



2020

ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of Jacksonville, Arkansas
For the Fiscal Year Ended December 31, 2020

Annual Comprehensive Financial Report

**City of Jacksonville,
Arkansas**

Fiscal Year Ended

December 31, 2020

Prepared by:

FINANCE DEPARTMENT

Cheryl Erkel, CGFM
DIRECTOR OF FINANCE



CITY OF JACKSONVILLE, ARKANSAS

YEAR ENDED DECEMBER 31, 2020

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CITY OF JACKSONVILLE, ARKANSAS

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City of Jacksonville, Arkansas

#1 Municipal Drive
Jacksonville, AR 72076



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, 2020, 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 consists of management's representations concerning the finances of the City of Jacksonville. 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 outweigh 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 McAlister Von-Jacobs & Associates, PLLC, 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, 2020, 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, 2020, 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 28,364.

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 experienced unprecedented snowstorms along with the various impacts of the COVID-19 pandemic during 2020. 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. The City's unemployment rate increased from 5.0% in December 2019 to 6.7% in December 2020.

However, the unemployment rate fluctuated greatly throughout the year due to the impact of the COVID 19 pandemic.

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 8,000 active-duty military and civilian members, and roughly 5,500 family members live and work on and around the base with an estimated 53,000 retirees in the local area. The impact on the regional economy totaled \$1.134 billion according to their Economic Impact Statement for Fiscal Year 2020. Additionally, the base was the 5th largest employer in the State of Arkansas in fiscal year 2020 with 10,388 jobs on base. LRAFB is a major training facility for the United States Air Force and is the home of C-130 Combat Airlift.

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, Jacksonville has a Welding College, a WAGE program that provides free computer and GED training, and a local office of the Arkansas Department of Workforce Services. In addition, the LRAFB University Center has five on base universities offering both undergraduate and graduate programs. The Jacksonville North Pulaski School District is providing educational instructions for skilled labor as well as preparing their students for college. The Jacksonville North Pulaski High School has recently added cyber-security to their curriculum that will allow their students to go straight to work after graduation or go to college to increase their knowledge.

The Little Rock Metro Area economy continues to gradually increase as measured by gross domestic product (GDP). From 2014 to 2019, it has grown by 14.3%. Jacksonville is part of the Little Rock-North Little Rock-Conway metropolitan statistical area (MSA), a six-county area of more than 749,432 people.

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 1.8% with the 2019 levy collectible in 2020 increasing by 5.3% due to an increase in millage for the City's school district.

Sales tax revenue derived from the City's two-cent sales and use tax and the City's portion (7.4%) of the Pulaski County sales and use tax has been growing at an average rate of 3.0% over the past five years which includes an increase of 5 % for 2019 and an increase of 9.2% for 2020. On average, sales tax revenue supports approximately 70% of the City's General Fund budget.

U.S. internet sales, or e-commerce, accounted for approximately 21.3% of total retail sales for 2020. Internet sales have increased greatly from 8.9% in 2019, mostly as a result from the

COVID 19 pandemic. Beginning July 1, 2019, the Arkansas Legislature enacted the Remote Transactions Parity Act which enables municipalities to collect sales tax from retailers that do not have a physical presence within the state. With sales tax as the primary revenue source for the City of Jacksonville, this legislation is critical to retaining the resources required to sustain local services. While state law requires that citizens prepare sales and use tax returns for such purchases, this method of tax collection is very ineffective.



The City of Jacksonville receives intergovernmental revenues based on population. According to the 2010 U. S. Census, the population for the City decreased 5.2% while Pulaski County's population increased 5.9% compared to the 2000 Census data. The City took a proactive approach for the 2020 U.S. Census. A committee was formed to help with educating the public on the importance of filling out the census form. The committee consisted of citizens with diverse ethnic backgrounds in order to address various concerns throughout the community. The City is optimistic that the population will have grown based on several new subdivisions and a new school district since the last census was taken. The official count is anticipated to be released later this year.

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 2017, the City entered into a 60-month equipment lease agreement with AT&T for \$10,629 per month for 9-1-1 equipment upgrade and maintenance. The equipment will be owned by the City at the end of this lease. Another lease agreement was entered into in 2018 with Dell Financial Services for computer servers. The lease has a five-year term with annual payments of \$37,048.

MAJOR INITIATIVES

Jacksonville is continuously looking for ways to improve the city to ensure the safety of its citizens. The City completed a sidewalk on North First Street during the first couple of months of 2019 with the assistance for funding through a state grant. In 2021, the City will be completing Phase II of the sidewalk on Military Road with the assistance of another State Grant.

In addition to sidewalks, the City replaced a bridge on Oneida Street which was financed jointly with the City of Sherwood and Pulaski County in 2020. Our portion of the cost was \$72,678. The Main Street Overpass was improved with street lights and flower planters with CDBG funding. The Loop Road railroad crossing is scheduled to have an overpass built over it. This project will be partially funded by the State with an 80% matching grant.

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 due to the COVID 19 pandemic. 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 is developing a plan to convert 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, 2019. 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 23rd 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, and Accountant Sydnie Shelton. Their tenacious attention to detail makes this report an excellent communication tool.

We would like to acknowledge the thorough and professional manner in which McAlister Von-Jacobs & Associates, PLLC 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

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, 2019

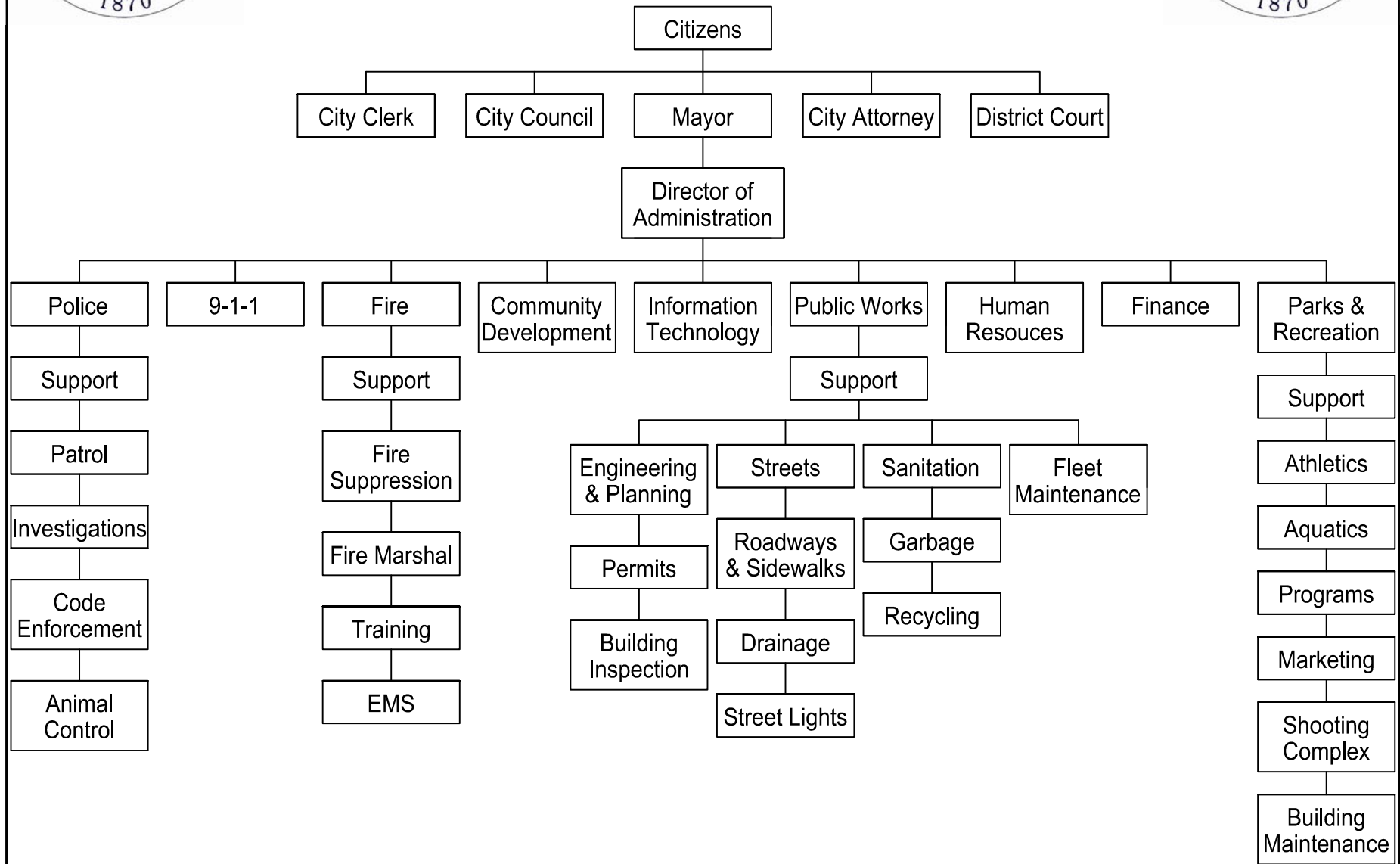
Christopher P. Morrill

Executive Director/CEO



City of Jacksonville

Organizational Structure



**City of Jacksonville, Arkansas
List of Elected and Appointed Officials
December 31, 2020**

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
Community Development Director	Theresa Watson
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

McAlister Von-Jacobs & Associates, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

1 Crestview Plaza, P. O. Box 956
Jacksonville, Arkansas 72078
(501) 982-4491 Fax (501) 982-8518

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Jacksonville, Arkansas

Report on the Financial Statements

We have audited the accompanying 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 (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jacksonville Municipal Water Works, which represent 61%, 60% and 63%, respectively, of the assets and deferred outflow of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Jacksonville Municipal Water Works, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the 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 of Jacksonville, Arkansas as of December 31, 2020, 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.

Other Matters

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 listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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.

Other 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 statements, introductory and statistical sections, 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 Federal Awards* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards (supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Mayor and
Members of the City Council
City of Jacksonville, Arkansas
Independent Auditor's Report
Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, 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 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 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.

McAlister Von-Jacobs & Associates, PLLC

Jacksonville, Arkansas
November 30, 2021





Management’s Discussion and Analysis

For the Year Ended December 31, 2020

Office of the Finance Director, Cheryl Erkel, CGFM
#1 Municipal Drive, Jacksonville, AR 72076
Phone: (501) 982-4502 Fax: (501) 985-9768
E-mail: cerkel@cityofjacksonville.net

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, 2020. 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 \$32,589,099.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$20,346,107 of which \$5,089,752 was unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,089,752, which is 26% of total general fund expenditures.
- The City’s total bond related debt increased by \$7,943,643 with the issuance of new Capital Improvement and Refunding bonds.
- The City had general revenues of \$18,411,630, grants and contribution revenues of \$5,951,800, charges for services of \$6,089,051, and program expenses of \$28,233,600 for the year ended December 31, 2020.

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.

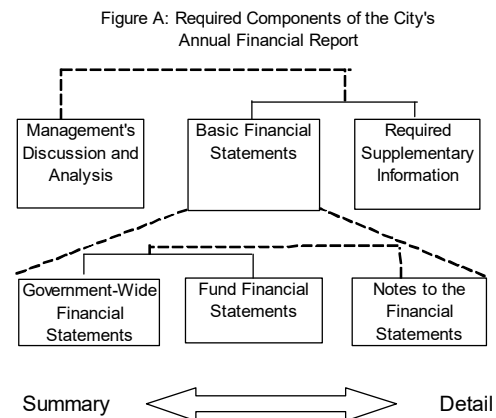


Figure B. Major features of the City's Government-wide and Fund Financial Statements

<i>Types of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<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 48 of this report.

The government-wide financial statements can be found on pages 28 through 31 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, Special Projects Fund, and 2015 Capital Improvement Construction Fund, which are considered to be major funds. Data from the other six 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 32 through 34 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 36 through 38 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 40 through 41 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 47 through 85 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 88 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 104 through 105 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, 2020. The following table reflects the condensed Statement of Net Position.

City of Jacksonville Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 15,676,625	\$ 11,844,495	\$ 2,463,167	\$ 2,742,335	\$ 18,139,792	\$ 14,586,830
Noncurrent assets	7,698,009	348,760	-	-	7,698,009	348,760
Capital assets	39,705,582	41,407,125	5,627,241	5,050,271	45,332,823	46,457,396
Other assets	659,012	483,966	-	-	659,012	483,966
Total assets	63,739,228	54,084,346	8,090,408	7,792,606	71,829,637	61,876,952
Total deferred outflows of resources	3,449,795	2,905,711	443,514	369,439	3,893,309	3,275,150
Total Assets and Deferred Outflows	67,189,023	56,990,056	8,533,922	8,162,048	75,722,945	65,152,103
Current Liabilities	3,045,108	2,347,535	144,844	146,071	3,189,952	2,493,606
Long-term liabilities	32,287,299	26,206,560	2,508,939	2,315,292	34,796,238	28,521,852
Total liabilities	35,332,408	28,554,095	2,653,783	2,461,363	37,986,191	31,015,458
Total deferred inflows of resources	4,779,140	3,463,029	368,516	303,403	5,147,656	3,766,432
Total Liabilities and Deferred Inflows	40,111,547	32,017,124	3,022,299	2,764,766	43,133,846	34,781,890
Net Position:						
Net investment in capital assets	27,537,475	34,351,016	5,627,241	5,050,271	33,164,716	39,401,287
Restricted	13,674,803	5,284,005	-	-	13,674,803	5,284,005
Unrestricted	(14,134,802)	(14,662,089)	(115,618)	347,011	(14,250,420)	(14,315,078)
Total Net Position	\$ 27,077,476	\$ 24,972,931	\$ 5,511,623	\$ 5,397,282	\$ 32,589,099	\$ 30,370,214

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 \$32,589,099 at the close of the most recent fiscal year.

The largest portion of the City's net position, 102%, 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, 42%, represents resources that are subject to restrictions as to how they may be used. The remaining unrestricted net position of (\$14,250,420) represents -4% of the City's net position.

The following table provides a summary of the City's operations for the fiscal year ended December 31, 2020, with comparative totals for the fiscal year ended December 31, 2019.

City of Jacksonville						
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 1,870,330	\$ 2,042,098	\$ 4,218,721	\$ 4,129,028	\$ 6,089,051	\$ 6,171,126
Operating grants and contributions	3,031,255	2,031,400	74,465	16,171	3,105,720	2,047,571
Capital grants and contributions	2,846,079	3,048,158	-	-	2,846,079	3,048,158
<i>General revenues:</i>						
Property taxes	888,874	917,150	-	-	888,874	917,150
Sales taxes	15,937,121	14,623,842	-	-	15,937,121	14,623,842
Franchise taxes	1,109,300	1,113,293	-	-	1,109,300	1,113,293
Investment income	69,101	110,642	11,257	20,200	80,358	130,842
Intergovernmental revenues	415,333	448,418	-	-	415,333	448,418
Gain/(loss) on sales of capital assets	-	-	(19,356)	-	(19,356)	-
Total revenues	26,167,393	24,335,001	4,285,087	4,165,399	30,452,480	28,500,400
Expenses						
General government	3,191,208	3,263,425	-	-	3,191,208	3,263,425
Public works	2,781,187	3,167,610	-	-	2,781,187	3,167,610
Parks and recreation services	3,117,949	3,053,109	-	-	3,117,949	3,053,109
Public safety	13,301,539	13,662,715	-	-	13,301,539	13,662,715
Housing and neighborhood programs	586,642	370,280	-	-	586,642	370,280
Agent fees on long-term debt	1,912	6,741	-	-	1,912	6,741
Interest on long-term debt	184,860	199,807	-	-	184,860	199,807
Sanitation services	-	-	1,761,166	2,030,667	1,761,166	2,030,667
AGFF Shooting Sports Complex	-	-	440,421	565,546	440,421	565,546
Emergency medical services	-	-	2,866,716	2,254,304	2,866,716	2,254,304
Total expenses	23,165,297	23,723,687	5,068,303	4,850,517	28,233,600	28,574,204
Change in net position before transfers	3,002,096	611,314	(783,216)	(685,118)	2,218,880	(73,804)
Transfers	(897,556)	(1,194,851)	897,556	1,194,851	-	-
Change in net position	2,104,541	(583,537)	114,340	509,733	2,218,880	(73,804)
Net Position, Beginning of Year	24,972,931	25,556,468	5,397,282	4,887,549	30,370,212	30,444,017
Net Position - End of Year	\$ 27,077,476	\$ 24,972,931	\$ 5,511,623	\$ 5,397,282	\$ 32,589,098	\$ 30,370,216

Governmental Activities - Governmental activities increased the City's net position in the current year by \$2,104,541. An increase in current assets of \$3,832,130, net of an increase in current liabilities of \$697,573 increased net position by approximately \$3,134,557. The increase in noncurrent assets of \$7,349,249, offset by a decrease in net capital assets of \$1,701,543 and an increase in noncurrent liabilities of \$7,060,778, excluding the net pension and the net OPEB liability, decreased net position by approximately \$1,413,072. The decrease in the net pension liability of \$980,037 offset by an increase in pension assets of \$175,046 increase in deferred outflows of \$544,084, net of an increase in deferred inflows of resources of \$1,316,111, increased net position by approximately \$383,056.

Sales taxes represent 61% or \$15,937,121 of the City's governmental revenue in 2020. Sales tax revenues increased 9% from \$14,623,842 in 2019. 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 \$5,877,334 or 23% to total revenues as compared to \$5,079,558 received in 2019. The increase was mainly a result from the additional funding that we received through the Coronavirus Emergency Supplemental Funding “CARES ACT”. Charges for services decreased \$171,768 to \$1,870,330 or 8% of total revenues compared to \$2,042,098 received in 2019. The decrease was primarily attributable to the reduction of programs offered through Parks and Recreation due to the Coronavirus.

