166,827	166,827	164,882
	6,990	7,035	6,741	1,912	1,000	1,000	-
	-	-	-	93,773	46,633	46,633	-
	<u>23,998,428</u>	<u>23,307,364</u>	<u>23,723,687</u>	<u>23,165,297</u>	<u>22,835,378</u>	<u>22,835,378</u>	<u>27,962,808</u>
	2,001,844	2,001,844	2,030,667	1,761,166	1,339,894	1,339,894	1,846,007
	657,188	657,188	565,546	440,421	503,605	503,605	573,137
	2,323,196	2,323,196	2,254,304	2,866,716	2,467,226	2,467,226	2,610,331
	<u>4,982,228</u>	<u>4,982,228</u>	<u>4,850,517</u>	<u>5,068,303</u>	<u>4,310,725</u>	<u>4,310,725</u>	<u>5,029,475</u>
\$	<u>28,289,592</u>	<u>28,289,592</u>	<u>28,574,204</u>	<u>28,233,600</u>	<u>27,146,103</u>	<u>27,146,103</u>	<u>32,992,283</u>
\$	443,992	\$ 311,026	\$ 434,576	\$ 338,876	\$ 279,167	\$ 279,167	\$ 368,764
	473,217	435,533	364,662	264,705	257,752	257,752	318,805
	29,001	29,001	29,001	33,000	33,000	33,000	18,000
	30,990	28,920	31,583	26,586	29,156	29,156	30,279
	101,345	73,919	106,416	183,061	61,425	61,425	76,676
	690,777	688,960	640,172	455,925	621,264	621,264	673,767
	82,007	69,432	103,226	45,670	96,953	96,953	32,831
	6,218	2,956	2,756	200	200	200	-
	227,063	237,118	309,191	488,849	483,989	483,989	472,618
	10,444	4,865	20,495	8,530	8,353	8,353	12,448
	45,973	46,020	20	24,928	-	-	17,618
	4,300,118	4,242,826	2,031,400	3,031,255	4,620,971	4,620,971	4,881,168
	111,000	406,260	3,048,158	2,846,079	3,039,639	3,039,639	3,932,073
	<u>6,552,145</u>	<u>6,576,836</u>	<u>7,121,656</u>	<u>7,747,664</u>	<u>9,531,869</u>	<u>9,531,869</u>	<u>10,835,045</u>
	1,854,628	1,885,890	1,591,723	1,911,169	1,941,895	1,941,895	1,946,651
	361,463	332,942	405,152	197,871	301,451	301,451	346,400
	1,743,946	1,739,613	2,132,153	2,109,681	2,147,367	2,147,367	2,315,682
	15,855	13,893	16,171	74,465	38,363	38,363	23,715
	-	-	-	-	-	-	-
	<u>3,975,892</u>	<u>3,972,338</u>	<u>4,145,199</u>	<u>4,293,186</u>	<u>4,429,076</u>	<u>4,429,076</u>	<u>4,632,448</u>
\$	<u>10,528,038</u>	<u>10,549,174</u>	<u>11,266,855</u>	<u>12,040,851</u>	<u>13,960,945</u>	<u>13,960,945</u>	<u>15,467,493</u>

(continued)

CITY OF JACKSONVILLE, ARKANSAS

**CHANGES IN NET POSITION,  
LAST TEN YEARS (Continued)  
(Accrual Basis of Accounting)**

	<b>2013</b>	<b>2014</b>	<b>2015 (1)</b>	<b>2016</b>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (17,177,963)	\$ (15,148,100)	\$ (14,672,914)	\$ (20,322,502)
Business-type activities	(153,581)	(163,735)	(20,394)	(571,562)
Total primary government net expense	<u>\$ (17,331,544)</u>	<u>\$ (15,311,835)</u>	<u>\$ (14,693,308)</u>	<u>\$ (20,894,064)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
General property taxes	\$ 826,033	\$ 838,864	\$ 845,840	\$ 871,178
Sales taxes	13,164,041	13,406,409	13,798,792	13,781,154
Utility franchise taxes	1,292,667	1,137,932	1,262,049	1,105,865
Investment earnings	7,026	5,059	15,644	89,570
Grants and contributions not restricted to specific programs	433,463	470,303	454,419	451,246
Gain (loss) on sale of capital assets	31,775	331,187	(69,038)	37,520
Transfers	(590,000)	(459,677)	(425,000)	(434,989)
Total governmental activities	<u>15,165,005</u>	<u>15,730,077</u>	<u>15,882,706</u>	<u>15,901,544</u>
Business-type activities:				
Investment earnings	688	908	993	1,539
Grants and contributions not restricted	-	-	-	-
Gain on sale of capital assets	-	-	74,831	45,250
Transfers	590,000	459,677	425,000	434,989
Total business-type activities	<u>590,688</u>	<u>460,585</u>	<u>500,825</u>	<u>481,778</u>
Total primary government	<u>\$ 15,755,693</u>	<u>\$ 16,190,662</u>	<u>\$ 16,383,531</u>	<u>\$ 16,383,322</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ (2,012,958)	\$ 581,977	\$ 1,209,792	\$ (4,420,959)
Business-type activities	437,107	296,850	480,431	(89,784)
Change in accounting principle	-	-	(13,096,892)	-
Total primary government	<u>\$ (1,575,851)</u>	<u>\$ 878,827</u>	<u>\$ (11,406,669)</u>	<u>\$ (4,510,742)</u>



Table 2

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (17,446,283)	\$ (16,730,529)	\$ (16,602,030)	\$ (15,417,632)	\$ (13,303,509)	\$ (17,127,763)
(407,679)	(1,009,890)	(705,318)	(775,117)	118,351	(397,027)
<u>\$ (17,853,962)</u>	<u>\$ (17,740,419)</u>	<u>\$ (17,307,348)</u>	<u>\$ (16,192,749)</u>	<u>\$ (13,185,159)</u>	<u>\$ (17,524,790)</u>
\$ 821,693	\$ 882,197	\$ 917,150	\$ 888,874	\$ 979,374	\$ 1,063,014
14,013,579	13,935,682	14,623,842	15,937,121	18,255,204	19,085,733
1,096,000	1,078,449	1,113,293	1,109,300	1,167,611	1,274,208
110,441	78,189	110,642	69,101	44,099	327,990
449,828	449,060	448,418	415,333	437,453	410,313
(149,160)	-	-	-	(388,766)	(108,546)
(3,718,243)	(390,000)	(1,194,851)	(897,556)	(620,000)	(400,000)
<u>12,624,139</u>	<u>16,033,577</u>	<u>16,018,494</u>	<u>17,522,173</u>	<u>19,874,974</u>	<u>21,652,710</u>
4,125	10,755	20,200	11,257	6,160	22,200
-	-	-	-	-	-
56	33,180	-	(19,356)	77,857	-
3,718,243	390,000	1,194,851	897,556	620,000	400,000
<u>3,722,424</u>	<u>433,935</u>	<u>1,215,051</u>	<u>889,457</u>	<u>704,017</u>	<u>422,200</u>
<u>\$ 16,346,563</u>	<u>\$ 16,467,512</u>	<u>\$ 17,233,545</u>	<u>\$ 18,411,630</u>	<u>\$ 20,578,991</u>	<u>\$ 22,074,911</u>
\$ (4,822,144)	\$ (696,952)	\$ (583,537)	\$ 2,104,541	\$ 6,571,465	\$ 4,524,947
3,314,745	(575,955)	509,733	114,341	822,368	25,173
-	(890,867)	-	-	1,125,196	-
<u>\$ (1,507,399)</u>	<u>\$ (2,163,774)</u>	<u>\$ (73,803)</u>	<u>\$ 2,218,881</u>	<u>\$ 8,519,029</u>	<u>\$ 4,550,120</u>

# CITY OF JACKSONVILLE, ARKANSAS

**GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN YEARS  
(Accrual Basis of Accounting)**

**Table 3**

Year	General Property Taxes	Sales Taxes			Total Sales Taxes	Utility Franchise Taxes	Total
		City	Pulaski County	Alcoholic Beverage			
2013	\$ 826,033	\$ 7,337,421	\$ 5,777,520	\$ 49,100	\$ 13,164,041	\$ 1,292,667	\$ 15,282,741
2014	838,864	7,448,713	5,852,314	105,382	13,406,409	1,137,932	15,383,205
2015	845,840	7,646,395	6,071,374	81,023	13,798,792	1,262,049	15,906,681
2016	871,178	7,643,899	6,042,853	94,402	13,781,154	1,105,865	15,758,197
2017	821,693	7,786,515	6,144,151	82,913	14,013,580	1,096,000	15,931,273
2018	882,197	7,639,555	6,211,566	84,560	13,935,682	1,078,449	15,896,328
2019	917,150	7,971,755	6,565,369	86,719	14,623,842	1,113,293	16,654,285
2020	888,874	9,106,051	6,767,980	63,091	15,937,121	1,109,300	17,935,295
2021	979,374	10,337,376	7,804,993	112,835	18,255,204	1,167,611	20,402,188
2022	1,063,014	10,734,361	8,226,081	125,290	19,085,733	1,274,208	21,422,954
Change 2013-2022	28.7%	46.3%	42.4%	155.2%	45.0%	-1.4%	40.2%

# CITY OF JACKSONVILLE, ARKANSAS

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN YEARS

(Modified Accrual Basis of Accounting)

Table 4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ -	\$ 49,285	\$ 35,247	\$ 29,034	\$ 1,003	\$ 3,758	\$ 2,066	\$ 13,355	\$ 2,355	\$ 2,458
Restricted	123,382	8,158	8,158	-	-	-	-	-	-	-
Committed	7,039	2,654	3,301	5,948	5,876	6,985	7,873	9,824	10,895	10,895
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,089,430	2,375,306	1,830,111	806,202	994,333	1,992,119	3,139,553	5,089,752	9,032,333	9,131,705
Total general fund	<u>\$ 3,219,851</u>	<u>\$ 2,435,403</u>	<u>\$ 1,876,818</u>	<u>\$ 841,184</u>	<u>\$ 1,001,212</u>	<u>\$ 2,002,862</u>	<u>\$ 3,149,492</u>	<u>\$ 5,112,931</u>	<u>\$ 9,045,583</u>	<u>\$ 9,145,058</u>
All Other Governmental Funds										
Restricted	\$ 1,061,380	\$ 1,823,265	\$ 6,077,962	\$ 4,161,056	\$ 4,759,508	\$ 5,023,812	\$ 5,284,005	\$ 13,674,802	\$ 8,391,823	\$ 7,913,927
Committed	-	-	-	-	-	-	-	-	-	8,484,746
Assigned	1,809,841	1,597,837	1,617,645	1,603,548	1,406,102	1,472,853	1,760,870	1,558,376	96,196	-
Unassigned	-	-	-	-	-	-	-	-	-	(4,885)
Total all other governmental funds	<u>\$ 2,871,221</u>	<u>\$ 3,421,102</u>	<u>\$ 7,695,606</u>	<u>\$ 5,764,604</u>	<u>\$ 6,165,610</u>	<u>\$ 6,496,665</u>	<u>\$ 7,044,875</u>	<u>\$ 15,233,178</u>	<u>\$ 8,488,020</u>	<u>\$ 16,393,789</u>

In 2015, the increase in restricted fund balance is associated with the issuance of the 2015 Capital Improvement Bonds.

In 2020, the increase in restricted fund balance is associated with the issuance of the 2020 Capital Improvement Bonds.

In 2022, the increase in assigned fund balance is associated with the allocation of COVID -19 American Rescue Plan funds.

# CITY OF JACKSONVILLE, ARKANSAS

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS (Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>				
Property taxes	\$ 782,292	\$ 802,438	\$ 833,835	\$ 839,052
Sales taxes	13,164,041	13,406,409	13,798,792	13,781,154
Licenses and permits	123,447	133,586	136,274	226,274
Intergovernmental	4,674,667	4,729,464	4,575,835	4,847,747
Charges for services	1,081,303	1,119,187	1,150,933	1,097,253
Fines and fees	798,456	840,609	651,626	562,916
Utility franchise taxes	1,292,667	1,137,932	1,262,049	1,105,865
Investment income	7,026	5,059	15,644	89,570
Contributions	150,000	-	772,000	257,500
Miscellaneous	917,159	932,527	665,312	548,794
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	22,991,058	23,107,211	23,862,300	23,356,125
<b>Expenditures</b>				
General government	3,491,811	2,906,919	2,708,248	2,781,035
Public works	3,021,075	2,528,778	2,802,715	2,375,150
Parks and recreation services	5,514,730	3,025,248	3,292,345	3,936,111
Police	8,096,659	7,149,003	7,347,242	7,370,238
Fire	4,486,226	4,324,497	4,472,701	7,214,517
Emergency communication services	878,086	714,945	675,758	699,037
Animal control	322,848	305,998	287,637	280,536
Housing and neighborhood programs	559,482	238,824	202,067	226,768
Debt Service				
Principal	1,422,435	1,803,468	6,389,707	725,000
Interest	157,622	227,594	215,760	272,534
Agent fees	600	600	33,833	6,844
Issuance costs	-	-	145,014	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	27,951,574	23,225,874	28,573,027	25,887,770
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	(4,960,516)	(118,663)	(4,710,727)	(2,531,645)
<b>Other Financing Sources (Uses)</b>				
Bonds issued	-	-	8,851,649	-
Proceeds from other long-term debt	3,157,161	344,335	-	-
Capital lease	-	-	-	-
Transfers in	577,890	554,150	150,000	993,156
Transfers out	(1,167,890)	(1,013,827)	(575,000)	(1,428,145)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,567,161	(115,342)	8,426,649	(434,989)
<b>Net change in fund balances</b>	<u>\$ (2,393,355)</u>	<u>\$ (234,005)</u>	<u>\$ 3,715,922</u>	<u>\$ (2,966,634)</u>
Debt service as a percentage of noncapital expenditures	10.5%	12.4%	33.6%	4.3%