Current year expenses were 88% of current year revenues, excluding transfers in.

Business-type Activities - Business-type activities increased the City’s net position by \$114,341. Key elements of this increase are as follows:

- Net transfers increased net position by \$897,556. Operating loss of \$783,216 decreased net position.
- Sanitation Services activities contribute 45% 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. Charges for services were \$1,911,169 in 2020 compared to \$1,591,723 in 2019. Operating expenses in 2020 were \$1,761,166 compared to \$2,030,667 in 2019. Revenues increased due to increases in customer trash pick-up revenues as a result of people being quarantined at home due to the Coronavirus. Expenses decreased due to decrease in employees.
- AGFF Shooting Sports Complex activities contributed 5% 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 2020, those fees were \$197,871 compared to \$405,152 in 2019. The decrease in revenues was due to a decrease in tournaments compared to 2019. Operating expenses in 2020 were \$440,421 compared to \$565,546 in 2019. The decrease was due to personnel costs.
- 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 \$2,109,681 in 2020 compared to \$2,132,153 in 2019. Operating expenses in 2020 were \$2,866,716 compared to \$2,254,304 in 2019. Revenues increased as a result of decreased ambulance run volume. Expenses increased as a result of increase in supply costs .

Current year operating expenses for business-type activities were 105% 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, 2020, the City's governmental funds reported combined ending fund balances of \$20,346,106, an increase of \$10,440,998 in comparison with the prior year. Approximately \$8,307,572 is reported as *restricted fund balance* for capital projects or debt service. In addition, \$13,355 of the governmental fund balance is *nonspendable*, representing inventories and prepaid expenditures. The *committed* and *assigned* portions of the fund balances were \$9,824 and \$1,558,376, respectively. Approximately \$5,089,752 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, 2020, the total fund balance of the General Fund was \$5,112,931 of which \$5,089,752 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 25% of total General Fund expenditures while total fund balances represents 26% of the same amount. The fund balances of the General Fund increased by \$1,963,438 during 2020. The key factors in this increase were increases from property and sales tax revenues and increases in revenues from intergovernmental agencies.

The Street Fund had a total fund balance of \$5,234,527, which was an increase of \$1,050,739 from 2019. The total amount of the fund balance is classified as restricted. The increase was attributable to a decrease in contract services and costs for curbs and gutters.

The Special Projects Funds had a total fund balance of \$1,558,376, which was an increase of \$86,766 from 2019. The total amount of the fund balance is classified as assigned. The increase in fund balance was due mainly from an increase in property taxes and a decrease in construction costs and small equipment. 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	\$ 174,283	\$ (12,734)
Capital Drainage	435,041	2,807
Capital Equipment	910,114	115,094
Downtown Revitalization	38,938	(18,401)

The City maintains nine non-major governmental funds in addition to the above mentioned major funds. These funds had a total fund balance of \$8,440,275. The net increase in fund balances during 2020 for these funds was \$7,340,056. 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	\$ 4,370	\$ (9,318)
CDBG	33,534	(30,872)
HOME	68,316	23,420
Asset Forfeiture	26,483	(126)
2015 Capital Improvements Construction	0	(111,987)
2020 Capital Improvement Construction	2,015,816	2,015,816
2006 Library Debt Service	79,357	(219,612)
2015 Capital Improvements Debt Service	5,918,206	5,378,542
2020 Capital Improvement Debt Service	294,193	294,193

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 \$2,158,614 in 2020, which was an increase of \$161,260 compared to \$1,997,354 as reported in 2019. This increase is due to an increase in charges for services and a decrease in personnel costs and depreciation expense. 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 2020 was \$2,765,972, which was a decrease of \$77,550 compared to \$2,843,523 as reported in 2019. This increase was due to a decrease in tournament revenue in 2020. 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 2020 was \$587,037, which was an increase of \$30,631 compared to a net position of \$556,406 reported in 2019. This change was due to an increase in supply costs. 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 2020 General Fund budget appropriated \$21,934,406 as compared to the 2019 budget of \$19,739,873, an increase of approximately 11%.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2020, amounts to \$45,332,824 (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 decrease in the City's investment in capital assets for the current fiscal year was \$1,124,872 net of depreciation, a decrease of 2%. Governmental capital assets decreased 4%, while capital assets for business-type activities increased 11%.

City of Jacksonville
Capital Assets, net of depreciation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 10,348,488	\$ 10,307,488	\$ 480,385	\$ 480,385	\$10,828,873	\$ 10,787,873
Land improvements	508,957	566,045	112,177	121,921	621,134	687,966
Infrastructure	7,919,604	8,452,407	-	-	7,919,604	8,452,407
Buildings	16,678,602	17,458,479	2,361,162	2,432,533	19,039,764	19,891,012
Vehicles	1,375,286	1,659,872	1,630,808	1,469,565	3,006,095	3,129,437
Equipment	1,785,273	1,873,462	1,042,711	545,867	2,827,984	2,419,329
Construction in progress	1,089,376	1,089,376	-	-	1,089,376	1,089,376
Total	\$ 39,705,582	\$ 41,407,125	\$ 5,627,241	\$ 5,050,271	\$45,332,823	\$ 46,457,396

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

Long-term Debt. On December 31, 2020, the City's primary government had long-term debt outstanding of \$14,810,691, including obligations under capital lease agreements of \$305,346, and \$13,870,411 of bonds secured solely by specified revenue source.

Total long-term bonds and obligations under a capital lease agreement increased \$7,169,735 an increase of 107%. The increase was attributable to debt issuance at the end of 2020. The debt refunding did not occur until June of 2021.

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, 2020, of \$13,870,411 are well below the statutory limit of \$63,606,386. 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 capital leases at December 31, 2020, of \$305,346 are well below the statutory limit of \$15,901,597. Voter approval is not required for short-term financing.

Additional information regarding the City's long-term debt can be found in *Note 4* on pages 61-62 of this report.

Economic Factors and Next Year's Budgets and Rates

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. With sales tax revenue being the City's main source of revenue, the focus has turned to increasing our tax base.

The Mayor and City Council have adopted a Master Plan to revitalize downtown with 13 specific initiatives listed. The voters have approved alcohol sales by the glass for restaurants which will entice more sit down restaurants to relocate to our city. Jacksonville has achieved a downtown, high speed internet Wi-Fi system with the assistance of First Arkansas Bank and Trust. The Jacksonville North Pulaski School District is developing programs that will help fulfill the workforce needs in our community. The other 10 initiatives include increasing public gathering places, provide economic and social programs for the citizens, provide for more pedestrian accessibility, redesign the City traffic plan, improve on the efforts to preserve the City historical properties, relocate public utilities underground, recruit new business, develop a mixed use approach to new housing, collaborate with the Jacksonville Chamber of Commerce to improve Jacksonville, and to generate more capital to help implement these initiatives.

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 2021 budgets were adopted for the General Fund at \$20,993,819 and \$2,688,500 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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 5,698,596	\$ 267,206	\$ 5,965,802	\$ 16,671,030
Restricted cash and investments, current	633,166	-	633,166	2,027,205
Investments	3,942,923	907,832	4,850,755	1,606,068
Receivables, net of allowance for uncollectible accounts				
Taxes	1,640,467	-	1,640,467	-
Sales taxes	2,880,646	-	2,880,646	-
Accounts	109,953	1,274,163	1,384,117	2,473,978
Accrued interest	1,233	492	1,725	448
Grants and other governments	303,632	-	303,632	-
Other	452,898	-	452,898	-
Internal balances	(245)	245	-	-
Inventories	13,355	13,229	26,584	642,552
Prepaid expenses and other	-	-	-	48,523
Total current assets	15,676,625	2,463,167	18,139,792	23,469,804
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	8,331,175	-	8,331,175	529,997
Less amount required to meet current obligations	(633,166)	-	(633,166)	-
Total restricted assets	7,698,009	-	7,698,009	529,997
Capital assets				
Nondepreciable	11,437,864	627,914	12,065,778	1,141,245
Depreciable, net	28,267,718	4,999,327	33,267,045	78,037,019
Total capital assets	39,705,582	5,627,241	45,332,823	79,178,264
Other assets				
Net pension asset	659,012	-	659,012	-
Other	-	-	-	431,467
Total other assets	659,012	-	659,012	431,467
Total noncurrent assets	48,062,603	5,627,241	53,689,844	80,139,728
Total assets	63,739,228	8,090,408	71,829,637	103,609,532
Deferred Outflows of Resources				
Deferred outflows - pensions	3,213,438	443,514	3,656,952	892,738
Deferred outflows - OPEB	236,357	-	236,357	-
Bond refunding	-	-	-	210,683
Total deferred outflows of resources	3,449,795	443,514	3,893,309	1,103,421
Total Assets and Deferred Outflows of Resources	\$ 67,189,023	\$ 8,533,922	\$ 75,722,945	\$ 104,712,955

See Accompanying Notes to Basic Financial Statements.

Liabilities, Deferred Inflows of Resources, and Net Position	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
Current Liabilities				
Accounts payable	\$ 1,091,138	\$ 67,204	\$ 1,158,343	\$ 1,511,588
Accrued wages payable and related liabilities	394,622	26,239	420,861	-
Accrued expenses and other	147,962	-	147,962	204,352
Accrued interest payable	8,166	-	8,166	34,690
Compensated absences, current	520,000	50,200	570,200	-
Bonds payable, current	625,000	-	625,000	3,186,343
Capital lease obligations, current	160,341	-	160,341	-
Due to fiduciary funds	71,077	-	71,077	-
Unearned revenue	26,802	1,200	28,002	-
Total current liabilities	3,045,108	144,844	3,189,952	4,936,973
Noncurrent Liabilities				
Capital lease obligations	145,005	-	145,005	-
Bonds payable, net of unamortized premium and discount	13,245,411	-	13,245,411	33,821,646
Customer deposits	-	-	-	848,904
Compensated absences	114,933	18,027	132,960	-
Net pension liability	17,075,331	2,490,912	19,566,243	4,013,058
Net OPEB liability	1,706,619	-	1,706,619	-
Other long-term liabilities	-	-	-	582,686
Total noncurrent liabilities	32,287,299	2,508,939	34,796,238	39,266,294
Total liabilities	35,332,408	2,653,783	37,986,191	44,203,267
Deferred Inflows of Resources				
Deferred inflows - pensions	4,531,479	368,516	4,899,995	175,789
Deferred inflows - OPEB	247,661	-	247,661	-
Total deferred inflows of resources	4,779,140	368,516	5,147,656	175,789
Net Position				
Net investment in capital assets	27,537,475	5,627,241	33,164,716	42,144,462
Restricted - expendable				
Street maintenance	5,234,527	-	5,234,527	-
Capital projects	2,015,816	-	2,015,816	-
Debt service	6,291,757	-	6,291,757	2,548,327
Law enforcement activities	26,483	-	26,483	-
Housing and neighborhood programs	101,850	-	101,850	-
Grant funds	4,370	-	4,370	-
Total restricted - expendable	13,674,803	-	13,674,803	2,548,327
Unrestricted (deficit)	(14,134,802)	(115,618)	(14,250,420)	15,641,110
Total net position	27,077,476	5,511,623	32,589,099	60,333,899
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 67,189,023	\$ 8,533,922	\$ 75,722,945	\$ 104,712,955

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General administration	\$ 346,671	\$ 338,876	\$ 63,510	\$ -
City council	103,693	-	-	-
Office of the mayor	276,279	-	-	-
City clerk	158,409	-	-	-
City attorney	290,918	-	-	-
District court	343,938	264,705	-	-
Director of administration	45,752	-	-	-
Information technology	517,127	-	-	-
Finance	454,295	33,000	-	-
Human resources	220,407	-	-	-
Fleet services	145,368	26,586	-	-
Community programs	194,578	-	23,738	276,930
Public works	2,781,187	183,061	-	2,569,149
Parks and recreation services	3,117,949	455,925	410,621	-
Police	6,582,987	45,670	1,570,809	-
Fire	5,376,174	200	727,957	-
Emergency communication services	1,028,641	488,849	-	-
Animal control	313,737	8,530	134	-
Housing and neighborhood programs	586,642	24,928	234,487	-
Agent fees on long-term debt	1,912	-	-	-
Interest expense on long-term debt	184,860	-	-	-
Total governmental activities	23,165,297	1,870,330	3,031,255	2,846,079
Business-type Activities				
Sanitation services	1,761,166	1,911,169	-	-
AGFF Shooting Sports Complex	440,421	197,871	-	-
Emergency Medical services	2,866,716	2,109,681	74,465	-
Total business-type activities	5,068,303	4,218,721	74,465	-
Total primary government	\$ 28,233,600	\$ 6,089,051	\$ 3,105,721	\$ 2,846,079
Component Units				
Municipal Water Works	\$ 8,987,973	\$ 8,114,102	\$ -	\$ 276,079
Wastewater Utility	5,766,352	4,913,784	-	200,851
Advertising and Promotion Commission	582,085	-	-	-
Total component units	\$ 15,336,410	\$ 13,027,886	\$ -	\$ 476,930

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		
\$ 55,715	\$ -	\$ 55,715	\$ -	-
(103,693)	-	(103,693)	-	-
(276,279)	-	(276,279)	-	-
(158,409)	-	(158,409)	-	-
(290,918)	-	(290,918)	-	-
(79,233)	-	(79,233)	-	-
(45,752)	-	(45,752)	-	-
(517,127)	-	(517,127)	-	-
(421,295)	-	(421,295)	-	-
(220,407)	-	(220,407)	-	-
(118,782)	-	(118,782)	-	-
106,090	-	106,090	-	-
(28,977)	-	(28,977)	-	-
(2,251,403)	-	(2,251,403)	-	-
(4,966,508)	-	(4,966,508)	-	-
(4,648,016)	-	(4,648,016)	-	-
(539,792)	-	(539,792)	-	-
(305,073)	-	(305,073)	-	-
(327,228)	-	(327,228)	-	-
(1,912)	-	(1,912)	-	-
(184,860)	-	(184,860)	-	-
(15,417,632)	-	(15,417,632)	-	-
-	150,003	150,003	-	-
-	(242,550)	(242,550)	-	-
-	(682,570)	(682,570)	-	-
-	(775,117)	(775,117)	-	-
\$ (15,417,632)	\$ (775,117)	\$ (16,192,749)	\$ -	-
\$ -	\$ -	\$ -	\$ (597,792)	-
-	-	-	(651,717)	-
-	-	-	(582,085)	-
-	-	-	(1,831,594)	-
888,874	-	888,874	-	-
15,937,121	-	15,937,121	913,360	-
1,109,300	-	1,109,300	-	-
69,101	11,257	80,358	200,130	-
415,333	-	415,333	-	-
-	(19,356)	(19,356)	-	-
-	-	-	2,226,777	-
(897,556)	897,556	-	-	-
17,522,173	889,457	18,411,630	3,340,267	-
2,104,541	114,341	2,218,881	1,508,673	-
24,972,931	5,397,282	30,370,214	58,825,227	-
\$ 27,077,476	\$ 5,511,623	\$ 32,589,098	\$ 60,333,899	-

CITY OF JACKSONVILLE, ARKANSAS

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General	Street	Special Projects	2015 Capital Improvements Debt Service	Total Nonmajor Funds	Total
Assets						
Cash	\$ 2,819,221	\$ 2,120,795	\$ 653,964	\$ -	\$ 104,616	\$ 5,698,596
Restricted cash	-	-	-	5,927,117	2,404,058	8,331,175
Investments	-	3,042,058	900,865	-	-	3,942,923
Accounts receivable						
Taxes	1,069,738	422,562	145,742	-	2,425	1,640,467
Sales taxes	2,880,646	-	-	-	-	2,880,646
Accounts	-	-	16,552	-	93,401	109,953
Accrued interest	-	1,078	155	-	-	1,233
Grants and other governments	60,199	243,433	-	-	-	303,632
Other	452,898	-	-	-	-	452,898
Due from other funds	5,845	84	-	-	18,012	23,942
Inventories	13,355	-	-	-	-	13,355
Total Assets	<u>\$ 7,301,903</u>	<u>\$ 5,830,010</u>	<u>\$ 1,717,278</u>	<u>\$ 5,927,118</u>	<u>\$ 2,622,513</u>	<u>\$ 23,398,822</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 963,048	\$ 105,050	\$ 3,796		\$ 19,244	\$ 1,091,138
Due to other funds	71,412	-	9,364		14,488	95,264
Accrued wages payable and related liabilities	384,809	8,833	-		980	394,622
Unearned revenue	26,802	-	-		-	26,802
Other liabilities	14,278	59,038	-	8,911	65,735	147,962
Total liabilities	<u>1,460,349</u>	<u>172,921</u>	<u>13,161</u>	<u>8,911</u>	<u>100,447</u>	<u>1,755,789</u>
Deferred Inflows of Resources						
Unavailable revenues - property taxes	728,623	422,562	145,742	-	-	1,296,927
Total deferred inflows of resources	<u>728,623</u>	<u>422,562</u>	<u>145,742</u>	<u>-</u>	<u>-</u>	<u>1,296,927</u>
Fund Balances						
Nonspendable						
Inventories	13,355	-	-	-	-	13,355
Restricted						
Street maintenance	-	5,234,527	-	-	-	5,234,527
Capital projects	-	-	-	-	2,015,816	2,015,816
Debt service	-	-	-	5,918,208	373,549	6,291,757
Law enforcement activities	-	-	-	-	26,483	26,483
Housing & neighborhood programs	-	-	-	-	101,850	101,850
Grant funds	-	-	-	-	4,370	4,370
Committed						
Equipment	9,824	-	-	-	-	9,824
Assigned						
Capital projects	-	-	1,558,376	-	-	1,558,376
Unassigned	5,089,752	-	-	-	-	5,089,752
Total fund balances	<u>5,112,931</u>	<u>5,234,527</u>	<u>1,558,376</u>	<u>5,918,208</u>	<u>2,522,068</u>	<u>20,346,107</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,301,903</u>	<u>\$ 5,830,010</u>	<u>\$ 1,717,278</u>	<u>\$ 5,927,118</u>	<u>\$ 2,622,513</u>	<u>\$ 23,398,822</u>