Table 5

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 826,251	\$ 856,539	\$ 852,536	\$ 877,551	\$ 937,059	\$ 929,242
14,013,579	13,935,682	14,623,842	15,937,121	18,255,204	19,085,733
434,535	243,423	305,522	279,517	273,121	291,681
4,738,360	4,687,887	5,482,124	6,268,771	8,070,894	8,616,676
942,439	956,629	1,063,640	1,017,444	1,182,950	1,159,952
542,862	493,869	429,075	301,114	280,107	344,192
1,096,000	1,078,449	1,113,293	1,109,300	1,167,611	1,274,208
110,441	78,189	99,274	69,101	44,099	327,990
110,000	406,260	4,125	3,750	9,740	17,900
234,085	260,997	334,679	303,787	167,419	820,841
<u>23,048,552</u>	<u>22,997,923</u>	<u>24,308,109</u>	<u>26,167,455</u>	<u>30,388,204</u>	<u>32,868,414</u>
2,904,825	2,797,378	3,025,070	3,039,182	3,443,196	4,942,920
2,390,959	2,295,609	3,029,940	2,174,498	2,313,256	4,115,803
2,473,090	2,620,703	2,682,522	2,835,181	2,974,325	3,556,873
6,970,618	6,003,262	5,919,883	6,803,095	6,859,286	7,520,052
4,764,915	5,261,163	5,200,548	5,381,616	5,525,282	5,766,950
714,326	761,607	812,913	857,035	845,571	795,729
290,121	299,083	307,313	310,037	326,613	347,164
213,718	244,248	365,580	581,347	435,028	572,152
1,050,000	765,000	790,000	770,000	75,000	345,000
251,964	220,133	198,391	177,423	162,185	162,856
6,990	7,035	6,741	1,912	1,000	1,000
-	-	-	93,773	46,633	-
<u>22,031,526</u>	<u>21,275,222</u>	<u>22,338,900</u>	<u>23,025,100</u>	<u>23,007,375</u>	<u>28,126,500</u>
1,017,026	1,722,701	1,969,209	3,142,354	7,380,829	4,741,915
-	-	-	7,935,000	-	-
-	-	-	8,643	-	-
-	-	-	-	-	-
1,088,000	1,000,336	726,536	8,281,423	2,545,886	5,591,429
<u>(1,543,989)</u>	<u>(1,390,336)</u>	<u>(1,301,536)</u>	<u>(8,926,422)</u>	<u>(3,165,886)</u>	<u>(5,991,429)</u>
<u>(455,989)</u>	<u>(390,000)</u>	<u>(575,000)</u>	<u>7,298,644</u>	<u>(620,000)</u>	<u>(400,000)</u>
<u>\$ 561,037</u>	<u>\$ 1,332,701</u>	<u>\$ 1,394,209</u>	<u>\$ 10,440,998</u>	<u>\$ 6,760,829</u>	<u>\$ 4,341,915</u>
7.5%	5.0%	4.5%	4.3%	1.1%	2.1%

# CITY OF JACKSONVILLE, ARKANSAS

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN YEARS (Modified Accrual Basis of Accounting)

Table 6

Year	General Property Taxes	Sales Taxes			Total Sales Taxes	Utility Franchise Taxes	Total
		City	Pulaski County	Alcoholic Beverage			
2013	\$ 782,292	\$ 7,337,421	\$ 5,777,520	\$ 49,100	\$ 13,164,041	\$ 1,292,667	\$ 15,239,000
2014	802,438	7,448,713	5,852,314	105,382	13,406,409	1,137,932	15,346,779
2015	833,835	7,646,395	6,071,374	81,023	13,798,792	1,262,049	15,894,676
2016	839,052	7,643,899	6,042,853	94,402	13,781,154	1,105,865	15,726,071
2017	826,251	7,786,515	6,144,151	82,913	14,013,580	1,096,000	15,935,831
2018	856,539	7,639,555	6,211,566	84,560	13,935,682	1,078,449	15,870,670
2019	852,536	7,971,755	6,565,369	86,719	14,623,842	1,113,293	16,589,671
2020	877,551	9,106,051	6,767,980	63,091	15,937,121	1,109,300	17,923,972
2021	937,059	10,337,376	7,804,993	112,835	18,255,204	1,167,611	20,359,874
2022	929,242	10,734,361	8,226,081	125,571	19,086,013	1,215,893	21,231,148
Change 2013-2022	18.8%	46.3%	42.4%	155.7%	45.0%	-5.9%	39.3%

# CITY OF JACKSONVILLE, ARKANSAS

## ASSESSED AND APPRAISED VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Table 7

Year	Regular Property		Utility Property		Total Taxable Assessed Value	Total Direct Tax Rate	Total Appraised Value	Assessed Value as a Percentage of Appraised Value
	Real	Personal	Real	Personal				
2013	\$ 208,233,348	\$ 55,876,090	\$ -	\$ 17,583,900	\$ 281,693,338	3.0	\$ 1,408,466,690	20%
2014	211,849,225	58,290,985	-	19,517,835	289,658,045	3.0	1,448,290,225	20%
2015	214,553,993	57,134,325	-	20,250,790	291,939,108	3.0	1,459,695,540	20%
2016	218,016,627	60,054,250	-	17,822,980	295,893,857	3.0	1,479,469,285	20%
2017	212,102,407	60,382,580	-	21,874,860	294,359,847	3.0	1,471,799,235	20%
2018	219,119,460	59,101,010	-	21,670,270	299,890,740	3.0	1,499,453,700	20%
2019	223,912,898	69,007,820	-	22,845,645	315,766,363	3.0	1,578,831,815	20%
2020	228,111,681	64,173,005	-	25,747,245	318,031,931	3.0	1,590,159,655	20%
2021	230,775,142	71,261,870	-	25,079,005	327,116,017	3.0	1,635,580,085	20%
2022	248,431,326	80,634,175	-	27,711,015	356,776,516	3.0	1,783,882,580	20%

Source: Pulaski County Tax Assessor.

Note: Tax rates are per \$1,000 of assessed value.

Note: Tax collections shown do not include Act 9 Real Estate Valuations.

Note: The Arkansas Public Service Commission has combined the personal and real estate public service accounts. Both are considered personal PSC accounts

# CITY OF JACKSONVILLE, ARKANSAS

## PROPERTY TAX RATES AND TAX LEVIES OF DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

Table 8

### Local Tax Rates Per \$1,000 Assessed Value

Year	Jacksonville		Pulaski County		Pulaski County Special School District		Jacksonville North Pulaski School District		Totals	
	Real	Personal	Real	Personal	Real	Personal	Real	Personal	Real	Personal
2013	3.00	3.00	10.10	10.10	40.70	40.70	-	-	50.80	50.80
2014	3.00	3.00	10.10	10.10	40.70	40.70	-	-	50.80	50.80
2015	3.00	3.00	10.10	10.10	40.70 (1)	40.70 (1)	-	-	50.80	50.80
2016	3.00	3.00	10.10	10.10	-	-	(2) 40.70	40.70	50.80	50.80
2017	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40
2018	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40
2019	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40
2020	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40
2021	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40
2022	3.00	3.00	10.10	10.10	-	-	48.30	48.30	58.40	58.40

### Tax Levies

2013	\$	1,253,591	\$	50,553,806	\$	105,004,294	\$	-	\$	162,634,409
2014		1,289,033		52,080,512		109,264,864		-		69,343,032
2015		1,299,180		53,185,616		14,858,236		-		56,492,623
2016		1,316,778		55,175,845		-		18,017,117		75,443,503
2017		1,309,974		55,667,587		-		18,465,942		77,969,963
2018		1,334,609		57,637,586		-		18,997,768		77,969,963
2019		1,405,292		59,806,627		-		19,920,435		81,132,354
2020		1,415,374		61,248,395		-		20,223,612		82,887,381
2021		1,455,803		63,187,101		-		20,956,773		85,599,677
2022		1,587,789		69,507,895		-		22,848,104		93,943,788

Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year.

Note (1): In 2015 a new school district was established, the Jacksonville North Pulaski School District, and 2015 tax rates and levies reflect amounts for the new school district.

Note (2): In July 2016 the new Jacksonville North Pulaski School District opened for classes.

Taxes are due and payable on or before October 10th. Taxes are recorded as delinquent after October 10th and a 10% penalty is added.

State statutory limits on City tax rate:

General operation	5 mills
General improvement bonds	Unlimited subject to voter approval
Industrial development bonds	5 mills
Firemen's pension and policemen's pension	1 mill each



# CITY OF JACKSONVILLE, ARKANSAS

PRINCIPAL SALES TAXPAYERS  
DECEMBER 31, 2022

Table 9

The City of Jacksonville, Arkansas' largest own-source revenue is sales taxes. The City's sale taxes revenues are generated from two separate tax levies: a two cent city tax based on point of sale and a portion of the county's one cent tax based on population. Taxes are assessed based on the point of sale. The City of Jacksonville makes up approximately 8.28% of the county population and receives a like portion of the county tax. In 2022, the two cent city sales tax generated revenue of \$10,734,361. The City's share of the county 1-cent tax generated revenue of \$8,226,081.

According to Arkansas State Statute, the City is required to keep the identity of individual tax payers confidential. Therefore, the City of Jacksonville is not able to identify the top 10 taxpayers. However, Jacksonville enjoys a diverse economic sales tax base.

Jacksonville Top Ten 2 Cent Sales Taxpayers Industries		Tax Collected	% of Total
1	Retail Trade	\$ 6,122,375	56.1%
2	Wholesale Trade	1,350,855	12.4%
3	Accommodations and Food Services	910,104	8.3%
4	Information and Cultural Industries	405,740	3.7%
5	Other Services (except Public Administration)	372,028	3.4%
6	Manufacturing	347,913	3.2%
7	Utilities	340,818	3.1%
8	Rental, Leasing and Real Estate	310,559	2.8%
9	Admin & Support & Waste Mngmt & Remediation Services	256,630	2.3%
10	Construction	111,745	1.0%
Totals		\$ 10,528,767	96.3%

Jacksonville Top Ten 1 Cent County Sales Taxpayers Industry		Collected	% of Total
1	Retail Trade	\$ 4,638,409	54.0%
2	Accommodations and Food Services	1,050,445	12.2%
3	Wholesale Trade	937,665	10.9%
4	Utilities	38,987	0.5%
5	Manufacturing	478,035	5.6%
6	Information and Cultural Industries	366,160	0.0%
7	Rental, Leasing and Real Estate	362,421	4.2%
8	Other Services (except Public Administration)	328,622	3.8%
9	Admin & Support & Waste Mngmt & Remediation Services	255,905	0.0%
10	Automobile	94,536	1.1%
Totals		\$ 8,551,186	95.2%

Source: Arkansas Department of Finance and Administration, Revenue Division (DFA), Sales and Use Tax Section.

Note: DF&A will not supply "Taxable Sales". Therefore, taxable sales are based on "Tax Collected" divided by 2%, the tax rate for the corresponding year.

# CITY OF JACKSONVILLE, ARKANSAS

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Table 10

Year	Total Tax Levy in Prior Year	Taxes Levied in the Prior Year Collected within the current year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 1,216,108	\$ 1,056,117	86.84%	\$ 89,448	\$ 1,145,565	94.20%
2014	1,253,591	1,101,934	87.90%	90,277	1,192,211	95.10%
2015	1,289,033	1,124,222	87.21%	88,624	1,212,846	94.09%
2016	1,299,180	1,120,679	86.26%	83,517	1,204,196	92.69%
2017	1,316,778	1,110,770	84.36%	82,084	1,192,854	90.59%
2018	1,309,974	1,114,212	85.06%	100,976	1,215,188	92.76%
2019	1,334,609	1,141,963	85.57%	91,323	1,233,286	92.41%
2020	1,405,292	1,167,449	83.08%	139,184	1,306,633	92.98%
2021	1,415,374	1,205,383	85.16%	103,187	1,308,570	92.45%
2022	1,455,803	1,339,242	91.99%	124,332	1,463,574	100.53%

Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data is not available to show the current level by year of outstanding delinquent taxes.