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, 2020

Total fund balances per statement	\$ 20,346,107
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.	39,705,582
Liabilities and related inflows/outflows of resources that are not due and payable in the current period and are not reported in the funds :	
Capital leases	(305,346)
Bonds payable	(13,870,411)
Accrued interest payable	(8,166)
Accrued compensated absences	(634,933)
Net pension liability	(17,075,331)
Deferred inflows and outflows of resources from pensions and OPEB	(1,329,345)
Net OPEB liability	(1,706,619)
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.	<u>1,296,927</u>
Net position of governmental activities	<u>\$ 27,077,476</u>
<hr/>	
Capital assets	\$ 39,705,582
Capital lease obligation	(305,346)
General obligation bonds net of premiums and discounts	(13,870,411)
Accrued interest	(8,166)
Unspent bond proceeds	<u>2,015,816</u>
Net investment in capital assets	<u>\$ 27,537,475</u>

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2020

	General	Street	Special Projects	2015 Capital Improvements Debt Service	Total Nonmajor Funds	Total
Revenues						
Property taxes	\$ 726,730	\$ -	\$ 134,893	\$ -	\$ 15,928	\$ 877,551
Sales taxes	15,937,121	-	-	-	-	15,937,121
Licenses and permits	279,517	-	-	-	-	279,517
Intergovernmental	3,037,129	2,569,149	77,391	-	585,102	6,288,771
Charges for services	1,007,971	-	9,473	-	-	1,017,444
Fines and fees	301,114	-	-	-	-	301,114
Utility franchise taxes	1,109,300	-	-	-	-	1,109,300
Investment income	11,117	45,661	7,060	3,191	2,072	69,101
Contributions and donations	-	-	3,750	-	-	3,750
Miscellaneous	198,253	75,036	5,569	-	24,928	303,787
Total revenues	22,608,252	2,689,847	238,136	3,191	628,030	26,167,456
Expenditures						
General government						
General government and administration	303,724	-	38,546	-	-	342,270
City council	96,762	-	-	-	-	96,762
Mayor	266,529	-	-	-	-	266,529
City clerk	151,918	-	-	-	-	151,918
City attorney	280,318	-	-	-	-	280,318
District court	332,636	-	-	-	-	332,636
Director of administration	45,059	-	-	-	-	45,059
Information technology	575,548	-	-	-	-	575,548
Finance	438,137	-	-	-	-	438,137
Human resources	213,448	-	-	-	-	213,448
Fleet services	138,896	-	-	-	-	138,896
Community programs	157,167	-	495	-	-	157,662
Total general government	3,000,141	-	39,041	-	-	3,039,182
Public works						
Public works coordinator	168,211	-	-	-	-	168,211
Engineering	200,905	-	-	-	-	200,905
Code enforcement	166,275	-	-	-	-	166,275
Streets and drainage	-	1,639,108	-	-	-	1,639,108
Total public works	535,391	1,639,108	-	-	-	2,174,498
Parks and recreation services	2,835,181	-	-	-	-	2,835,181
Police	6,495,413	-	261,717	-	45,966	6,803,095
Fire	5,381,616	-	-	-	-	5,381,616
Emergency communication services	857,035	-	-	-	-	857,035
Animal control	310,037	-	-	-	-	310,037
Housing and neighborhood programs	-	-	-	-	581,347	581,347
Debt Service						
Principal	-	-	-	540,000	230,000	770,000
Interest	-	-	-	171,861	5,562	177,423
Agent fees	-	-	-	1,000	912	1,912
Issuance costs	-	-	-	36,649	57,124	93,773
Total expenditures	19,414,813	1,639,108	300,758	749,510	920,911	23,025,100
Excess (Deficiency) of Revenues Over Expenditures	3,193,438	1,050,739	(62,622)	(746,319)	(292,881)	3,142,355
Other Financing Sources (Uses)						
Long-term debt issuance	-	-	-	-	7,935,000	7,935,000
Long-term debt premium (discount)	-	-	-	-	8,643	8,643
Capital lease	-	-	-	-	-	-
Transfers in	-	-	149,388	6,124,862	2,007,173	8,281,423
Transfers out	(1,230,000)	-	-	-	(7,696,422)	(8,926,422)
Total other financing sources (uses)	(1,230,000)	-	149,388	6,124,862	2,254,394	7,298,644
Net Change in Fund Balances	1,963,438	1,050,739	86,766	5,378,543	1,961,513	10,440,999
Fund Balances, Beginning of Year	3,149,492	4,183,788	1,471,609	539,664	560,553	9,905,106
Fund Balances, End of Year	\$ 5,112,931	\$ 5,234,527	\$ 1,558,376	\$ 5,918,208	\$ 2,522,070	\$ 20,346,107

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, 2020

Net change in fund balances - total governmental funds \$ 10,440,999

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	693,441
Capital asset transfers	(252,557)
Depreciation expense	(2,142,427)

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:	
Revenue bonds	(7,943,643)
Principal repayments:	
General obligation bonds	230,000
Revenue bonds	540,000
Capital lease obligations	157,888
Amortization of bond premiums and discounts	3,908

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. 11,323

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. (17,448)

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. 383,058

Change in net position of governmental activities \$ 2,104,541

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
Assets and Deferred Outflows of Resources				
Current assets				
Cash	\$ 256,072	\$ 6,304	\$ 4,830	\$ 267,206
Investments	907,832	-	-	907,832
Accounts receivable, net of allowance for uncollectible accounts	261,502	2,068	1,010,593	1,274,163
Accrued interest	492	-	-	492
Due from other funds	186	3	56	245
Inventories	-	13,229	-	13,229
Total current assets	1,426,084	21,604	1,015,479	2,463,167
Noncurrent assets				
Capital assets				
Land and improvements	-	627,914	-	627,914
Buildings and improvements	-	2,854,808	-	2,854,808
Vehicles	3,393,983	13,486	1,035,469	4,442,938
Furniture and equipment	1,427,572	34,637	459,920	1,922,129
	4,821,555	3,530,845	1,495,390	9,847,789
Less accumulated depreciation	(3,085,622)	(569,191)	(565,735)	(4,220,548)
Net capital assets	1,735,933	2,961,654	929,655	5,627,241
Total noncurrent assets	1,735,933	2,961,654	929,655	5,627,241
Total assets	3,162,017	2,983,258	1,945,134	8,090,408
Deferred outflows of resources				
Deferred outflows - pensions	207,354	44,392	191,768	443,514
Total deferred outflows of resources	207,354	44,392	191,768	443,514
Total assets and deferred outflow of resources	\$ 3,369,371	\$ 3,027,650	\$ 2,136,902	\$ 8,533,922
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities				
Accounts payable	\$ 51,713	\$ 7,163	\$ 8,328	\$ 67,204
Accrued wages payable	12,915	2,477	10,847	26,239
Compensated absences, current	19,000	2,200	29,000	50,200
Deferred revenue	-	-	1,200	1,200
Total current liabilities	83,629	11,840	49,375	144,844
Noncurrent liabilities				
Compensated absences	11,932	4,598	1,497	18,027
Net pension liability	1,066,955	234,633	1,189,324	2,490,912
Total noncurrent liabilities	1,078,887	239,231	1,190,821	2,508,939
Total liabilities	1,162,516	251,071	1,240,196	2,653,783
Deferred inflows of resources				
Deferred inflows - pensions	48,239	10,608	309,669	368,516
Total deferred inflows of resources	48,239	10,608	309,669	368,516
Net Position				
Net investment in capital assets	1,735,933	2,961,654	929,655	5,627,241
Unrestricted (deficit)	422,681	(195,682)	(342,617)	(115,618)
Total net position	2,158,614	2,765,972	587,037	5,511,623
Total liabilities, deferred inflows of resources and net position	\$ 3,369,371	\$ 3,027,650	\$ 2,136,902	\$ 8,533,922

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, 2020

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
Operating Revenues				
Charges for services	\$ 1,847,012	\$ 155,285	\$ 2,107,741	\$ 4,110,038
Miscellaneous	64,157	42,586	1,940	108,683
Total operating revenues	1,911,169	197,871	2,109,681	4,218,721
Operating Expenses				
Salaries, wages and employee benefits	864,178	171,376	1,132,791	2,168,345
Supplies and materials	177,042	15,445	214,836	407,323
Services	100,577	45,505	118,257	264,339
Repairs and maintenance	104,751	9,943	28,235	142,929
Landfill fees	259,316	-	-	259,316
Other	-	112,831	1,211,925	1,324,756
Depreciation	255,302	85,321	160,672	501,295
Total operating expenses	1,761,166	440,421	2,866,716	5,068,303
Operating Income (Loss)	150,003	(242,550)	(757,035)	(849,582)
Nonoperating Revenues (Expenses)				
Interest income	11,257	-	-	11,257
Gain on sale of capital assets	-	-	(19,356)	(19,356)
Grant revenues	-	-	74,465	74,465
Net nonoperating revenues (expenses)	11,257	-	55,110	66,367
Income (Loss) Before Contributions and Transfers	161,260	(242,550)	(701,925)	(783,215)
Contributions	-	-	252,557	252,557
Transfers in	-	165,000	480,000	645,000
Changes in Net Position	161,260	(77,550)	30,631	114,341
Net Position, Beginning of Year	1,997,354	2,843,523	556,406	5,397,282
Net Position, End of Year	\$ 2,158,614	\$ 2,765,972	\$ 587,037	\$ 5,511,623

See Accompanying Notes to Basic Financial Statements.

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			Total
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	
Operating Activities				
Receipts from customers	\$ 1,860,559	\$ 153,217	\$ 900,752	\$ 2,914,528
Other receipts	64,245	(70,297)	1,449	(4,603)
Payments to employees	(802,721)	(207,541)	(998,379)	(2,008,642)
Payments to suppliers	(169,470)	13,042	(214,517)	(370,945)
Payments to service providers	(97,206)	(44,998)	(118,860)	(261,064)
Other payments	(352,588)	(8,418)	(28,288)	(389,294)
Net cash provided by (used in) operating activities	502,819	(164,996)	(457,843)	(120,020)
Noncapital Financing Activities				
Operating grants	-	-	74,465	74,465
Transfers from other funds	-	165,000	480,000	645,000
Net cash provided by noncapital financing activities	-	165,000	554,465	719,465
Capital and Related Financing Activities				
Purchases of capital assets	(740,813)	-	(104,252)	(845,064)
Net cash provided by (used in) capital and related financing activities	(740,813)	-	(104,252)	(845,064)
Investing Activities				
Proceeds from maturities of cash investments	355,377	-	-	355,377
Purchase of cash investments	(756,712)	-	-	(756,712)
Interest income	11,257	-	-	11,257
Net cash provided (used) by investing activities	(390,078)	-	-	(390,078)
Net Increase (Decrease) in Cash	(628,072)	4	(7,630)	(635,697)
Cash, Beginning of Year	884,142	6,299	12,458	902,899
Cash, End of Year	\$ 256,072	\$ 6,304	\$ 4,830	\$ 267,206

See Accompanying Notes to Basic Financial Statements.

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Sanitation Services	AGFF Shooting Sports Complex	Emergency Medical Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	\$ 150,003	\$ (242,550)	\$ (757,035)	\$ (849,582)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	255,302	85,321	160,672	501,295
Changes in assets and liabilities				
Receivables, net	13,547	(2,068)	4,396	15,875
Inventory	-	28,260	-	28,260
Due from other funds	88	(2)	49	135
Deferred outflows of resources	(95,374)	(13,673)	34,972	(74,075)
Accounts payable	22,422	2,209	(337)	24,293
Accrued expenses	203,994	(6,363)	(28,965)	168,665
Deferred inflows of resources	(47,163)	(16,129)	128,405	65,113
Net cash provided by (used in) operating activities	<u>\$ 502,819</u>	<u>\$ (164,996)</u>	<u>\$ (457,843)</u>	<u>\$ (120,020)</u>

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2020

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 865,955	\$ 9,528
Investments		
U.S. Government obligations	4,084,169	-
Corporate bonds	1,225,292	-
Mutual funds	6,950,422	-
Receivables		
Due from other funds	71,062	15
Accrued interest	23,934	-
	<u> </u>	<u> </u>
Total Assets	<u>\$ 13,220,834</u>	<u>\$ 9,543</u>
Liabilities		
Other liabilities	<u>\$ -</u>	<u>\$ 9,543</u>
Net Position		
Net position restricted for pension benefits	<u>\$ 13,220,834</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED DECEMBER 31, 2020

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 43,099
Contributed from General Fund	
Property taxes	592,423
State insurance turnback and guarantee fund	262,656
	<hr/>
Total contributions	898,178
	<hr/>
Investment income	
Net increase in fair value of investments	593,306
Interest and dividends	223,069
Gain on sale of investments	323,928
	<hr/>
	1,140,303
Less investment expense	128,864
	<hr/>
Net investment income	1,011,439
	<hr/>
Total additions	1,909,616
	<hr/>
Deductions	
Benefits paid directly to participants	1,351,074
Administrative expenses	4,800
	<hr/>
Total deductions	1,355,874
	<hr/>
Change in Net Position	553,742
	<hr/>
Net Position Restricted for Pension Benefits, Beginning of Year	12,667,090
	<hr/>
Net Position Restricted for Pension Benefits, End of Year	<u>\$ 13,220,834</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNITS DECEMBER 31, 2020

	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
Assets and Deferred Outflows of Resources				
Current assets				
Cash and cash equivalents	\$ 6,967,994	\$ 9,101,469	\$ 601,567	\$ 16,671,030
Investments	1,146,189	-	459,879	1,606,068
Receivables, net of allowance for uncollectible accounts				
Accounts	1,618,197	552,301	109,579	2,280,077
Revenues earned and unbilled	-	193,901	-	193,901
Accrued interest	280	-	168	448
Inventories	550,407	92,145	-	642,552
Prepaid expenses	35,885	12,638	-	48,523
Restricted Current Assets				
Cash and cash equivalents	1,958,791	68,414	-	2,027,205
Total current assets	12,277,743	10,020,868	1,171,193	23,469,804
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	-	529,997	-	529,997
Total restricted noncurrent assets	-	529,997	-	529,997
Capital assets				
Land	506,678	411,491	-	918,169
Buildings and improvements	2,658,033	2,436,106	-	5,094,139
Machinery and equipment	3,170,958	2,550,011	-	5,720,969
LRAFB Distribution System	17,750,941	-	-	17,750,941
Water system	55,492,350	-	-	55,492,350
Sewer system	-	62,003,172	-	62,003,172
Construction in progress	2,700	220,376	-	223,076
	79,581,660	67,621,156	-	147,202,816
Less accumulated depreciation	(29,394,225)	(38,630,326)	-	(68,024,551)
Net capital assets	50,187,435	28,990,831	-	79,178,264
Other assets	431,467	-	-	431,467
Total noncurrent assets	50,618,902	29,520,828	-	80,139,728
Total Assets	62,896,645	39,541,696	1,171,193	103,609,532
Deferred Outflows of Resources				
Deferred amounts on refunding	-	210,683	-	210,683
Deferred outflows from pensions	548,330	344,408	-	892,738
Total deferred outflows of resources	548,330	555,091	-	1,103,421
Total Assets and Deferred Outflows of Resources	\$ 63,444,975	\$ 40,096,787	\$ 1,171,193	\$ 104,712,955

See Accompanying Notes to Basic Financial Statements.

	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities				
Accounts payable	\$ 1,291,662	\$ 120,517	\$ 99,409	\$ 1,511,588
Accrued interest payable	8,875	25,815	-	34,690
Bonds payable-current portion	3,051,343	135,000	-	3,186,343
Accrued expenses and other	148,782	55,570	-	204,352
Total current liabilities	4,500,662	336,902	99,409	4,936,973
Noncurrent liabilities				
Bonds payable, net of unamortized discount	19,468,226	14,353,420	-	33,821,646
Customer deposits	848,904	-	-	848,904
Net pension liability	2,158,624	1,854,434	-	4,013,058
Other long-term liabilities	2,010	580,676	-	582,686
Total noncurrent liabilities	22,477,764	16,788,530	-	39,266,294
Total liabilities	26,978,426	17,125,432	99,409	44,203,267
Deferred Inflows of Resources				
Deferred inflows from pensions	51,975	123,814	-	175,789
Net Position				
Net investment in capital assets	27,667,866	14,476,596	-	42,144,462
Restricted-expendable	1,949,916	598,411	-	2,548,327
Unrestricted	6,796,792	7,772,534	1,071,784	15,641,110
Total net position	36,414,574	22,847,541	1,071,784	60,333,899
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 63,444,975	\$ 40,096,787	\$ 1,171,193	\$ 104,712,955

CITY OF JACKSONVILLE, ARKANSAS

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Advertising and Promotion Commission	\$ 582,085	\$ -	\$ -	\$ -
Total governmental activities	582,085	-	-	-
Business-type Activities				
Municipal Water Works	8,987,973	8,114,102	-	276,079
Wastewater Utility	5,766,352	4,913,784	-	200,851
Total business-type activities	14,754,325	13,027,886	-	476,930
Total component units	\$ 15,336,410	\$ 13,027,886	\$ -	\$ 476,930
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**

<u>Jacksonville Municipal Water Works</u>	<u>Jacksonville Wastewater Utility</u>	<u>Advertising and Promotion Commission</u>	<u>Total</u>
\$ -	\$ -	\$ (582,085)	\$ (582,085)
-	-	(582,085)	(582,085)
(597,792)	-	-	(597,792)
-	(651,717)	-	(651,717)
(597,792)	(651,717)	-	(1,249,509)
<u>\$ (597,792)</u>	<u>\$ (651,717)</u>	<u>\$ (582,085)</u>	<u>\$ (1,831,594)</u>
-	-	913,360	913,360
9,396	185,640	5,094	200,130
2,226,777	-	-	2,226,777
<u>2,236,173</u>	<u>185,640</u>	<u>918,454</u>	<u>3,340,267</u>
1,638,381	(466,077)	336,369	1,508,673
<u>34,776,193</u>	<u>23,313,618</u>	<u>735,416</u>	<u>58,825,227</u>
<u>\$ 36,414,574</u>	<u>\$ 22,847,541</u>	<u>\$ 1,071,784</u>	<u>\$ 60,333,899</u>



CITY OF JACKSONVILLE, ARKANSAS

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2020

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. These component units are further distinguished between *Blended Component Units*, presented as part of the primary government, and *Discretely Presented Component Units*, presented separately.