# CITY OF JACKSONVILLE, ARKANSAS

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Table 11

Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Notes Payable				
2013	1,579,017	-	5,038,839	2,429,113	771,818	-	9,818,787	1.70%	482.35
2014	1,404,381	-	4,104,899	2,075,153	475,337	-	8,059,770	1.40%	395.94
2015	1,194,520	8,849,418 (2)	-	74,958	216,842	-	1,486,320	0.26%	72.57
2016	970,126	8,343,237	-	54,958	-	-	9,368,322	1.68%	477.37
2017	735,732	7,521,374	-	621,185	-	-	8,878,292	1.54%	437.14
2018	490,139	7,004,038	-	633,710	-	-	8,127,887	1.36%	384.86
2019	230,041	6,470,439	-	463,223	-	-	7,163,702	1.14%	323.48
2020	-	13,870,411 (3)	-	305,346	-	-	14,175,756	2.10%	618.11
2021	-	7,868,374	-	145,005	-	-	8,013,379	1.12%	331.28
2022	-	7,522,995	-	24,672	-	-	7,547,667	0.96%	282.45

Note: Details regarding the City's outstanding debt can be found in Note 4 to the basic financial statements.

- (1) See the Schedule of Demographic and Economic Statistics for the personal income and population data.
- (2) In 2015, the City issued \$8,815,000 of Capital Improvement and Refunding Revenue Bonds to renovate the Central Fire Station and Splash Zone (City Water Park), to purchase three new fire trucks, to replace playground and exercise equipment, to construct a roundabout at General Samuels and Harris Roads and to refund the City's outstanding short-term loans.
- (3) In 2020, the City issued \$7,935,000 of Capital Improvement and Refunding Revenue Bonds to refund the 2015 Capital Improvement Refunding Revenue Bonds, remodel the courts building, construct new City Mechanic shop, repair roof at public safety building, and purchase a shot curtain at the shooting range.

# CITY OF JACKSONVILLE, ARKANSAS

## RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS

Table 12

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Appraised Value of Property (1)	Per Capita (2)
2013	1,579,017	251,641	1,327,376	0.47%	46.80
2014	1,404,381	272,324	1,132,057	0.39%	39.91
2015	1,194,520	275,130	919,390	0.31%	32.41
2016	970,126	275,079	695,047	0.23%	24.50
2017	735,732	273,598	462,134	0.16%	16.29
2018	490,139	279,918	210,221	0.07%	7.41
2019	230,041	230,041	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-

Note: Details regarding the City's outstanding debt can be found in *Note 4* to the financial statements.

(1) See *Table 7*, Schedule of Assessed and Appraised Value of Taxable Property for property value data.

(2) See *Table 16*, Schedule of Demographic and economic Statistics for personal income and population data.

# CITY OF JACKSONVILLE, ARKANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2022

Table 13

	<b>Debt Available for Retirement</b>	<b>Percentage Applicable</b>	<b>City's Share of Overlapping Debt</b>
Direct:			
City of Jacksonville	\$ 7,547,667	100%	\$ 7,547,667
Overlapping:			
Jacksonville North Pulaski School District	<u>87,965,000</u>	75% (1)	<u>65,973,750 (2)</u>
Total direct & overlapping debt	<u>\$ 95,512,667</u>		<u>\$ 73,521,417</u>

(1) Property value for city is \$356,776,516 while property value for the School District is \$473,045,434.  
 Estimated percentage = 356.8 divided by 473.0 = 75%

(2) Share of outstanding debt = 87,965,000 X 75%= 65,973,750

# CITY OF JACKSONVILLE, ARKANSAS

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 70,423,335	\$ 72,414,511	\$ 72,984,777	\$ 73,973,464
Total net debt applicable to limit	<u>8,772,496</u>	<u>7,308,901</u>	<u>9,739,216</u>	<u>8,732,284</u>
Legal debt margin	<u>\$ 61,650,839</u>	<u>\$ 65,105,610</u>	<u>\$ 63,245,561</u>	<u>\$ 65,241,180</u>
Total net debt applicable to the limit as a percentage of debt limit	10.27%	12.46%	10.09%	13.34%

Note: Computation of the City's legal debt margin is set forth in Amendments 78 and 62 to the Constitution of the State of Arkansas.

- (1) General obligation debt is not to exceed 20% of assessed value.
- (2) Short-term financing debt is not to exceed 5% of assessed value.

**Table 14**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 73,589,962	\$ 74,972,685	\$ 78,941,591	\$ 79,507,983	\$ 81,779,004	\$ 89,194,129
<u>7,534,343</u>	<u>7,472,668</u>	<u>6,731,895</u>	<u>12,168,583</u>	<u>6,067,435</u>	<u>6,689,480</u>
<u>\$ 66,055,619</u>	<u>\$ 67,500,017</u>	<u>\$ 72,209,695</u>	<u>\$ 67,339,399</u>	<u>\$ 75,711,569</u>	<u>\$ 82,504,649</u>
11.80%	10.24%	8.53%	15.30%	7.42%	7.50%

**Legal Debt Margin Calculation for 2023**

Assessed value	\$ 356,776,516
Debt limit:	
General obligation debt limitation (1)	71,355,303
Short-term financing debt limitation (2)	<u>17,838,826</u>
Total Debt Limitation	<u>89,194,129</u>
Debt applicable to limit:	
General obligation and short-term financing	7,547,667
Less: Amount set aside for repayment in debt service fund	<u>858,188</u>
Total net debt applicable to limit	<u>6,689,480</u>
Legal debt margin	<u>\$ 88,335,941</u>

# CITY OF JACKSONVILLE, ARKANSAS

## PLEGGED REVENUE BOND COVERAGE LAST TEN YEARS

Table 15

Governmental Activities Revenue Bonds*						
2015 Capital Improvement and Refunding Bond						
Fiscal Year	Pledged Revenues	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2015	\$ 1,262,049	\$ -	\$ 57,284	\$ 57,284	5%	
2016	1,105,865	500,000	224,136	724,136	65%	
2017	1,096,000	815,000	214,036	1,029,036	94%	
2018	1,078,449	520,000	193,061	713,061	66%	
2019	1,113,293	530,000	182,561	712,561	64%	
2020	1,109,300	540,000	171,861	711,861	64%	
2020 Capital Improvement and Refunding Bond						
Fiscal Year	Pledged Revenues	Debt Service Requirements			Coverage	
		Principal	Interest	Total		
2020	\$ 1,109,300	\$ -	\$ -	\$ -	0%	
2021	1,167,611	75,000	154,005	229,005	20%	
2022	1,274,208	345,000	162,856	507,856	40%	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\*Primary government pledged revenue bond coverage is presented starting with fiscal year 2015.