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:

Blended Component Units

Major Component Units:

Sanitation Services Fund (“Sanitation Services”) – The Sanitation Services Fund is a legally separate fund which has the same governing body as the City. The City has the power to impose its will on Sanitation Services and has a financial benefit or burden relationship with Sanitation Services. Sanitation Services primarily serves the City’s solid waste collection and disposal requirements.

AGFF Shooting Sports Complex Fund (“Shooting Complex”) – The AGFF Shooting Sports Complex Fund is a legally separate fund which has the same governing body as the City. The City has the power to impose its will on the Shooting Complex and has a financial benefit or burden relationship with the Shooting Complex. The Shooting Complex accounts for operations of the City’s public shooting range facility.

Emergency Medical Services Fund (“Emergency Services”) – The Emergency Medical Services Fund has the same governing body as the City. The City has the power to impose its will on Emergency Services and has a financial benefit or burden relationship with Emergency Services. Emergency Services primarily serves the City’s emergency medical transportation services requirements.

Other Component Units:

Community Development Block Grant Fund (“CDBG”) – The City Council and Mayor act as the governing body of the CDBG Fund. CDBG resources are used primarily for street improvements, housing programs, and various community services that benefit the City. Management of the City has operational responsibility for the CDBG Fund.

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 2020.

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.

Agency 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 and fiduciary 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. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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 position 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 position 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 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, 2020:

Statement No.	Adoption Required in Fiscal Year
87 <i>Leases</i>	2022
89 <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
91 <i>Conduit Debt Obligations</i>	2022
93 <i>Replacement of Interbank Offered Rates</i>	2021/2022
94 <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangement</i>	2023
96 <i>Subscription-Based Information Technology Arrangements</i>	2023
97 <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32</i>	Various

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, 2020, 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. The pension trust funds' investments, carried at fair value, and maturities as of December 31, 2020 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	\$ 1,076,531	\$ 227,868	\$ 479,254	\$ 17,511	\$ 351,898
U.S. Agencies obligations	3,007,637	964,873	1,975,052	67,713	-
Corporate bonds	1,225,292	141,407	899,994	183,891	-
Bond mutual funds	3,437,524	3,437,524	-	-	-
Mutual funds	3,512,898	3,512,898	-	-	-
	<u>12,259,882</u>	<u>\$ 8,284,570</u>	<u>\$ 3,354,300</u>	<u>\$ 269,114</u>	<u>\$ 351,898</u>
Money Market Fund	<u>411,448</u>				
	<u>\$ 12,671,330</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, 2020 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, 2020, 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, 2020.

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, 2020.

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, 2020:

	Fair Value	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020				
U.S. Treasury obligations	\$ -	\$ -	\$ -	\$ -
U.S. Agencies obligations	3,007,637	-	3,007,637	-
Corporate bonds	1,225,292	1,225,292	-	-
Bond mutual funds	3,437,524	3,437,524	-	-
Mutual funds	3,512,898	3,512,898	-	-
Total investments by fair value level	<u>\$ 11,183,351</u>	<u>\$ 8,175,714</u>	<u>\$ 3,007,637</u>	<u>\$ -</u>

Investments Measured at the Net Asset Value (NAV)

Money Market Fund	\$ 411,448
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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:

	Primary Government
Carrying value	
Deposits	\$ 19,611,768
Investments	12,671,330
	<u>\$ 32,283,098</u>
Included in the following statements of net position captions	
Current Assets	
Cash and cash equivalents	\$ 5,965,802
Short-term investments	4,850,755
Noncurrent Assets	
Restricted cash and investments	8,331,175
Cash and investments - fiduciary funds	13,135,366
	<u>\$ 32,283,098</u>

Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020 is presented as follows:

Governmental Activities	Balance January 1, 2020	Increases	Decreases	Transfers	Balance December 31, 2020
Capital Assets, non-depreciable					
Land	\$ 10,307,488	\$ 41,000	\$ -	\$ -	\$ 10,348,488
Construction in progress	1,089,376	-	-	-	1,089,376
Total capital assets, non-depreciable	<u>11,396,864</u>	<u>41,000</u>	<u>-</u>	<u>-</u>	<u>11,437,864</u>
Capital Assets, depreciable					
Land improvements	1,496,253	-	-	-	1,496,253
Infrastructure	34,338,777	-	-	-	34,338,777
Buildings	28,504,113	-	-	-	28,504,113
Vehicles	6,205,298	288,594	-	(132,756)	6,361,136
Equipment	10,193,380	363,847	-	-	10,557,227
Total capital assets, depreciable	<u>80,737,821</u>	<u>652,441</u>	<u>-</u>	<u>(132,756)</u>	<u>81,257,506</u>
Less accumulated depreciation					
Land improvements	930,208	57,088	-	-	987,295
Infrastructure	25,886,369	532,803	-	-	26,419,173
Buildings	11,045,634	779,877	-	-	11,825,511
Vehicles	4,545,426	320,623	-	119,801	4,985,851
Equipment	8,319,919	452,036	-	-	8,771,954
Total accumulated depreciation	<u>50,727,556</u>	<u>2,142,427</u>	<u>-</u>	<u>119,801</u>	<u>52,989,784</u>
Total capital assets, depreciable, net	<u>30,010,261</u>	<u>(1,489,986)</u>	<u>-</u>	<u>(252,557)</u>	<u>28,267,718</u>
Total governmental activities, net	<u>\$ 41,407,125</u>	<u>\$ (1,448,986)</u>	<u>\$ -</u>	<u>\$ (252,557)</u>	<u>\$ 39,705,582</u>

Business-type activities	Balance				Balance
	January 1, 2020	Increases	Decreases	Transfers	December 31, 2020
Capital Assets, non-depreciable					
Land	\$ 480,385	\$ -	\$ -	\$ -	\$ 480,385
Construction in Progress	-	-	-	-	-
Total capital assets, non-depreciable	480,385	-	-	-	480,385
Capital Assets, depreciable					
Buildings	2,854,808	-	-	-	2,854,808
Land Improvements	147,529	-	-	-	147,529
Vehicles	3,721,675	152,306	-	252,557	4,126,538
Equipment	1,684,926	692,759	(19,356)	-	2,358,329
Total capital assets, depreciable	7,678,849	845,065	(19,356)	252,557	9,487,204
Less accumulated depreciation					
Buildings	422,275	71,371	-	-	493,646
Land Improvements	25,608	9,744	-	-	35,352
Vehicles	2,252,110	243,620	-	-	2,495,730
Equipment	1,139,059	176,560	-	-	1,315,619
Total accumulated depreciation	3,839,051	501,295	-	-	4,340,347
Total business-type activities, net	\$ 5,050,271	\$ 343,770	\$ (19,356)	\$ 252,557	\$ 5,627,241

Construction in progress is composed of the following:

	Expended to December 31, 2020	Estimated Amount To Complete
Primary Government		
General Government		
Military Road sidewalk	\$ 570,259	\$ 1,688
Loop Road rail grade	156,576	9,143,424
Oneida Bridge	232,408	567,592
Emma Street extension	45,875	500,000
Main Street alignment	67,396	2,750,000
City Hall new phone system installation	16,862	31,733
	<u>\$ 1,089,376</u>	<u>\$ 12,994,437</u>

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

Governmental Activities	
General government	
General administration	\$ 189,647
Information technology	13,827
Community programs	36,916
Total general government	240,390
Public works	
Streets and drainage	593,457
Total public works	593,457
Parks and recreation services	373,359
Police	317,660
Fire	337,433
Emergency services	269,711
Animal control	10,417
Total depreciation expense - governmental activities	2,142,427
Business-type Activities	
Sanitation services	255,302
AGFF Shooting Sports Complex	160,670
Emergency medical services	85,323
Total depreciation expense - business-type activities	501,295
Total depreciation expense - primary government	\$ 2,643,722

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2020 were as follows:

Governmental Activities	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Amounts Due In One Year
Bonds payable-					
2006 Library Construction	\$ 230,000	\$ -	\$ 230,000	\$ -	\$ -
2015 Capital Improvement and Refunding	6,450,000	-	540,000	5,910,000	550,000
2020 Capital Improvement and Refunding	-	7,935,000	-	7,935,000	75,000
Less: issuance discount	237	-	237	-	-
Add: issuance premium	20,439	8,643	3,671	25,411	-
Bonds payable, net	6,700,676	7,943,643	773,908	13,870,411	625,000
Capital lease obligations	463,233	-	157,887	305,346	160,341
Compensated absences	621,462	41,998	28,526	634,934	520,000
Governmental activities long-term liabilities	\$ 7,785,371	\$ 7,985,641	\$ 960,321	\$ 14,810,691	\$ 1,305,341
	Balance			Balance	Amounts
Business-type Activities	January 1, 2020	Increases	Decreases	December 31, 2020	Due In One Year
Compensated absences	\$ 55,100	\$ 13,127	\$ -	\$ 68,227	\$ 50,200
Total business-type activities long-term liabilities	\$ 55,101	\$ 13,127	\$ -	\$ 68,228	\$ 50,200

Governmental Activities

2006 Library Construction and Improvement Bonds – Bonds in the amount of \$2,500,000 were issued to finance the cost of acquiring, constructing and equipping of land and additional capital improvements for the public city library operated by the City and the Central Arkansas Library System, and to pay the costs of issuance of the bonds. The bonds are limited obligations of the City, payable solely from the Library Tax (a 1.0 mill ad valorem tax levied on all taxable real and personal property located within the jurisdictional limits of the City), and the proceeds of a sales and use tax implemented pursuant to Amendment 79 to the Arkansas Constitution. Principal payments are due annually beginning March 1, 2008. Interest payments are due semiannually on March 1 and September 1, beginning March 1, 2007. The bonds are subject to mandatory redemption, in whole or in part, on any March 1 from Surplus Tax Receipts, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. On May 1, 2020, an additional \$75,000 in bonds were redeemed under this provision, which matured the remaining bonds. The final maturity was scheduled to be March 1, 2025. Bond interest rates range from 3.625% to 4.70%.

2015 Capital Improvement and Refunding Revenue Bonds – Bonds in the amount of \$8,815,000 were issued to finance the cost of (1) financing various capital improvements, including the rehabilitation of the Central Fire Station, the purchase of a new ladder truck and two additional fire trucks; replacement of playground equipment for City Parks and Recreation; roundabout construction at General Samuels and Harris Road; rehabilitation of “Splash Zone”(city water activity park); replacement of exercise equipment at the Community Center; and for related purposes (together, the “Capital Improvements”), (2) refunding outstanding obligations including the 2012 short-term financing note to First Arkansas Bank and Trust, the 2013 short-term financing note to BancorpSouth Bank, and a promissory note to Motorola Solutions, Inc., (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, 2016. Interest payments are due semiannually on June 1 and December 1, beginning December 1, 2015. 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, additional monies received from Arkansas Game and Fish Foundation, 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 2.00% to 3.50% and final maturity was scheduled to be June 1, 2030. The bonds were refunded in June 2021 with proceeds from the 2020 Capital Improvement and Refunding Revenue Bonds.

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, 2020.

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 625,000	\$ 237,235	\$ 862,235
2022	910,000	318,043	1,228,043
2023	925,000	298,098	1,223,098
2024	950,000	276,910	1,226,910
2025	970,000	254,615	1,224,615
2026-2030	4,955,000	883,556	5,838,556
2031-2035	2,130,000	397,694	2,527,694
2036-2039	1,880,000	137,988	2,017,988
2040	500,000	5,938	505,938
Total	<u>\$ 13,845,000</u>	<u>\$ 2,810,075</u>	<u>\$ 16,655,075</u>

Pledged Revenues

The following is a summary of pledged revenues of the City for the year ended December 31, 2020:

Debt	Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage	Remaining Principle and Interest	Period Revenue Will Not Be Available For Other Purposes
				Pledged Revenue Stream		
2015 Capital Improvement and Refunding Revenue Bonds	Franchise fees for public utilities	\$ 1,109,300	\$ 540,000	49%	\$ 5,910,000	Until 2021
2020 Capital Improvement and Refunding Revenue Bonds	Franchise fees for public utilities	1,109,300	-	0%	7,935,000	Until 2040

Lease Obligations

The City entered into a capital lease agreement with AT&T Capital Services Inc. on September 1, 2017 for the purpose of upgrading and installing 9-1-1 call handling equipment. As of December 31, 2020 the principal balance outstanding was \$211,390. The equipment has a five (5) year estimated life. The lease agreement was for \$627,430 to be repaid in sixty (60) monthly installments of \$10,629. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The City entered into a capital lease agreement with Dell Financial Services on September 28, 2018 for the purpose of upgrading computer servers city wide. As of December 31, 2020, the principal balance outstanding was \$93,956. The equipment has a five (5) year estimated life. The lease agreement was for \$167,218 to be repaid in sixty (60) monthly installments of \$3,142. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2021	\$ 165,253
2022	122,737
2023	25,136
Total minimum lease payments	<u>313,127</u>
Less: amount representing interest	(7,781)
Present value of minimum lease payments	<u>\$ 305,345</u>

The cost of the leased assets capitalized on the December 31, 2020 Statement of Net Position in the governmental activities is as follows:

	<u>AT&T Lease</u>	<u>Dell Lease</u>	<u>Total</u>
Equipment	\$ 208,373	\$ 94,628	\$ 303,001
Accumulated depreciation	(125,024)	(30,736)	(155,760)
Total	<u>\$ 83,349</u>	<u>\$ 63,892</u>	<u>\$ 147,242</u>

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, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Primary Government		
Governmental Funds to/from Nonfiduciary Funds		
General	\$ 5,845	\$ 335
Street	84	-
Special Projects	-	9,364
Asset Forfeitures	9,364	-
CDBG	5	5,845
2015 Capital Improvements Construction	-	-
2015 Capital Improvements Debt Service	-	-
2020 Capital Improvements Construction	-	8,643
2020 Capital Improvements Debt Service	8,643	-
Governmental Funds to/from Fiduciary Funds		
General Fund	-	71,077
Total governmental funds	<u>23,942</u>	<u>95,264</u>
Proprietary Funds		
Emergency Medical Services	56	-
AGFF Shooting Sports Complex	3	-
Sanitation Services	186	-
Total proprietary funds	<u>245</u>	<u>-</u>
Fiduciary Funds		
Policemen's Pension	35,531	-
Firemen's Pension	35,531	-
Agency	15	-
Total fiduciary funds	<u>71,077</u>	<u>-</u>
Total	<u>\$ 95,264</u>	<u>\$ 95,264</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, 2020, are as follows:

<u>Fund</u>	<u>Interfund Transfers</u>	
	<u>In</u>	<u>Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ -	\$ 1,230,000
Special Projects	149,388	-
Nonmajor Funds	<u>8,132,035</u>	<u>7,696,422</u>
Total governmental funds	<u>8,281,423</u>	<u>8,926,423</u>
Proprietary Funds:		
AGFF Shooting Sports Complex	165,000	-
Emergency Medical Services	<u>480,000</u>	<u>-</u>
Total proprietary funds	<u>645,000</u>	<u>-</u>
Total	<u>\$ 8,926,423</u>	<u>\$ 8,926,423</u>

The transfers out of \$1,230,000 from the General Fund are transfers out to supplement the Emergency Medical Services Fund for operational expenses in the amount of \$480,000, to supplement the AGFF Shooting Sports Complex Fund for operational expenses in the amount of \$165,000, and to meet debt service requirements in the 2015 Capital Improvements Debt Service Fund in the amount of \$585,000.

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.