(1) 2015 Capital Improvement and Refunding Revenue Bonds are backed with a pledge of specific Utility Franchise fees.

(2) 2020 Capital Improvement and Refunding Revenue Bonds are backed with a pledge of specific Utility Franchise fees.



# CITY OF JACKSONVILLE, ARKANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Table 16

Year	Population	Personal Income (thousands of dollars) (2)	Per Capita Income (2)	Median Age	Percent of Population Age 25+ MA/Professional Degree or Higher	School Enrollment (3)	Unemployment Rate (4)
2013	28,364	(1) \$ 577,378	\$ 20,356	31.2	15.0%	5,279	(3) 7.7%
2014	28,364	(1) 577,378	20,356	31.2	15.0%	5,144	(3) 6.1%
2015	28,364	(1) 580,895	20,480	31.2	18.6%	3,898	(5) 5.7%
2016	28,364	(1) 556,644	19,625	31.2	18.9%	4,062	(6) 4.1%
2017	28,364	(1) 576,073	20,310	31.9	19.2%	3,871	3.3%
2018	28,364	(1) 599,019	21,119	32.4	19.5%	3,886	4.2%
2019	28,364	(1) 628,149	22,146	33.1	18.6%	3,958	5.0%
2020	29,477	(7) 676,026	22,934	33.5	18.7%	3,457	7.6%
2021	29,477	(7) 713,019	24,189	33.5	21.8%	3,986	3.9%
2022	29,477	(7) 787,684	26,722	33.5	22.40%	4,095	3.6%

Data Sources: Metroplan - Council of Local Governments, Pulaski County Special School District

- (1) 2010 Census
- (2) Metroplan provides per capita income. Personal Income is a calculation of per capita income multiplied by the population.
- (3) Pulaski County Special School District
- (4) Source: Arkansas Department of Workforce Services / [www.discover.arkansas.gov](http://www.discover.arkansas.gov)
- (5) 2015 New division lines for Pulaski County Special School District excludes data from Adkins PreK, Cato Elementary, Northwood Elementary schools.
- (6) 2016 Jacksonville no longer is part of the Pulaski County Special School District. Jacksonville North Pulaski School District opened.
- (7) 2020 Census

# CITY OF JACKSONVILLE, ARKANSAS

## JACKSONVILLE AREA MAJOR EMPLOYERS CURRENT YEAR AND TEN YEARS

Table 17

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Little Rock Air Force Base	9,302	1	53.07%	10,413	1	42.05%
Jacksonville North Pulaski School District	625	2	3.57%	-	-	-
Pathfinder, Inc	615	3	3.51%	1,200	3	4.85%
Lomanco, Inc.	357	4	2.04%	185	10	0.75%
Wal-Mart	315	5	1.80%	380	4	1.53%
Sig Sauer	293	6	1.67%	-	-	-
City of Jacksonville	268	7	1.53%	328	6	1.32%
First Arkansas Bank & Trust	267	8	1.52%	260	7	1.05%
First Electric Co-op	228	9	0.00%	225	8	0.91%
Lowes	145	10	0.83%	-	-	-
Wright's Cabinets, Inc	139	-	0.79%	-	-	-
Arkansas Federal Credit Union	12	-	0.07%	200	9	0.81%
Pulaski County Special School District	-	-	0.00%	2,632	2	10.63%
North Metro Medical Center	-	-	0.00%	360	5	1.45%
	<u>12,566</u>		<u>70.39%</u>	<u>16,183</u>		<u>65.35%</u>

Sources: Jacksonville Chamber of Commerce  
Discover Arkansas.net-Labor Force Statistics

# CITY OF JACKSONVILLE, ARKANSAS

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

Table 18

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government:										
General administration	12	12	12	12	10	10	10	10	10	10
City council	10	10	10	10	10	10	10	10	10	10
Mayor	2	2	2	1	1	1	2	2	2	2
City clerk	2	2	2	1	1	1	2	2	2	2
City attorney	2	2	2	1	1	1	2	2	2	2
District court	5	5	5	5	3	4	5	5	3	4
Director of administration	1	1	1	1	0	0	0	0	0	0
Information technology	2	2	1	1	1	1	3	3	3	3
Finance	8	7	6	6	6	6	7	6	6	7
Human resources	3	3	2	1	1	1	2	2	2	3
Fleet services	3	2	2	2	2	2	2	2	2	3
Public works										
Public works coordinator	1	1	1	1	1	1	1	1	1	1
Engineering	4	4	3	3	3	3	3	3	3	3
Code enforcement	4	4	4	4	3	2	5	3	3	5
Parks and recreation	55	35	34	45	34	64	55	55	45	55
Police	98	96	95	94	79	55	60	58	58	50
Fire	56	56	55	45	55	51	56	62	61	60
Emergency communication	15	12	11	10	13	9	10	14	10	11
Animal control	6	5	5	5	5	5	5	5	4	5
<b>Total General Fund</b>	<b>288</b>	<b>261</b>	<b>253</b>	<b>248</b>	<b>229</b>	<b>227</b>	<b>240</b>	<b>245</b>	<b>227</b>	<b>236</b>
Community Development	2	1	1	1	1	1	1	1	1	1
Emergency Medical Services	12	12	12	12	12	12	10	10	11	11
Public Works - Street	18	15	14	18	19	16	14	12	13	13
Sanitation	16	15	15	15	16	13	15	15	15	15
<b>Total Other Funds</b>	<b>48</b>	<b>43</b>	<b>42</b>	<b>46</b>	<b>48</b>	<b>42</b>	<b>40</b>	<b>38</b>	<b>40</b>	<b>40</b>
<b>Total Personnel</b>	<b>336</b>	<b>303</b>	<b>295</b>	<b>294</b>	<b>277</b>	<b>269</b>	<b>280</b>	<b>283</b>	<b>267</b>	<b>276</b>