Governmental Activities	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense (Income)
Policemen's Pension and Relief Fund	\$ 659,012	\$ -	\$ 196,424	\$ 329,871	\$ 164,596
Firemen's Pension and Relief Fund	-	1,258,724	238,080	617,670	(155,316)
Arkansas Public Employee Retirement System	-	5,355,531	1,208,971	242,135	467,766
Arkansas Local Police and Fire Retirement System - Fire	-	5,377,674	854,334	1,450,973	982,959
Arkansas Local Police and Fire Retirement System - Police	-	5,083,402	715,629	1,890,830	437,222
	<u>\$ 659,012</u>	<u>\$ 17,075,331</u>	<u>\$ 3,213,438</u>	<u>\$ 4,531,479</u>	<u>\$ 1,897,227</u>
Business-Type Activities	Net Pension Asset	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Arkansas Public Employee Retirement System	\$ -	\$ 1,351,578	\$ 262,512	\$ 61,107	\$ 160,646
Arkansas Local Police and Fire Retirement System	-	1,139,334	181,002	307,409	208,254
	<u>\$ -</u>	<u>\$ 2,490,912</u>	<u>\$ 443,514</u>	<u>\$ 368,516</u>	<u>\$ 368,900</u>
Total Primary Government	<u>\$ 659,012</u>	<u>\$ 19,566,243</u>	<u>\$ 3,656,952</u>	<u>\$ 4,899,995</u>	<u>\$ 2,266,127</u>
Discretely Presented Component Units	\$ -	\$ 3,493,999	\$ 691,535	\$ 228,304	\$ 729,141

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, 2020 measurement date, there were 16 police and 34 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, 2020 for the Policemen's and Firemen's Pension and Relief Funds are below:

	Statement of Fiduciary Net Position	
	Policemen's Pension And Relief Fund	Firemen's Pension And Relief Fund
Assets		
Cash and cash equivalents	\$ 493,835	\$ 372,120
Investments	5,892,021	6,367,862
Receivables	45,617	49,379
Total assets	<u>6,431,473</u>	<u>6,789,361</u>
Net Position		
Net position restricted for pension benefits	<u>\$ 6,431,473</u>	<u>\$ 6,789,361</u>

	Statement of Changes in Fiduciary Net Position	
	Policemen's Pension And Relief Fund	Firemen's Pension And Relief Fund
Additions		
Contributions	\$ 391,439	\$ 506,739
Net investment income	322,015	689,424
Total additions	<u>713,454</u>	<u>1,196,163</u>
Deductions		
Benefits paid directly to participants	555,446	795,628
Administrative expenses	3,100	1,700
Total deductions	<u>558,546</u>	<u>797,328</u>
Change in Net Position	154,908	398,835
Net Position Restricted For Pension Benefits, Beginning of Year	<u>6,276,565</u>	<u>6,390,525</u>
Net Position Restricted For Pension Benefits, End of Year	<u>\$ 6,431,473</u>	<u>\$ 6,789,361</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 2020 to the Policemen's Fund were \$391,439. The City's share of contributions was \$391,439 and included \$296,212 in property taxes and \$52,128 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 2020 to the Firemen's Fund were \$506,739. The City's share of contributions was \$506,739 and included \$296,211 in property taxes and \$210,528 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, 2020.

For the December 31, 2020 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, 2020 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, 2020 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, 2020:

	<u>Policemen's Fund</u>	<u>Firemen's Fund</u>
Total pension liability	\$ 5,766,031	\$ 8,023,672
Plan's fiduciary net position	6,425,043	6,764,948
City's net pension (asset) liability	<u>\$ (659,012)</u>	<u>\$ 1,258,724</u>
Plan's fiduciary net position as a percentage of total pension liability	111.43%	84.31%

Changes in the total pension liability, plan fiduciary net position, and the net pension liability for the year ended December 31, 2020 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>
Balances as of Beginning of Year	\$5,764,386	\$6,248,352	(\$483,966)	\$8,533,304	\$6,362,602	\$2,170,702
Changes for the year:						
Interest on total pension liability	275,568	-	275,568	408,225	-	408,225
Differences between expected and actual experience	(152,150)	-	(152,150)	(180,253)	-	(180,253)
Employer contributions	-	338,600	(338,600)	-	444,520	(444,520)
Net investment income	-	350,256	(350,256)	-	699,386	(699,386)
Benefit payments and refunds	(506,064)	(506,064)	-	(737,603)	(737,603)	-
Administrative expenses	-	(8,847)	8,847	-	(7,457)	7,457
Benefit changes	384,292	-	384,292	-	-	-
Other	-	2,746	(2,746)	-	3,500	(3,500)
Net changes	<u>1,645</u>	<u>176,691</u>	<u>(175,046)</u>	<u>(509,631)</u>	<u>402,346</u>	<u>(911,977)</u>
Balances as of End of Year	<u>\$5,766,031</u>	<u>\$6,425,043</u>	<u>(\$659,012)</u>	<u>\$8,023,673</u>	<u>\$6,764,948</u>	<u>\$1,258,725</u>

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

For the year ended December 31, 2020, the City recognized pension expense of \$164,596 for the Policemen's Pension and Relief Fund and pension income of \$155,316 for the Firemen's Pension and Relief Fund, as measured in accordance with GASB Statement No. 68. On December 31, 2020, 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	\$ 196,424	\$ 329,871

	Firemen's Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	\$ 238,080	\$ 617,670

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
2021	\$ (36,375)	\$ (107,136)
2022	4,794	(37,830)
2023	(93,418)	(156,870)
2024	(8,449)	(77,754)
	<u>\$ (133,447)</u>	<u>\$ (379,590)</u>

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%
Total	<u>100.00%</u>		

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 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)	\$ (157,866)	\$ (659,012)	\$ (1,093,228)
Firemen's Pension and Relief Fund	Net pension liability	\$ 1,951,446	\$ 1,258,724	\$ 658,531

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, 2020 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% 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% for most covered employees and 7.5% for two elected officials for fiscal year 2020.

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.

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, 2020. For 2020, participating members' contributions were \$171,813 and the City's contributions were \$720,129.

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

As of December 31, 2020, the City reported a liability of \$6,707,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020. At June 30, 2020, the City's proportion was 0.2342207%, compared to 0.2257885% 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, 2020 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, 2020, the City recognized pension expense of \$628,412. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 89,039	\$ 4,441
Net differences between expected and actual earnings on pension plan investments	709,697	-
Changes of assumptions	84,034	114,917
Changes in proportion	148,234	183,885
Contributions subsequent to the measurement date	440,479	-
	\$ 1,471,483	\$ 303,243

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$440,479 will be recognized as a reduction of the net pension liability for the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to the Plan will be recognized in pension expense as follows:

Year Ending December 31,		
2021	\$	56,474
2022		194,943
2023		276,013
2024		200,330
		\$ 727,761

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	APERS
Valuation	June 30, 2020
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, 2020 are summarized in the table below:

APERS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	57.00%
Total	100.00%	

Discount Rate

In the June 30, 2020 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:

1% Decrease (6.15%)	Current Single Rate Assumption (7.15%)	1% Increase (8.15%)
<u>\$ 10,215,423</u>	<u>\$ 6,707,109</u>	<u>\$ 3,811,955</u>

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 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 23.5% for participating policemen and participating firemen. City contributions for 2020 to the Plan were \$1,494,699.

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

At December 31, 2020, the LOPFI Police and LOPFI Fire reported a liability of \$5,083,402 and \$5,377,674, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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, 2020. The City's proportionate share was 0.73942% and 0.94795% respectively, for LOPFI Police and LOPFI Fire compared to 0.74245% and 0.92606% 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, 2020 LOPFI Fire related pension items was 83% for governmental activities and 17% 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, 2020, the LOPFI Police and LOPFI Fire recognized pension expense of \$437,222 and \$1,191,213, respectively. On December 31, 2020, the LOPFI Police and LOPFI Fire reported deferred outflows and inflows of resources related to pensions from the following sources:

LOPFI - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 573,926	\$ -
Net difference between expected and actual earnings on plan investments	-	1,304,738
Changes in assumptions	141,703	-
Changes in proportion	-	586,092
Total	\$ 715,629	\$ 1,890,830
LOPFI - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 735,783	\$ -
Net difference between expected and actual earnings on plan investments	-	1,672,696
Changes in assumptions	181,665	-
Changes in proportion	117,888	85,686
Total	\$ 1,035,336	\$ 1,758,382

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020 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>
2021	\$ (336,961)	\$ (207,316)
2022	(220,370)	(135,583)
2023	(446,622)	(274,786)
2024	(171,247)	(105,360)
	<u>\$ (1,175,201)</u>	<u>\$ (723,046)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 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	3.25%	3.25%
Price inflation	2.50%	2.50%
Salary increases	3.25% - 18.75%, including inflation	3.25% - 18.75%, including inflation
Investment rate of return	7.0%	7.0%
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, 2020 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, 2020, 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>
Domestic fixed income	30.00%	0.78%
Domestic equity	42.00%	5.58%
Foreign equity	18.00%	7.38%
Alternative investments	10.00%	6.23%
Total	<u>100.00%</u>	

Discount Rate

A single discount rate of 7.00% 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 7.00%. 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 7.00%, 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:

Local Police and Fire Retirement System (LOPFI)		1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
LOPFI - Police	Net pension liability	\$ 8,678,584	\$ 5,083,402	\$ 2,183,723
LOPFI - Fire	Net pension liability	\$ 11,126,104	\$ 6,517,008	\$ 2,799,573

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, 2020 was \$14,324.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2020, 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, 2020 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at January 1, 2020	\$1,556,520	\$0	\$1,556,520
Changes for the year:			
Service cost	86,593	-	86,593
Interest	53,332	-	53,332
Differences between expected and actual experience	(182,270)	-	(182,270)
Employer contributions	-	14,324	(14,324)
Employee contributions	-	-	-
Benefit payments	(14,324)	(14,324)	-
Change in discount rate	206,768	-	206,768
Net changes	<u>150,099</u>	<u>-</u>	<u>150,099</u>
Balances at December 31, 2020	<u>\$1,706,619</u>	<u>\$0</u>	<u>\$1,706,619</u>

OPEB Plan Fiduciary Net Position

The statement of fiduciary net position and the statement of changes in fiduciary net position for the OPEB Plan are below:

Assets	
Cash and cash equivalents	\$ -
Investments	-
Equities	-
Mutual funds and other investments	-
Total assets	<u>-</u>
Net Position	
Net position restricted for other postemployment benefits	<u>\$ -</u>
Additions	
Contributions	
Employer (implied subsidy)	\$ 14,324
Total contributions	<u>14,324</u>
Total additions	<u>14,324</u>
Deductions	
Benefits paid directly to participants	<u>14,324</u>
Total deductions	<u>14,324</u>
Net Increase in Net Position	-
Net Position Restricted for Other Postemployment Benefits, Beginning of Year	<u>-</u>
Net Position Restricted for Other Postemployment Benefits, End of Year	<u>\$ -</u>

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$137,696. At December 31, 2020, 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	\$ -	\$ 196,378
Changes of assumptions	236,357	51,283
	<u>\$ 236,357</u>	<u>\$ 247,661</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,	
2021	\$ (2,229)
2022	(2,229)
2023	(2,229)
2024	(2,229)
2025	(2,229)
Thereafter	(159)
Total	<u>\$ (11,304)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00%
Investment rate of return	3.26%
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) \$1,142, Retiree (with Medicare) \$545 Premium assumed at \$545 per month for net subsidy of \$596
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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%	0.43%
Subtotal	<u>100.00%</u>	<u>0.43%</u>
Inflation		1.50%
Total		<u>1.93%</u>

Discount Rate

A discount rate of 1.93% 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 1.93%, 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 (.93%) or 1-percentage-point higher (2.93%) than the current rate:

	<u>1% Decrease (.93%)</u>	<u>Discount Rate (1.93%)</u>	<u>1% Increase (2.93%)</u>
Net OPEB liability	\$ 1,874,738	\$ 1,706,619	\$ 1,549,231

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:

	<u>1% Decrease in HCCTR</u>	<u>Current Discount Rate in HCCTR</u>	<u>1% Increase in HCCTR</u>
Net OPEB liability	\$ 1,439,275	\$ 1,706,619	\$ 2,040,602

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 \$75,182 for operating expenses in 2020. 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 2019 to 2020 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, 2020 property taxes receivable and related deferred inflows of resources of \$1,296,927 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
		2019 for 2020 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
	<u>13.45</u>	<u>4.45</u>

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 7.41% 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 \$6,767,980 for 2020. 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 \$9,106,051 for 2020. 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, 2020 was as follows:

Jacksonville Municipal Water Works	Balance	Increases	Decreases	Transfers	Balance
	January 1, 2020				December 31, 2020
Capital Assets, non-depreciable					
Land	\$ 506,557	\$ 121	\$ -	\$ -	\$ 506,678
Construction in progress	-	2,700	-	-	2,700
Total capital assets, non-depreciable	506,557	2,821	-	-	509,378
Capital Assets, depreciable					
Utility system	53,901,380	1,590,970	-	-	55,492,350
LRAFB water distribution system	17,750,941	-	-	-	17,750,941
Buildings and improvements	2,653,818	4,215	-	-	2,658,033
Furniture and equipment	3,150,837	20,121	-	-	3,170,958
Total capital assets, depreciable	77,456,976	1,615,306	-	-	79,072,282
Less accumulated depreciation	26,901,471	2,492,753	-	-	29,394,225
Total capital assets, depreciable, net	50,555,504	(877,447)	-	-	49,678,057
Total capital assets, net	\$ 51,062,061	\$ (874,626)	\$ -	\$ -	\$ 50,187,435

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	Increases	Decreases	Balance	Amounts
	January 1, 2020			December 31, 2020	Due In One Year
Water revenue bonds	\$ 25,920,073	\$ -	\$ 3,400,504	\$ 22,519,569	\$ 3,051,343

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

Year	Principal	Interest	Total
2021	\$ 3,051,343	\$ 238,858	\$ 3,290,201
2022	3,353,148	222,660	3,575,808
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
Thereafter	5,803,458	66,508	5,869,966
Total	\$ 22,519,569	\$ 943,830	\$ 23,463,399

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, 2020, JMWW reported a liability of \$2,158,624 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, JMWW's proportion was 0.07538188% compared to its proportion measured as of June 30, 2019 of 0.07615466%.

For the year ended December 31, 2020, JMWW recognized pension expense of \$411,790. At December 31, 2020, JMWW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 28,656	\$ 1,429
Net differences between expected and actual earnings on pension plan investments	228,410	-
Changes of assumptions	27,046	36,985
Changes in proportion	125,014	13,561
Contributions subsequent to the measurement date	139,177	-
	<u>\$ 548,303</u>	<u>\$ 51,975</u>

The \$139,177 reported as deferred outflows of resources at December 31, 2020, 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ 80,466
2022	113,362
2023	95,903
2024	67,420
	<u>\$ 357,151</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:

<u>1% Decrease (6.15%)</u>	<u>Current Single Rate Assumption (7.15%)</u>	<u>1% Increase (8.15%)</u>
<u>\$ 3,287,744</u>	<u>\$ 2,158,624</u>	<u>\$ 1,226,844</u>

Jacksonville Wastewater Utility (JWWU)

Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Jacksonville Wastewater Utility	Balance January 1, 2020	Increases	Decreases	Transfers	Balance December 31, 2020
Capital Assets, non-depreciable					
Land	\$ 411,491	\$ -	\$ -	\$ -	\$ 411,491
Construction in progress	107,715	529,413	(416,752)	-	220,376
Total capital assets, non-depreciable	519,206	529,413	(416,752)	-	631,867
Capital Assets, depreciable					
Utility system	61,321,973	683,132	-	1,933	62,007,038
Buildings and improvements	2,430,227	5,879	-	-	2,436,106
Furniture and equipment	2,520,654	29,357	-	-	2,550,011
Total capital assets, depreciable	66,272,854	718,368	-	1,933	66,993,155
Less accumulated depreciation	36,544,426	2,087,833	-	1,933	38,634,192
Total capital assets, net	\$ 30,247,634	\$ (840,052)	\$ (416,752)	\$ -	\$ 28,990,831

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 January 1, 2020	Increases	Decreases	Balance December 31, 2020	Amounts Due In One Year
Wastewater revenue bonds	\$ 14,385,000	\$ 14,620,000	\$ 14,385,000	\$ 14,620,000	\$ 135,000
Add issuance premium	223,790	-	223,790	-	-
Less: issuance discount	-	(131,580)	-	(131,580)	-
	\$ 14,608,790	\$ 14,488,420	\$ 14,608,790	\$ 14,488,420	\$ 135,000

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

Year	Principal	Interest	Total
2021	\$ 135,000	\$ 296,596	\$ 431,596
2022	140,000	295,624	435,624
2023	580,000	294,545	874,545
2024	765,000	289,615	1,054,615
2025	775,000	281,736	1,056,736
2026-2030	4,055,000	1,231,733	5,286,733
2031-2035	4,470,000	817,778	5,287,778
2036-2039	3,700,000	241,380	3,941,380
Total	\$ 14,620,000	\$ 3,749,007	\$ 18,369,007

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, 2020, JWWU reported a liability of \$1,854,434, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, JWWU's proportion was 0.06475920% compared to its proportion measured as of June 30, 2019 of 0.06867259%.

For the year ended December 31, 2020, JWWU recognized pension expense of \$271,451. At December 31, 2020, JWWU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 24,618	\$ 1,228
Net differences between expected and actual earnings on pension plan investments	196,223	-
Changes of assumptions	23,234	31,773
Changes in proportion	3,282	90,813
Contributions subsequent to the measurement date	97,051	-
	<u>\$ 344,408</u>	<u>\$ 123,814</u>

The \$97,051 reported as deferred outflows of resources at December 31, 2020, 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ (24,951)
2022	33,740
2023	57,748
2024	57,006
	<u>\$ 123,543</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:

<u>1% Decrease (6.15%)</u>	<u>Current Single Rate Assumption (7.15%)</u>	<u>1% Increase (8.15%)</u>
<u>\$ 2,824,441</u>	<u>\$ 1,854,434</u>	<u>\$ 1,053,960</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSONVILLE, ARKANSAS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 645,000	\$ 655,139	\$ 726,730	\$ 71,591
Sales taxes	14,375,401	15,458,796	15,937,121	478,325
Licenses and permits	421,600	274,084	279,517	5,433
Intergovernmental	1,809,480	2,912,169	3,037,129	124,960
Charges for services	1,059,225	944,437	1,007,971	63,534
Fines and fees	634,216	335,245	301,114	(34,131)
Utility franchise taxes	1,098,700	1,110,125	1,109,300	(825)
Investment income	5,000	9,955	11,117	1,162
Contributions	-	-	-	-
Miscellaneous	213,400	174,456	198,253	23,797
Total revenues	<u>20,262,022</u>	<u>21,874,406</u>	<u>22,608,252</u>	<u>733,846</u>
Expenditures				
General government				
General administration	410,472	421,074	303,724	117,350
City council	97,140	101,991	96,762	5,229
Mayor	258,051	274,430	266,529	7,902
City clerk	158,829	160,892	151,918	8,974
City attorney	271,715	279,083	280,318	(1,235)
District court	435,009	381,994	332,636	49,358
Director of administration	42,410	44,737	45,059	(322)
Director of information technology	500,230	622,738	575,548	47,190
Finance	442,295	443,637	438,137	5,500
Human resources	174,108	214,568	213,448	1,120
Fleet services	147,553	154,165	138,896	15,269
Community programs	179,724	166,192	157,167	9,025
Total general government	<u>3,117,536</u>	<u>3,265,501</u>	<u>3,000,141</u>	<u>265,360</u>
Public works				
Public works coordinator	164,826	169,050	168,211	839
Engineering	207,131	216,071	200,905	15,166
Code enforcement	241,265	213,636	166,275	47,361
Total public works	<u>613,222</u>	<u>598,757</u>	<u>535,391</u>	<u>63,366</u>
Parks and recreation services	2,792,306	2,922,290	2,835,181	87,109
Police	6,564,711	6,549,681	6,495,413	54,269
Fire	4,986,112	5,421,825	5,381,616	40,209
Emergency communication services	953,886	945,343	857,035	88,308
Animal control	342,312	330,031	310,037	19,994
Total expenditures	<u>19,370,085</u>	<u>20,033,428</u>	<u>19,414,813</u>	<u>618,615</u>
Excess (Deficiency) of Revenues Over Expenditures	891,937	1,840,978	3,193,438	1,352,460
Other Financing Sources (Uses)				
Transfers in	109,041	60,000	-	(60,000)
Transfers out	(1,000,978)	(1,900,978)	(1,230,000)	670,978
Total other financing sources (uses)	<u>(891,937)</u>	<u>(1,840,978)</u>	<u>(1,230,000)</u>	<u>610,978</u>
Net Change in Fund Balances	-	-	1,963,438	1,963,438
Fund Balances, Beginning of Year	3,149,492	3,149,492	3,149,492	-
Fund Balances, End of Year	<u>\$ 3,149,492</u>	<u>\$ 3,149,492</u>	<u>\$ 5,112,930</u>	<u>\$ 1,963,438</u>

CITY OF JACKSONVILLE, ARKANSAS

**BUDGETARY COMPARISON SCHEDULE
STREET FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 2,612,842	\$ 2,517,790	\$ 2,569,149	\$ 51,359
Investment income	40,000	52,582	45,661	(6,921)
Miscellaneous	6,050	74,836	75,036	200
Total revenues	<u>2,658,892</u>	<u>2,645,208</u>	<u>2,689,847</u>	<u>44,639</u>
Expenditures				
Public works				
Streets and drainage	<u>2,658,892</u>	<u>2,645,208</u>	<u>1,639,108</u>	<u>1,006,100</u>
Total expenditures	<u>2,658,892</u>	<u>2,645,208</u>	<u>1,639,108</u>	<u>1,006,100</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,050,739	1,050,739
Fund Balances, Beginning of Year	<u>4,183,788</u>	<u>4,183,788</u>	<u>4,183,788</u>	-
Fund Balances, End of Year	<u><u>\$ 4,183,788</u></u>	<u><u>\$ 4,183,788</u></u>	<u><u>\$ 5,234,527</u></u>	<u><u>\$ 1,050,739</u></u>

CITY OF JACKSONVILLE, ARKANSAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020

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.

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 86,593	\$ 80,712	\$ 92,521
Interest	53,332	53,176	43,850
Differences between expected and actual experience	(182,270)	-	(39,062)
Changes of assumptions	206,768	56,184	(68,377)
Benefit payments	<u>(14,324)</u>	<u>(27,454)</u>	<u>(22,679)</u>
Net change in total OPEB liability	150,099	162,618	6,253
Total OPEB liability - Beginning	<u>1,556,520</u>	<u>1,393,902</u>	<u>1,387,649</u>
Total OPEB liability - Ending (a)	<u><u>1,706,619</u></u>	<u><u>1,556,520</u></u>	<u><u>1,393,902</u></u>
Plan Fiduciary Net Position			
Contributions - employer	14,324	27,454	22,679
Benefit payments	<u>(14,324)</u>	<u>(27,454)</u>	<u>(22,679)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - Ending (b)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net OPEB liability - Ending (a)-(b)	<u><u>1,706,619</u></u>	<u><u>1,556,520</u></u>	<u><u>1,393,902</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered payroll	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 167,401	\$ 156,481	\$ 163,683
Contributions in relation to the actuarially determined contribution	14,324	27,454	22,679
Contribution deficiency (excess)	<u>\$ 153,077</u>	<u>\$ 129,027</u>	<u>\$ 141,004</u>
Covered employee payroll	N/A	N/A	N/A
Contributions as a percentage of employee payroll	N/A	N/A	N/A
Assumed single discount rate	3.26%	3.64%	3.16%

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, 2020

Fiscal Year Ending	Annual Money- Weighted Rate of Return
12/31/2018	0%
12/31/2019	0%
12/31/2020	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, 2020

Policemen's Pension and Relief Fund

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

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, 2020

Firemen's Pension and Relief Fund

Fiscal year ending December 31,	2020	2019	2018	2017	2016	2015
Total pension liability:						
Interest	\$ 408,225	\$ 431,668	\$ 454,423	\$ 464,671	\$ 481,908	\$ 528,688
Difference between expected and actual experience	(180,253)	(145,950)	(126,560)	126,580	91,701	(473,629)
Benefit payments, including refunds of plan member contributions	(737,603)	(771,546)	(794,388)	(798,043)	(1,038,656)	(942,640)
Net change in total pension liability	(509,631)	(485,828)	(466,525)	(206,792)	(465,046)	(887,581)
Total pension liability, beginning of year	8,533,304	9,019,132	9,485,657	9,692,449	10,157,495	11,045,076
Total pension liability, end of year	\$ 8,023,673	\$ 8,533,304	\$ 9,019,132	\$ 9,485,657	\$ 9,692,449	\$ 10,157,495
Plan fiduciary net position:						
Employer contributions	\$ 444,520	\$ 435,210	\$ 388,103	\$ 380,031	\$ 418,220	\$ 399,410
Plan member contributions	-	-	-	-	2,191	7,017
Net investment income	699,386	687,769	(270,812)	658,346	176,675	(77,487)
Benefit payments, including refunds of plan member contributions	(737,603)	(771,546)	(794,388)	(798,043)	(1,038,656)	(942,640)
Administrative expense	(7,457)	(1,600)	(2,094)	(6,942)	(6,448)	(6,425)
Other	3,500	-	-	9,858	-	2,800
Net change in plan fiduciary net position	402,346	349,833	(679,191)	243,250	(448,017)	(617,325)
Plan fiduciary net position, beginning of year	6,362,602	6,012,769	6,691,960	6,448,710	6,896,727	7,514,052
Plan fiduciary net position, end of year	\$ 6,764,948	\$ 6,362,602	\$ 6,012,769	\$ 6,691,960	\$ 6,448,710	\$ 6,896,727
City's net pension liability, end of year	\$ 1,258,725	\$ 2,170,702	\$ 3,006,363	\$ 2,793,697	\$ 3,243,739	\$ 3,260,768
Plan's fiduciary net position as a percentage of the total pension liability	84.31%	74.56%	66.67%	70.55%	66.53%	67.90%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan's net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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, 2020

	Year Ended December 31	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as % of Covered Payroll
Policemen's Pension and Relief Fund	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

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
Firemen's Pension and Relief Fund	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

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, 2020

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

<u>June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.2342207%	0.2257885%	0.2284472%	0.2546313%	0.2592827%	0.2593006%
City's proportionate share of the net pension liability	\$ 6,707,109	\$ 5,447,214	\$ 5,039,397	\$ 6,580,031	\$ 6,200,353	\$ 4,775,626
City's covered payroll	\$ 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	145.83%	123.43%	117.73%	149.75%	143.78%	110.81%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

<u>December 31</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 759,906	\$ 744,077	\$ 684,529	\$ 661,320	\$ 685,822	\$ 679,053
Contributions related to the contractually required contribution	<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>
City's covered payroll	\$ 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	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, 2020

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM

LOPFI - Police						
December 31	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.739420%	0.742450%	0.804420%	1.052449%	1.140590%	1.217420%
City's proportionate share of the net pension liability	\$ 5,083,402	\$ 5,737,215	\$ 7,258,921	\$ 7,478,672	\$ 6,507,408	\$ 6,388,710
City's covered payroll	\$ 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	171.38%	210.84%	255.99%	216.23%	185.58%	180.72%
Plan fiduciary net position as a percentage of the total pension liability	77.79%	73.03%	65.84%	71.17%	72.46%	72.41%

LOPFI - Fire						
December 31	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.947950%	0.926060%	0.937480%	0.947852%	1.038400%	0.989380%
City's proportionate share of the net pension liability	\$ 6,517,008	\$ 7,156,028	\$ 8,459,642	\$ 6,735,410	\$ 5,924,363	\$ 5,192,039
City's covered payroll	\$ 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	179.21%	211.66%	247.56%	195.58%	175.84%	156.27%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM

LOPFI - Police

<u>December 31</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 654,109	\$ 619,463	\$ 713,355	\$ 752,784	\$ 779,997	\$ 755,994
Contributions related to the contractually required contribution	654,109	619,463	713,355	752,784	779,997	755,994
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 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	22.05%	22.76%	25.16%	21.77%	22.24%	21.39%

LOPFI - Fire

<u>December 31</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 838,281	\$ 772,808	\$ 760,297	\$ 678,135	\$ 686,207	\$ 614,388
Contributions related to the contractually required contribution	838,281	772,808	760,297	678,135	686,207	614,388
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 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	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, 2020

	Fiscal Year Ending	Annual Money-weighted Rate of Return
Policemen's Pension and Relief Fund	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%)
	12/31/2014	3.72%
Firemen's Pension and Relief Fund	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%

Note to the Schedule:

A full 10 year schedule will be completed as information is 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. These revenues are restricted to expenditure for providing housing or housing assistance provided to qualifying citizens, improvements to neighborhood streets and drainage.

HOME Investment Partnership Program Fund (HOME) – Accounts for HOME grant funds received from the U.S. Department of Housing and Urban Development and passed through the Arkansas Development Finance Authority. These revenues provide assistance for affordable housing to qualifying citizens.

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

Asset Forfeiture Fund – Accounts for funds received from asset forfeiture programs. These monies are restricted for expenditures for assistance in drug enforcement activities.

The **Capital Projects Fund** accounts for the acquisition or construction of major capital assets from the proceeds from general obligation bond issues and other financing sources.

2015 Capital Improvements Construction – The 2015 Capital Improvement Construction fund holds the net proceeds from the 2015 Capital Improvements and Refunding Bonds issued in 2015.

2020 Capital Improvements Construction – The 2020 Capital Improvement Construction fund holds the net proceeds from the 2020 Capital Improvements and Refunding Bonds issued in 2020.

The **Debt Service Funds** account 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 a 1.0 mil annual ad valorem tax and the pro-rata portion of the proceeds of the sales and use tax implemented pursuant to Amendment 79 to the Arkansas Constitution.

2020 Capital Improvements Debt Service – The 2020 Capital Improvement and Refunding Bonds were issued for the purpose of rehabilitation of the court facilities, construction of a new City Mechanic shop, repairs to the roof at the Public Safety building, purchase of a shot curtain for the Shooting Range, and refunding the 2015 Capital Improvement and Refunding Bonds. The Series 2020 bonds are limited tax general obligations, payable solely from franchise fees collected from public utilities for the privilege of using the City's streets' right-of-way and other public places in the City.

CITY OF JACKSONVILLE, ARKANSAS

COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS - NONMAJOR
 DECEMBER 31, 2020

	Special Revenue				Capital Project		Debt Service		Total
	CDBG	HOME	Grants	Asset Forfeiture	2015 Capital Improvements Construction	2020 Capital Improvements Construction	2006 Library Debt Service	2020 Capital Improvements Debt Service	
Assets									
Cash	\$ 36,300	\$ 68,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,616
Restricted cash	-	-	-	17,119	-	2,007,173	76,930	302,836	2,404,058
Accounts receivable	5,056	-	88,345	-	-	-	2,425	-	95,826
Due from other funds	5	-	-	9,364	-	8,643	-	-	18,012
Total Assets	\$ 41,361	\$ 68,316	\$ 88,345	\$ 26,483	\$ -	\$ 2,015,816	\$ 79,356	\$ 302,836	\$ 2,622,513
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 780	\$ -	\$ 18,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,244
Due to other funds	5,845	-	-	-	-	-	-	8,643	14,488
Accrued wages payable	980	-	-	-	-	-	-	-	980
Other liabilities	223	-	65,512	-	-	-	-	-	65,735
Total liabilities	7,828	-	83,976	-	-	-	-	8,643	100,447
Fund Balances									
Restricted:									
Debt service	-	-	-	-	-	-	79,356	294,193	373,549
Law enforcement activities	-	-	-	26,483	-	-	-	-	26,483
Housing and neighborhood programs	33,534	68,316	-	-	-	-	-	-	101,850
Grant funds	-	-	4,370	-	-	-	-	-	4,370
Capital projects	-	-	-	-	-	2,015,816	-	-	2,015,816
Total fund balances	33,534	68,316	4,370	26,483	-	2,015,816	79,356	294,193	2,522,068
Total Liabilities and Fund Balances	\$ 41,361	\$ 68,316	\$ 88,345	\$ 26,483	\$ -	\$ 2,015,816	\$ 79,356	\$ 302,836	\$ 2,622,513

CITY OF JACKSONVILLE, ARKANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS - NONMAJOR YEAR ENDED DECEMBER 31, 2020

	Special Revenue				Capital Project		Debt Service		Total
	CDBG	HOME	Grants	Asset Forfeiture	2015 Capital Improvements Construction	2020 Capital Improvements Construction	2006 Library Debt Service	2020 Capital Improvements Debt Service	
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,928	\$ -	\$ 15,928
Intergovernmental	234,487	-	335,504	15,111	-	-	-	-	585,102
Investment income	387	-	-	-	752	-	933	-	2,072
Miscellaneous	8	24,920	-	-	-	-	-	-	24,928
Total revenues	234,882	24,920	335,505	15,111	752	-	16,861	-	628,030
Expenditures									
Police	-	-	30,729	15,237	-	-	-	-	45,966
Housing and neighborhood programs	265,754	1,500	314,093	-	-	-	-	-	581,347
Debt service									
Principal	-	-	-	-	-	-	230,000	-	230,000
Interest	-	-	-	-	-	-	5,562	-	5,562
Agent fees	-	-	-	-	-	-	912	-	912
Issuance costs	-	-	-	-	(36,649)	-	-	93,773	57,124
Total expenditures	265,754	1,500	344,822	15,237	(36,649)	-	236,474	93,773	920,911
Excess (Deficiency) of Revenues Over Expenditures	(30,872)	23,420	(9,317)	(126)	37,401	-	(219,613)	(93,773)	(292,881)
Other Financing Sources									
Long-term debt premium (discount)	-	-	-	-	-	8,643	-	-	8,643
Long-term debt issuance	-	-	-	-	-	-	-	7,935,000	7,935,000
Transfers in	-	-	-	-	-	2,007,173	-	-	2,007,173
Transfers out	-	-	-	-	(149,388)	-	-	(7,547,034)	(7,696,422)
Total other financing sources	-	-	-	-	(149,388)	2,015,816	-	387,966	2,254,394
Net Change in Fund Balances	(30,872)	23,420	(9,317)	(126)	(111,987)	2,015,816	(219,613)	294,193	1,961,513
Fund Balances, Beginning of Year	64,406	44,896	13,687	26,608	111,987	-	298,969	-	560,551
Fund Balances, End of Year	\$ 33,534	\$ 68,316	\$ 4,370	\$ 26,483	\$ -	\$ 2,015,816	\$ 79,356	\$ 294,193	\$ 2,522,068



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.