Source: City's Human Resource Department

**CITY OF JACKSONVILLE, ARKANSAS**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

**Table 19**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Planning and Development</b>										
Total building permits issued	158	150	147	153	183	145	190	174	149	163
Estimated building cost	\$ 10,620,235	\$ 11,637,357	\$ 9,244,024	\$ 15,307,827	\$ 97,881,742	\$ 18,957,534	\$ 41,491,501	\$ 15,694,601	\$ 28,810,690	\$ 28,000,788
New commercial construction permits	9	3	1	6	13	8	4	6	4	5
Commercial construction value	\$ 5,335,457	\$ 5,273,746	\$ 380,000	\$ 2,126,400	\$ 87,803,785	\$ 9,564,888	\$ 26,265,314	\$ 3,505,844	\$ 8,755,302	\$ 6,766,302
New residential construction permits	32	39	43	41	63	36	56	51	40	71
Residential construction value	\$ 4,109,500	\$ 4,749,000	\$ 5,633,017	\$ 5,060,053	\$ 7,309,903	\$ 5,404,500	\$ 13,256,326	\$ 7,921,238	\$ 7,692,840	\$ 12,777,000
<b>Police</b>										
Number of uniformed employees	80	80	77	76	79	70	70	65	59	52
Call responses	49,659	45,587	55,199	51,263	42,804	43,266	40,031	37,528	53,485	343,999
Physical arrests	3,804	4,040	3,363	2,896	1,898	2,621	2,018	1,539	1,795	1,785
Parking/traffic violations	5,996	7,278	7,731	6,410	3,502	3,651	5,572	3,890	9,836	5,560
Clearance rate - violent crimes	63.5%	56.7%	63.0%	59.0%	56.0%	59.0%	38.7%	61.0%	40.0%	85.0%
Clearance rate - property crimes	64.0%	44.5%	49.0%	37.0%	18.0%	35.0%	39.7%	29.0%	24.0%	46.0%
<b>Fire</b>										
Number of uniformed employees	55	55	67	55	56	52	56	62	61	68
Fire alarms	4,141	3,752	4,485	4,699	5,035	5,308	5,558	6,101	6,252	6,423
EMS alarms	3,120	3,541	3,847	3,920	4,215	4,253	4,608	4,797	5,293	5,167
Fire losses	\$ 829,630	\$ 803,495	\$ 394,220	\$ 829,630	\$ 706,250	\$ 459,600	\$ 205,750	\$ 633,800	\$ 1,987,450	\$ 675,800
Fire savings	\$ 3,014,880	\$ 2,906,079	\$ 7,949,810	\$ 5,656,220	\$ 10,133,450	\$ 6,967,785	\$ 7,633,750	\$ 7,873,800	\$ 11,751,371	\$ 12,081,600
<b>911 Communications</b>										
Ambulance land line calls (1)(2)	1,404	1,593	1,731	980	1,054	1,063	1,152	1,199	1,323	1,292
Ambulance wireless calls (1)(2)	1,716	1,948	2,116	2,940	3,161	3,190	3,456	3,598	3,970	3,875
Fire land line calls (1)(2)	1,863	1,688	2,018	1,175	1,259	1,327	1,390	1,525	1,563	1,606
Fire wireless calls (1)(2)	2,278	2,064	2,467	3,524	3,776	3,981	4,169	4,576	4,689	4,817
Police land line calls (1)(2)	22,347	20,514	24,840	12,816	10,701	10,816	10,008	9,382	13,371	8,600
Police wireless calls (1)(2)	27,312	25,073	30,359	38,447	32,103	32,450	30,023	28,146	40,114	25,799
<b>Animal Shelter</b>										
Animals handled	1,563	1,507	1,500	1,503	1,723	1,668	1,720	1,562	1,698	1,352
Adoptions	595	795	1,032	1,125	1,236	1,180	1,012	1,044	1,010	832
Rescued and released to owners	374	324	324	296	329	299	361	354	339	399
Animal cruelty investigations	73	38	27	17	9	6	14	8	46	52
Animal bite investigations	35	40	40	32	40	18	8	21	29	50
<b>Solid Waste/Garbage collection</b>										
Solid waste disposal monthly service rate (3)	\$ 21.40	\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.62	\$ 22.39	\$ 22.39	\$ 24.12	\$ 25.34	\$ 26.00
Refuse collected (cubic yards)	21,542	22,393	24,774	26,890	26,886	22,789	23,967	26,933	27,237	21,027
Recyclables collected,processed,and sold (tons )	579	612	557	524	531	557	384	505	363	221.5
Recycled yard waste (cubic yards)	33,456	34,529	30,636	31,830	38,352	30,636	30,054	34,962	28,854	22,206
Recycle drive-thru customers (4)	7,826	8,156	8,140	8,122	6,620	8,140	6,766	10,164	18,131	16,573
<b>Public Works</b>										
Asphalt milling (square yards)	15,513	13,286	7,314	11,600	10,000	7,390	21,025	0	0	18,596
Asphalt overlay (tons)	2,574	1,623	2,226	2,055	2,064	2,280	2,759	0	0	4,418
Right-of-way and ditch mowing (miles)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Ditch cleaning (linear feet)	22,322	22,240	18,422	20,299	27,856	30,582	30,582	14,655	849	18,005
Pipe/culvert installation (linear feet)	2,577	1,500	1,065	1,528	2,106	3,288	2,040	3,517	739	1,460
Storm drain culverts cleaned/flushed ( feet)	3,000	3,000	3,000	3,000	3,000	3,000	2,500	2,500	2,500	2,500
Roadways cleaned with street sweeper ( miles)	9,318	9,318	9,318	7,800	7,800	7,800	7,800	7,800	7,800	8,183
Potholes repaired	202	200	225	225	246	358	495	425	290	290
<b>Parks and recreation</b>										
Total recorded parks attendance	375,000	425,000	425,000	435,000	500,000	435,000	500,000	500,000	500,000	500,000
Community Center events booked	350	173	187	303	329	474	304	101	113	190
Pool parties-indoor pool	227	185	272	184	212	203	171	74	62	95
Pool parties-outdoor pool	113	112	126	92	127	118	97	36	66	95
Swim lessons	1,562	1,541	1,126	1,477	1,392	1,472	1,439	874	1,347	1,428
<b>AG&amp;FF Shooting Sports Complex (5)</b>										
Total Events Held	-	-	-	79	87	60	60	60	52	60
Targets Thrown	-	-	-	1,200,000	1,300,000	1,200,000	1,200,000	620,975	1,045,175	1,331,275

Source: Various city departments

Note: Indicators are not available for the general government function.

(1) Beginning in 2011 the Total EMS/Fire/Police Calls= 45% (landline), 55% (Wireless)

(2) Beginning in 2016 the Total EMS/Fire/Police Calls= 25% (landline), 75% (Wireless)

(3) Solid Waste disposal was charged per cubic yard until 2012, then it was charged per ton.