Agency Funds

The **Agency 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, 2020

	<u>Employee Retirement Plans</u>		
	<u>Policemen's Pension And Relief Fund</u>	<u>Firemen's Pension And Relief Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 493,835	\$ 372,120	\$ 865,955
Investments			
U.S. Government obligations	1,229,205	2,854,964	4,084,169
Corporate bonds	1,225,292	-	1,225,292
Mutual funds	3,437,524	3,512,898	6,950,422
Receivables			
Due from other funds	35,531	35,531	71,062
Accrued interest	10,086	13,848	23,934
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,431,473</u>	<u>\$ 6,789,361</u>	<u>\$ 13,220,834</u>
Net Position			
Net position restricted for pension benefits	<u>\$ 6,431,473</u>	<u>\$ 6,789,361</u>	<u>\$ 13,220,834</u>

CITY OF JACKSONVILLE, ARKANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED DECEMBER 31, 2020

	Employee Retirement Plans		
	Policemen's Pension And Relief Fund	Firemen's Pension And Relief Fund	Total
Additions			
Contributions			
Employer	\$ 43,099	\$ -	\$ 43,099
Contributed from General Fund			
Property taxes	296,212	296,211	592,423
State insurance turnback and guarantee fund	52,128	210,528	262,656
Total contributions	391,439	506,739	898,178
Investment income			
Net increase in fair value of investments	110,860	482,447	593,306
Interest and dividends	146,133	76,936	223,069
Gain on sale of investments	124,815	199,113	323,928
	381,808	758,495	1,140,303
Less investment expense	59,793	69,071	128,864
Net investment income	322,015	689,424	1,011,439
Total additions	713,454	1,196,164	1,909,618
Deductions			
Benefits paid directly to participants	555,446	795,628	1,351,074
Administrative expenses	3,100	1,700	4,800
Total deductions	558,546	797,328	1,355,874
Change in Net Position	154,908	398,836	553,744
Net Position Restricted for Pension Benefits			
Beginning of Year	6,276,565	6,390,525	12,667,090
Net Position Restricted for Pension Benefits			
End of Year	\$ 6,431,473	\$ 6,789,361	\$ 13,220,834

CITY OF JACKSONVILLE, ARKANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2020

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
<u>District Court Fines and Forfeitures Fund</u>				
Assets				
Cash	\$ 15,580	\$ 405,874	\$ 413,535	\$ 7,919
Liabilities				
Other liabilities	\$ 15,580	\$ 405,874	\$ 413,535	\$ 7,919
<u>District Court Restitution Fund</u>				
Assets				
Cash	\$ 1,624	\$ -	\$ -	\$ 1,624
Liabilities				
Other Liabilities	\$ 1,624	\$ -	\$ -	\$ 1,624
<u>Total Agency Funds</u>				
Assets				
Cash	\$ 17,204	\$ 405,874	\$ 413,535	\$ 9,543
Liabilities				
Other liabilities	17,204	405,874	413,535	9,543
Total Liabilities	\$ 17,204	\$ 405,874	\$ 413,535	\$ 9,543

DISCRETELY PRESENTED COMPONENT UNITS

CITY OF JACKSONVILLE, ARKANSAS

COMBINING STATEMENT OF CASH FLOWS DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED DECEMBER 31, 2020

	Jacksonville Municipal Water Works	Jacksonville Wastewater Utility	Nonmajor Component Unit Advertising and Promotion Commission	Total
Operating Activities				
Receipts from customers	\$ 8,402,863	\$ 4,913,378	\$ -	\$ 13,316,241
Other receipts	2,226,777	35,149	-	2,261,926
Payments to employees	(2,365,063)	(1,801,880)	-	(4,166,943)
Payments to suppliers	(595,439)	(802,399)	(610)	(1,398,448)
Payments to service providers	(133,815)	(316,604)	(723,674)	(1,174,093)
Other payments	(2,725,787)	-	-	(2,725,787)
Net cash provided by (used in) operating activities	4,809,536	2,027,644	(724,284)	6,112,896
Noncapital Financing Activities				
Local tax levy supporting operations	-	-	936,364	936,364
Capital and Related Financing Activities				
Purchase of capital assets	(1,342,048)	(628,104)	-	(1,970,152)
Proceeds from issuance of long-term debt	-	14,057,646	-	14,057,646
Bond issuance costs	-	(86,521)	-	(86,521)
Principal paid on long-term debt	(3,400,504)	(14,385,000)	-	(17,785,504)
Interest paid on long-term debt	(312,692)	(431,738)	-	(744,430)
Net cash provided by (used in) capital and related financing activities	(5,055,244)	(1,473,717)	-	(6,528,961)
Investing Activities				
Proceeds from maturities of cash investments	2,171,112	-	203,351	2,374,463
Purchase of cash investments	(2,176,551)	-	(254,337)	(2,430,888)
Decrease (increase) in restricted cash	(463)	-	-	(463)
Interest received	9,394	185,640	5,527	200,561
Net cash provided by (used in) investing activities	3,492	185,640	(45,459)	143,673
Net Increase in Cash and Cash Equivalents	(242,216)	739,567	166,620	663,972
Cash and Cash Equivalents, Beginning of Year	7,210,210	8,960,314	434,947	16,605,471
Cash and Cash Equivalents, End of Year	\$ 6,967,994	\$ 9,699,880	\$ 601,567	\$ 17,269,441
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	\$ (561,179)	\$ (242,682)	\$ (582,085)	\$ (1,385,946)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization expense	2,492,753	2,085,759	-	4,578,512
Closure and post-closure care costs	-	16,955	-	16,955
Amortization of deferred expenses	72,933	-	-	72,933
Other income, net	2,226,777	-	-	2,226,777
Changes in operating assets and liabilities				
Receivables, net	98,016	41,520	-	139,536
Revenues earned and unbilled	-	(6,777)	-	(6,777)
Prepaid expenses	(126,536)	(958)	-	(127,494)
Inventories	51,818	1,543	-	53,361
Due to other entities	165,463	-	-	165,463
Accounts payable	194,720	57,777	(142,199)	110,298
Accrued pension liability	321,371	-	-	321,371
Accrued expenses	(16,232)	(5,824)	-	(22,056)
Customer deposits	25,282	-	-	25,282
Deferrals related to pensions	(136,361)	80,331	-	(56,030)
Other liabilities	711	-	-	711
Net cash provided by (used in) operating activities	\$ 4,809,536	\$ 2,027,644	\$ (724,284)	\$ 6,112,896
Presented on the Statement of Fund Net Position- Proprietary Funds as Follows:				
Current assets				
Cash and cash equivalents	\$ 6,967,994	\$ 9,101,469	\$ 601,567	\$ 16,671,030
Restricted for bond requirements-cash and cash equivalents	-	68,414	-	68,414
Noncurrent assets				
Cash and cash equivalents	-	529,997	-	529,997
Total Cash and Cash Equivalents	\$ 6,967,994	\$ 9,699,880	\$ 601,567	\$ 17,269,441

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 2020 was \$276,079.

During 2020, Jacksonville Wastewater Utility accepted utility property constructed by private developers. The fair value of this donated property was \$200,851.

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.

Contents	Page
Financial Trends (Tables 1-5)	112
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity (Tables 6-10)	122
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity (Tables 11-15)	127
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.	
Demographic and Economic Information (Tables 16-17)	133
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information (Tables 18-20)	135
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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 36,800,745	\$ 41,063,504	\$ 42,058,114	\$ 42,843,428
Restricted	2,052,401	1,798,969	1,184,762	1,831,423
Unrestricted (deficit)	<u>10,824,395</u>	<u>5,937,438</u>	<u>3,544,078</u>	<u>2,694,078</u>
Total governmental activities net position	<u>\$ 49,677,541</u>	<u>\$ 48,799,911</u>	<u>\$ 46,786,954</u>	<u>\$ 47,368,930</u>
Business-type activities				
Net investment in capital assets	\$ 653,790	\$ 821,873	\$ 887,393	\$ 989,853
Unrestricted	<u>825,120</u>	<u>1,107,844</u>	<u>1,479,431</u>	<u>1,673,821</u>
Total business-type activities net position	<u>\$ 1,478,910</u>	<u>\$ 1,929,717</u>	<u>\$ 2,366,824</u>	<u>\$ 2,663,674</u>
Primary government				
Net investment in capital assets	\$ 37,454,535	\$ 41,885,377	\$ 42,945,507	\$ 43,833,282
Restricted	2,052,401	1,798,969	1,184,762	1,831,423
Unrestricted (deficit)	<u>11,649,515</u>	<u>7,045,282</u>	<u>5,023,509</u>	<u>4,367,899</u>
Total primary government net position	<u>\$ 51,156,451</u>	<u>\$ 50,729,628</u>	<u>\$ 49,153,778</u>	<u>\$ 50,032,604</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>2015 (1)</u>	<u>2016</u>	<u>2017(2)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 43,120,490	\$ 42,125,123	\$ 37,788,738	\$ 35,873,213	\$ 34,351,016	\$ 25,521,659
6,086,120	4,161,056	4,759,509	5,023,813	5,284,005	13,711,451
<u>(12,819,219)</u>	<u>(14,319,749)</u>	<u>(15,403,962)</u>	<u>(15,340,558)</u>	<u>(14,372,828)</u>	<u>(12,155,635)</u>
<u>\$ 36,387,390</u>	<u>\$ 31,966,430</u>	<u>\$ 27,144,285</u>	<u>\$ 25,556,468</u>	<u>\$ 25,262,192</u>	<u>\$ 27,077,475</u>
\$ 1,366,575	\$ 1,820,668	\$ 5,284,651	\$ 5,080,941	\$ 5,050,271	\$ 5,627,241
871,967	328,090	178,852	(193,393)	347,011	(115,618)
<u>\$ 2,238,542</u>	<u>\$ 2,148,758</u>	<u>\$ 5,463,502</u>	<u>\$ 4,887,549</u>	<u>\$ 5,397,282</u>	<u>\$ 5,511,623</u>
\$ 44,487,065	\$ 43,945,791	\$ 43,073,389	\$ 40,954,154	\$ 39,401,287	\$ 31,148,900
6,086,120	4,161,056	4,759,509	5,023,813	5,284,005	13,711,451
<u>(11,947,253)</u>	<u>(13,991,659)</u>	<u>(15,225,111)</u>	<u>(15,533,950)</u>	<u>(14,025,817)</u>	<u>(12,271,253)</u>
<u>\$ 38,625,934</u>	<u>\$ 34,115,188</u>	<u>\$ 32,607,787</u>	<u>\$ 30,444,016</u>	<u>\$ 30,659,475</u>	<u>\$ 32,589,098</u>

CITY OF JACKSONVILLE, ARKANSAS

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Governmental activities:				
General administration	\$ 389,238	\$ 454,301	\$ 614,247	\$ 538,999
City council	120,634	112,915	143,817	129,174
Office of the mayor	230,970	240,152	245,782	239,117
City clerk	212,357	143,434	140,796	137,910
City attorney	180,478	190,970	192,214	177,245
District court	303,536	336,932	342,963	340,907
Director of administration	125,806	112,868	114,376	114,063
Information technology	177,839	216,749	241,131	233,713
Finance	478,674	659,988	541,303	470,372
Human resources	245,038	228,913	236,759	227,865
Fleet services	186,396	165,871	144,176	151,582
Community programs	173,030	198,400	94,705	193,128
Public works	2,585,034	2,872,093	3,605,742	2,247,748
Parks and recreation services	2,602,790	2,748,589	2,953,709	3,381,026
Police	8,510,214	7,782,731	7,928,822	7,507,452
Fire	3,998,521	4,882,380	4,840,219	4,498,167
Emergency communication services	563,861	894,851	962,308	1,035,881
Animal control	308,039	306,344	320,102	318,606
Housing and neighborhood programs	273,097	365,162	588,290	239,470
Interest expense on long term debt	102,070	79,563	154,499	224,750
Agent fees on long-term debt	-	-	-	-
Debt issuance costs	-	-	-	-
Total governmental activities expenses	<u>21,767,622</u>	<u>22,993,206</u>	<u>24,405,960</u>	<u>22,407,174</u>
Business-type activities				
Sanitation services	1,531,003	1,585,114	1,522,422	1,459,139
Shooting complex services	-	-	-	-
Emergency medical services	1,460,366	1,615,704	1,876,427	2,005,367
Total business-type activities expenses	<u>2,991,369</u>	<u>3,200,818</u>	<u>3,398,849</u>	<u>3,464,506</u>
Total primary government expenses	<u>\$ 25,984,575</u>	<u>\$ 27,606,778</u>	<u>\$ 25,806,023</u>	<u>\$ 25,738,523</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General administration	\$ 162,959	\$ 178,388	\$ 156,458	\$ 183,919
District court	311,855	730,677	766,291	812,509
Finance	8,026	8,001	20,001	20,001
Fleet services	51,060	37,225	28,368	22,950
Public works	67,005	73,871	79,073	87,505
Parks and recreation services	672,790	751,295	797,053	980,103
Police	363,469	59,193	33,670	25,464
Fire	2,512	800	822	1,968
Emergency communication services	205,394	-	212,769	221,994
Animal control	24,420	20,865	19,365	24,415
Housing and neighborhood programs	535	1,036	486	67,693
Operating grants and contributions	3,731,153	4,236,786	4,428,410	4,598,762
Capital grants and contributions	709,285	1,013,992	685,232	211,790
Total governmental activities program revenues	<u>6,310,463</u>	<u>7,112,129</u>	<u>7,227,997</u>	<u>7,259,074</u>
Business-type activities				
Sanitation services	1,812,390	1,816,769	1,908,726	1,847,490
AGFF Shooting sports complex	-	-	-	-
Emergency medical services	1,009,118	1,062,331	1,132,011	1,387,624
Operating grants and contributions	13,500	13,000	6,500	-
Capital grants and contributions	305,495	59,196	-	-
Total business-type activities program revenues	<u>3,140,503</u>	<u>2,951,296</u>	<u>3,047,237</u>	<u>3,235,114</u>
Total primary government program revenues	<u>\$ 9,450,966</u>	<u>\$ 10,063,425</u>	<u>\$ 10,275,234</u>	<u>\$ 10,494,188</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 governm

Table 2

	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	569,284	\$ 556,838	\$ 557,064	\$ 588,492	\$ 536,219	\$ 346,671
	137,959	127,096	135,390	115,767	102,366	103,693
	242,586	268,762	257,366	235,751	264,799	276,279
	133,400	156,334	137,719	132,710	149,541	158,409
	175,033	169,206	265,883	195,078	263,203	290,918
	339,984	363,278	327,002	288,647	410,884	343,938
	108,044	129,570	168,666	66,589	60,483	45,752
	215,326	344,072	281,286	328,045	396,834	517,127
	468,408	523,413	480,310	476,826	520,396	454,295
	223,741	234,627	182,619	173,136	179,466	220,407
	142,922	155,398	151,475	144,414	143,021	145,368
	156,941	410,863	247,008	197,863	236,212	194,578
	2,832,455	2,987,291	3,134,679	2,802,632	3,167,610	2,781,187
	3,547,411	4,109,087	2,875,561	2,688,822	3,053,109	3,117,949
	7,129,333	9,125,283	7,531,016	6,757,932	6,377,452	6,582,987
	3,985,677	5,744,534	5,465,496	6,345,142	5,840,076	5,376,174
	980,293	1,103,149	1,026,272	1,001,230	1,108,903	1,028,641
	296,316	329,470	307,420	285,996	336,284	313,737
	200,669	240,454	216,681	252,044	370,280	586,642
	209,386	262,728	242,525	223,214	199,807	184,860
	33,833	6,844	6,990	7,035	6,741	1,912
	145,014	-	-	-	-	93,773
	<u>22,274,017</u>	<u>27,348,297</u>	<u>23,998,428</u>	<u>23,307,364</u>	<u>23,723,687</u>	<u>23,165,297</u>
	1,516,551	1,575,392	2,001,844	2,001,844	2,030,667	1,761,166
	-	813,554	657,188	657,188	565,546	440,421
	2,472,158	1,994,625	2,323,196	2,323,196	2,254,304	2,866,716
	<u>3,988,709</u>	<u>4,383,571</u>	<u>4,982,228</u>	<u>4,982,228</u>	<u>4,850,517</u>	<u>5,068,303</u>
\$	<u>31,337,006</u>	<u>28,381,999</u>	<u>28,289,592</u>	<u>28,289,592</u>	<u>28,574,204</u>	<u>28,233,600</u>
\$	365,550	\$ 259,848	\$ 443,992	\$ 311,026	\$ 434,576	\$ 338,876
	561,363	533,596	473,217	435,533	364,662	264,705
	29,001	28,001	29,001	29,001	29,001	33,000
	35,338	33,602	30,990	28,920	31,583	26,586
	118,729	178,305	101,345	73,919	106,416	183,061
	1,024,897	1,037,505	690,777	688,960	640,172	455,925
	92,562	46,142	82,007	69,432	103,226	45,670
	600	616	6,218	2,956	2,756	200
	221,144	224,805	227,063	237,118	309,191	488,849
	18,770	10,508	10,444	4,865	20,495	8,530
	53,217	300	45,973	46,020	20	24,928
	4,145,981	4,413,390	4,300,118	4,242,826	2,031,400	3,031,255
	933,951	259,177	111,000	406,260	3,048,158	2,846,079
	<u>7,601,103</u>	<u>7,025,795</u>	<u>6,552,145</u>	<u>6,576,836</u>	<u>7,121,656</u>	<u>7,747,664</u>
	1,881,351	1,825,540	1,854,628	1,885,890	1,591,723	1,911,169
	-	-	361,463	332,942	405,152	197,871
	1,550,301	1,579,660	1,743,946	1,739,613	2,132,153	2,109,681
	12,460	11,947	15,855	13,893	16,171	74,465
	-	-	-	-	-	-
	<u>3,444,112</u>	<u>3,417,147</u>	<u>3,975,892</u>	<u>3,972,338</u>	<u>4,145,199</u>	<u>4,293,186</u>
\$	<u>11,045,215</u>	<u>10,442,942</u>	<u>10,528,038</u>	<u>10,549,174</u>	<u>11,266,855</u>	<u>12,040,851</u>

(continued)