(4) Decrease due to the County's new 2017 curbside recycling program

(5) Beginning in 2017 the Shooting Sports Complex became its own Enterprise Fund

# CITY OF JACKSONVILLE, ARKANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

Table 20

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	2	2	2	2	2	2	2	2
Patrol units	69	87	82	78	80	49	51	64	64	48
<b>Fire</b>										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire trucks	4	5	5	5	5	6	8	7	7	6
Ambulances	4	4	4	4	3	4	5	5	5	4
<b>Refuse Collection</b>										
Collection trucks	18	18	18	20	22	18	19	24	24	18
<b>Public Works</b>										
Miles of streets	121	121	123	123	124	124	124	125	125	130
Miles of highways	43	43	43	43	43	43	43	43	43	43
Traffic signals	24	17	17	16	16	18	18	18	18	18
<b>Parks and Recreation</b>										
Acreage	318	700	700	700	700	700	700	700	700	700
Number of parks	16	16	16	16	16	16	16	16	17	17
Number of playgrounds	11	11	11	11	11	11	11	11	11	11
Number of ball fields	11	11	11	11	11	11	11	11	11	11
Number of soccer fields	4	4	4	4	4	4	4	4	4	4
Number of community centers	2	2	3	3	3	3	2	2	2	2
Number of fitness centers	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	1	1	1	1	1	1	1	1	1	1
Number of pavilions	18	18	18	18	18	18	18	18	18	18

Source: Various City departments.

Note: No capital asset indicators are available for the general government.



## Independent Accountant's Report on Compliance with Certain State Acts

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas  
Jacksonville, Arkansas

We have examined management's assertions that the City of Jacksonville, Arkansas (City), complied with the requirements of the *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2022.

- (1) Arkansas Municipal Accounting Law, §14-59-101 et seq.
- (2) Arkansas District Courts and City Courts Accounting Law, §16-10-201 et seq.
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204
- (4) Budgets, purchases and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.
- (5) Investment of public funds, § 19-1-501 et seq.
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107

Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertion that the City of Jacksonville, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2022, is fairly stated, in all material respects.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

This report is intended solely for the information and use of the board of directors, management and the State of Arkansas, and is not intended to be and should not be used by anyone other than these specified parties.

**FORVIS,LLP**

Little Rock, Arkansas  
September 28, 2023







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## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

### **Independent Auditor's Report**

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas  
Jacksonville, 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Jacksonville, Arkansas (City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 28, 2023. Our report includes a reference to other auditors who audited the financial statements of Jacksonville Municipal Water Works and Jacksonville Wastewater Utility, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of 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.

**FORVIS, LLP**

Little Rock, Arkansas  
September 28, 2023



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## Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance

### Independent Auditor's Report

Honorable Jeff Elmore, Mayor  
and Members of the City Council  
City of Jacksonville, Arkansas  
Jacksonville, Arkansas

#### Report on Compliance for the Major Federal Program

##### *Opinion on the Major Federal Program*

We have audited the City of Jacksonville's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

##### *Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

##### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**FORVIS,LLP**

Little Rock, Arkansas  
September 28, 2023



# CITY OF JACKSONVILLE, ARKANSAS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<b><u>Department of Defense Programs</u></b>				
Direct Programs:				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	N/A	\$ -	\$ 313,186
<b>Total Department of Defense</b>			-	<b>313,186</b>
<b><u>Department of Housing and Urban Development Programs</u></b>				
Direct Programs:				
<i>CDBG Entitlement Grants Cluster</i>				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	-	144,376
COVID - 19 Community Development Block Grants/ Entitlement Grant	14.218	N/A	-	51,835
<i>Total CDBG Entitlement Grants Cluster</i>			-	196,211
<b>Total Department of Housing and Urban Development</b>			-	<b>196,211</b>
<b><u>Department of Justice Programs</u></b>				
Direct Programs:				
Drug Task Force Overtime	16.000	N/A	-	20,448
Bulletproof Vest Partnership Program	16.607	N/A	-	9,391
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	22,428
Equitable Sharing Program	16.922	N/A	-	3,975
<b>Total Department of Justice</b>			-	<b>56,243</b>
<b><u>Department of Transportation Programs</u></b>				
<i>Highway Planning and Construction Cluster</i>				
Pass-Through From:				
Arkansas Department of Transportation				
Highway Planning and Construction	20.205	JOB #205847	-	6,940
	20.205	JOB #061527	-	84,441
<b>Total Department of Transportation</b>			-	<b>91,381</b>
<b><u>Department of Treasury</u></b>				
Pass-Through From:				
Arkansas Department of Finance and Administration				
COVID -19 American Rescue Plan	21.027	None Provided	-	2,722,259
COVID-19 Coronavirus Relief Fund	21.019	None Provided	-	290,655
<b>Total Department of Treasury</b>			-	<b>3,012,914</b>
<i>Total Expenditures of Federal Awards</i>			<u>\$ -</u>	<u>\$ 3,669,936</u>

# CITY OF JACKSONVILLE, ARKANSAS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2022

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### **Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Jacksonville, Arkansas (City) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule 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 Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

### **Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable federal guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **Note 3: Indirect Cost Rate**

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 4: Federal Loan Programs**

The City did not have any federal loan programs during the year ended December 31, 2022.



# CITY OF JACKSONVILLE, ARKANSAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2022

### Section I - Summary of Auditor's Results

#### *Financial Statements*

1. The type of report the auditor issued on whether the financial statement audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified     Qualified     Adverse     Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies) identified?     Yes     None reported

Material weakness(es) Identified?     Yes     No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes     No

#### *Federal Awards*

4. Internal control over compliance for the major federal awards program: applicable to major federal awards programs disclosed:

Significant deficiency(ies) identified?     Yes     None reported

Material weakness(es) identified?     Yes     No

5. Type of auditor's report issued on compliance for the major federal award program:

Unmodified     Qualified     Adverse     Disclaimer

6. The audit disclosed findings required to be reported in accordance with 2 CFR 200.516(a)?

Yes     No

7. Identification of the major federal program:

---

#### Cluster/Program

COVID-19 Coronavirus State and Local Fiscal Recovery Program    21.027

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

9. The City qualified as a low-risk auditee?

Yes     No

# CITY OF JACKSONVILLE, ARKANSAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2022

### Section II - Findings Required to be Reported by *Government Auditing Standards*

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

### Section III - Findings Required to be Reported by the Uniform Guidance

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

# CITY OF JACKSONVILLE, ARKANSAS

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2022

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Reference Number	Summary of Finding	Status
No matters are reportable		