CITY OF JACKSONVILLE, ARKANSAS

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (expense)/revenue				
Governmental activities	\$ (15,457,159)	\$ (15,881,077)	\$ (17,177,963)	\$ (15,148,100)
Business-type activities	418,084	(40,073)	(153,581)	(163,735)
Total primary government net expense	<u>\$ (15,039,075)</u>	<u>\$ (15,921,150)</u>	<u>\$ (17,331,544)</u>	<u>\$ (15,311,835)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
General property taxes	\$ 777,265	\$ 784,180	\$ 826,033	\$ 838,864
Sales taxes	12,612,511	13,138,610	13,164,041	13,406,409
Utility franchise taxes	1,057,234	1,031,798	1,292,667	1,137,932
Investment earnings	38,014	21,136	7,026	5,059
Grants and contributions not restricted to specific programs	459,187	459,957	433,463	470,303
Gain (loss) on sale of capital assets	9,265	10,263	31,775	331,187
Transfers	(342,500)	(442,496)	(590,000)	(459,677)
Total governmental activities	<u>14,610,976</u>	<u>15,003,448</u>	<u>15,165,005</u>	<u>15,730,077</u>
Business-type activities:				
Investment earnings	(17,890)	504	688	908
Grants and contributions not restricted	27,559	47,881	-	-
Gain on sale of capital assets	-	-	-	-
Transfers	342,500	442,496	590,000	459,677
Total business-type activities	<u>352,169</u>	<u>490,880</u>	<u>590,688</u>	<u>460,585</u>
Total primary government	<u>\$ 14,963,144</u>	<u>\$ 15,494,328</u>	<u>\$ 15,755,693</u>	<u>\$ 16,190,662</u>
Changes in Net Position				
Governmental activities	\$ (846,183)	\$ (877,629)	\$ (2,012,958)	\$ 581,977
Business-type activities	770,253	450,807	437,107	296,850
Change in accounting principle	-	-	-	-
Total primary government	<u>\$ (75,930)</u>	<u>\$ (426,822)</u>	<u>\$ (1,575,851)</u>	<u>\$ 878,827</u>

Table 2

<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ (14,672,914)	\$ (20,322,502)	\$ (17,446,283)	\$ (16,730,529)	\$ (16,602,030)	\$ (15,417,632)
(20,394)	(571,562)	(407,679)	(1,009,890)	(705,318)	(775,117)
<u>\$ (14,693,308)</u>	<u>\$ (20,894,064)</u>	<u>\$ (17,853,962)</u>	<u>\$ (17,740,419)</u>	<u>\$ (17,307,348)</u>	<u>\$ (16,192,749)</u>
\$ 845,840	\$ 871,178	\$ 821,693	\$ 882,197	\$ 917,150	\$ 888,874
13,798,792	13,781,154	14,013,579	13,935,682	14,623,842	15,937,121
1,262,049	1,105,865	1,096,000	1,078,449	1,113,293	1,109,300
15,644	89,570	110,441	78,189	110,642	69,101
454,419	451,246	449,828	449,060	448,418	415,333
(69,038)	37,520	(149,160)	-	-	-
(425,000)	(434,989)	(3,718,243)	(390,000)	(1,194,851)	(897,556)
<u>15,882,706</u>	<u>15,901,544</u>	<u>12,624,139</u>	<u>16,033,577</u>	<u>16,018,494</u>	<u>17,522,173</u>
993	1,539	4,125	10,755	20,200	11,257
-	-	-	-	-	-
74,831	45,250	56	33,180	-	(19,356)
425,000	434,989	3,718,243	390,000	1,194,851	897,556
<u>500,825</u>	<u>481,778</u>	<u>3,722,424</u>	<u>433,935</u>	<u>1,215,051</u>	<u>889,457</u>
<u>\$ 16,383,531</u>	<u>\$ 16,383,322</u>	<u>\$ 16,346,563</u>	<u>\$ 16,467,512</u>	<u>\$ 17,233,545</u>	<u>\$ 18,411,630</u>
\$ 1,209,792	\$ (4,420,959)	\$ (4,822,144)	\$ (696,952)	\$ (583,537)	\$ 2,104,541
480,431	(89,784)	3,314,745	(575,955)	509,733	114,341
(13,096,892)	-	-	(890,867)	-	-
<u>\$ (11,406,669)</u>	<u>\$ (4,510,742)</u>	<u>\$ (1,507,399)</u>	<u>\$ (2,163,774)</u>	<u>\$ (73,803)</u>	<u>\$ 2,218,881</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			
2011	\$ 777,265	\$ 6,923,047	\$ 5,655,813	\$ 33,651	\$ 12,612,511	\$ 1,057,234	\$ 14,447,010
2012	784,180	7,338,792	5,747,451	52,368	13,138,610	1,031,799	14,954,589
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
Change 2011-2020	14.4%	31.5%	19.7%	87.5%	26.4%	4.9%	24.1%

CITY OF JACKSONVILLE, ARKANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified Accrual Basis of Accounting)

Table 4

	Post-GASB 54									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 49,285	\$ 35,247	\$ 29,034	\$ 1,003	\$ 3,758	\$ 2,066	\$ 13,355
Restricted	536,440	537,495	123,382	8,158	8,158	-	-	-	-	-
Committed	5,265	5,943	7,039	2,654	3,301	5,948	5,876	6,985	7,873	9,824
Assigned	1,070,000	-	-	-	-	-	-	-	-	-
Unassigned	3,792,850	4,095,873	3,089,430	2,375,306	1,830,111	806,202	994,333	1,992,119	3,139,553	5,089,752
Total general fund	<u>\$ 5,404,555</u>	<u>\$ 4,639,311</u>	<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>
All Other Governmental Funds										
Restricted	\$ 1,515,961	\$ 1,261,474	\$ 1,061,380	\$ 1,823,265	\$ 6,077,962	\$ 4,161,056	\$ 4,759,508	\$ 5,023,812	\$ 5,284,005	\$ 6,334,744
Assigned	6,180,291	2,733,641	1,809,841	1,597,837	1,617,645	1,603,548	1,406,102	1,472,853	1,760,870	1,521,727
Total all other governmental funds	<u>\$ 7,696,252</u>	<u>\$ 3,995,115</u>	<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>\$ 7,856,471</u>

In 2011 the City implemented GASB 54 which changed the fund balance classification types. Prior to 2011 fund balance was either reserved or unreserved. With the implementation of GASB 54 there are now 5 fund balance classifications: nonspendable, restricted, committed, assigned and unassigned. See Note 1 in the Notes to the Basic Financial Statements for more discussion on these classifications.

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

CITY OF JACKSONVILLE, ARKANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Property taxes	\$ 762,221	\$ 779,861	\$ 782,292	\$ 802,438
Sales taxes	12,612,511	13,138,610	13,164,041	13,406,409
Licenses and permits	122,289	160,514	123,447	133,586
Intergovernmental	4,053,971	5,310,202	4,674,667	4,729,464
Charges for services	924,618	1,056,207	1,081,303	1,119,187
Fines and fees	651,271	791,192	798,456	840,609
Utility franchise taxes	1,057,234	1,031,798	1,292,667	1,137,932
Investment income	38,014	21,136	7,026	5,059
Contributions	-	-	150,000	-
Miscellaneous	818,963	227,747	917,159	932,527
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,041,092	22,517,267	22,991,058	23,107,211
Expenditures				
General government	2,794,399	3,600,208	3,491,811	2,906,919
Public works	4,137,281	3,070,904	3,021,075	2,528,778
Parks and recreation services	2,332,786	3,694,975	5,514,730	3,025,248
Police	7,675,658	11,533,317	8,096,659	7,149,003
Fire	4,716,182	4,403,817	4,486,226	4,324,497
Emergency communication services	755,149	4,858,959	878,086	714,945
Animal control	295,563	298,166	322,848	305,998
Housing and neighborhood programs	286,307	371,863	559,482	238,824
Debt Service				
Principal	135,000	155,000	1,422,435	1,803,468
Interest	104,094	81,468	157,622	227,594
Agent fees	600	700	600	600
Issuance costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	23,233,019	32,069,377	27,951,574	23,225,874
Excess (Deficiency) of revenues over (under) expenditures	(2,191,927)	(9,552,110)	(4,960,516)	(118,663)
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Proceeds from other long-term debt	-	3,011,700	3,157,161	344,335
Capital lease	-	2,516,526	-	-
Transfers in	836,647	6,004	577,890	554,150
Transfers out	(1,179,147)	(448,500)	(1,167,890)	(1,013,827)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(342,500)	5,085,730	2,567,161	(115,342)
Net change in fund balances	<u>\$ (2,534,427)</u>	<u>\$ (4,466,380)</u>	<u>\$ (2,393,355)</u>	<u>\$ (234,005)</u>
Debt service as a percentage of noncapital expenditures	1.3%	0.9%	10.5%	12.4%

Table 5

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	833,835	\$ 839,052	\$ 826,251	\$ 856,539	\$ 852,536	\$ 877,551
	13,798,792	13,781,154	14,013,579	13,935,682	14,623,842	15,937,121
	136,274	226,274	434,535	243,423	305,522	279,517
	4,575,835	4,847,747	4,738,360	4,687,887	5,482,124	6,268,771
	1,150,933	1,097,253	942,439	956,629	1,063,640	1,017,444
	651,626	562,916	542,862	493,869	429,075	301,114
	1,262,049	1,105,865	1,096,000	1,078,449	1,113,293	1,109,300
	15,644	89,570	110,441	78,189	99,274	69,101
	772,000	257,500	110,000	406,260	4,125	3,750
	665,312	548,794	234,085	260,997	334,679	303,787
	<u>23,862,300</u>	<u>23,356,125</u>	<u>23,048,552</u>	<u>22,997,923</u>	<u>24,308,109</u>	<u>26,167,455</u>
	2,708,248	2,781,035	2,904,825	2,797,378	3,025,070	3,039,182
	2,802,715	2,375,150	2,390,959	2,295,609	3,029,940	2,174,498
	3,292,345	3,936,111	2,473,090	2,620,703	2,682,522	2,835,181
	7,347,242	7,370,238	6,970,618	6,003,262	5,919,883	6,803,095
	4,472,701	7,214,517	4,764,915	5,261,163	5,200,548	5,381,616
	675,758	699,037	714,326	761,607	812,913	857,035
	287,637	280,536	290,121	299,083	307,313	310,037
	202,067	226,768	213,718	244,248	365,580	581,347
	6,389,707	725,000	1,050,000	765,000	790,000	770,000
	215,760	272,534	251,964	220,133	198,391	177,423
	33,833	6,844	6,990	7,035	6,741	1,912
	145,014	-	-	-	-	93,773
	<u>28,573,027</u>	<u>25,887,770</u>	<u>22,031,526</u>	<u>21,275,222</u>	<u>22,338,900</u>	<u>23,025,100</u>
	(4,710,727)	(2,531,645)	1,017,026	1,722,701	1,969,209	3,142,354
	8,851,649	-	-	-	-	7,935,000
	-	-	-	-	-	8,643
	-	-	-	-	-	-
	150,000	993,156	1,088,000	1,000,336	726,536	8,244,774
	(575,000)	(1,428,145)	(1,543,989)	(1,390,336)	(1,301,536)	(8,889,773)
	<u>8,426,649</u>	<u>(434,989)</u>	<u>(455,989)</u>	<u>(390,000)</u>	<u>(575,000)</u>	<u>7,298,644</u>
\$	<u>3,715,922</u>	<u>(2,966,634)</u>	<u>561,037</u>	<u>1,332,701</u>	<u>1,394,209</u>	<u>10,440,998</u>
	33.6%	4.3%	7.5%	5.0%	4.5%	4.3%

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			
2011	\$ 762,221	\$ 6,923,047	\$ 5,655,813	\$ 33,651	\$ 12,612,511	\$ 1,057,234	\$ 14,431,966
2012	779,861	7,338,792	5,747,451	52,368	13,138,610	1,031,799	14,950,270
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
Change 2011-2020	15.1%	31.5%	19.7%	87.5%	26.4%	4.9%	24.2%

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				
2011	\$ 204,232,215	\$ 51,272,975	\$ -	\$ 16,919,055	\$ 272,424,245	3.0	\$ 1,362,121,225	20%
2012	202,646,506	53,595,970	-	17,026,315	273,268,791	3.0	1,366,343,955	20%
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%

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
2011	3.00	3.00	10.10	10.10	40.70	40.70	-	-	50.80	50.80
2012	3.00	3.00	10.10	10.10	40.70	40.70	-	-	50.80	50.80
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

Tax Levies

2011	\$	1,212,353	\$	48,464,111	\$	98,195,347	\$	-	\$	150,884,589
2012		1,216,108		49,084,104		100,584,377		-		156,811,691
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

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, 2020

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 7% of the county population and receives a like portion of the county tax. In 2020, the two cent city sales tax generated revenue of \$9,106,420. The City's share of the county 1-cent tax generated revenue of \$6,760,353.

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
Retail Trade	\$ 5,520,019	60.6%
Accommodations and Food Services	870,719	9.6%
Wholesale Trade	542,515	6.0%
Other	459,988	5.1%
Information and Cultural Industries	393,443	4.3%
Rental, Leasing and Real Estate	271,507	3.0%
Manufacturing	260,038	2.9%
Utilities	243,475	2.7%
Admin & Support & Waste Mngmt & Remediation Services	216,440	2.4%
Other Services (except Public Administration)	188,914	2.1%
Totals	\$ 8,967,058	98.5%

Jacksonville Top Ten 1 Cent County Sales Taxpayers Industry	Collected	% of Total
Retail Trade	\$ 3,367,837	51.8%
Accommodations and Food Services	666,635	10.3%
Wholesale Trade	611,543	9.4%
Utilities	379,687	5.8%
Manufacturing	340,124	5.2%
Information and Cultural Industries	264,799	0.0%
Rental, Leasing and Real Estate	240,837	3.7%
Other Services (except Public Administration)	205,441	3.2%
Admin & Support & Waste Mngmt & Remediation Services	188,447	2.9%
Automobile	86,512	1.3%
Totals	\$ 6,351,862	93.7%

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
2011	\$ 1,191,800	\$ 1,019,875	85.57%	\$ 86,730	\$ 1,106,605	92.85%
2012	1,212,353	1,049,855	86.60%	102,969	1,152,824	95.09%
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%

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				
2011	\$ 1,940,000	\$ -	\$ -	\$ -	\$ 1,294,514	\$ 3,234,514	0.56%	\$ 157.44	
2012	1,785,000	-	3,011,700	2,516,526	1,037,081	8,350,307	1.39%	394.68	
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	

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)
2011	\$ 1,940,000	\$ 241,765	\$ 1,698,235	0.62%	\$ 59.87
2012	1,785,000	277,756	1,507,244	0.55%	53.14
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%	-

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, 2020

Table 13

	Debt Available for Retirement	Percentage Applicable	City's Share of Overlapping Debt
Direct:			
City of Jacksonville	\$ 14,175,756	100%	\$ 14,175,756
Overlapping:			
Jacksonville North Pulaski School District	<u>64,370,000</u>	76% (1)	<u>48,921,200 (2)</u>
Total direct & overlapping debt	<u><u>\$ 78,545,756</u></u>		<u><u>\$ 63,096,956</u></u>

(1) Property value for city is \$318,031,931 while property value for the School District is \$418,708,094.
 Estimated percentage = 318.0 divided by 418.7 = 76%

(2) Share of outstanding debt = 64,370,000 X 76%

CITY OF JACKSONVILLE, ARKANSAS

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 68,106,061	\$ 68,317,198	\$ 70,423,335	\$ 72,414,511
Total net debt applicable to limit	<u>1,672,256</u>	<u>7,014,419</u>	<u>8,772,496</u>	<u>7,308,901</u>
Legal debt margin	<u>\$ 66,433,805</u>	<u>\$ 61,302,779</u>	<u>\$ 61,650,839</u>	<u>\$ 65,105,610</u>
Total net debt applicable to the limit as a percentage of debt limit	2.71%	2.46%	10.27%	12.46%

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 72,984,777	\$ 73,973,464	\$ 73,589,962	\$ 74,972,685	\$ 74,972,685	\$ 78,941,591	\$ 79,507,983
<u>9,739,216</u>	<u>8,732,284</u>	<u>7,534,343</u>	<u>7,472,668</u>	<u>7,472,668</u>	<u>6,731,895</u>	<u>12,168,583</u>
<u>\$ 63,245,561</u>	<u>\$ 65,241,180</u>	<u>\$ 66,055,619</u>	<u>\$ 67,500,017</u>	<u>\$ 67,500,017</u>	<u>\$ 72,209,695</u>	<u>\$ 67,339,399</u>
10.09%	13.34%	11.80%	10.24%	9.97%	8.53%	15.30%

Legal Debt Margin Calculation for 2020

Assessed value	\$ 318,031,931
Debt limit:	
General obligation debt limitation (1)	63,606,386
Short-term financing debt limitation (2)	<u>15,901,597</u>
Total Debt Limitation	<u>79,507,983</u>
Debt applicable to limit:	
General obligation and short-term financing	14,175,756
Less: Amount set aside for repayment in debt service fund	<u>2,007,173</u>
Total net debt applicable to limit	<u>12,168,583</u>
Legal debt margin	<u>\$ 67,339,399</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%	

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)
2011	28,364	(1)	\$ 582,738	\$ 20,545	30.0	15.0%	5,527	(3) 7.9%
2012	28,364	(1)	600,097	21,157	30.8	15.0%	5,333	(3) 8.0%
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%

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
- (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>2020</u>			<u>2011</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>
Little Rock Air Force Base	9,662	1	55.12%	9,299	1
Sig Sauer	1,583	2	9.03%		
Jacksonville North Pulaski School District	625	3	3.57%	-	-
Pathfinder, Inc	568	4	3.24%	900	2
Wal-Mart	300	5	1.71%	555	4
City of Jacksonville	288	6	1.64%	277	6
Arkansas Federal Credit Union	223	7	1.27%	174	8
Lomanco, Inc.	270	8	1.54%	194	7
First Arkansas Bank & Trust	149	9	0.85%	147	9
Lowe's	144	10	0.82%	-	-
First Electric Co-op	-	-	0.00%	130	10
Pulaski County Special School District	-	-	0.00%	788	3
North Metro Medical Center	-	-	0.00%	450	5
	<u>13,812</u>		<u>78.80%</u>	<u>12,914</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>2011</u>	<u>2012</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>
General Government:										
General administration	12	12	12	12	12	12	10	10	10	10
City council	10	10	10	10	10	10	10	10	10	10
Mayor	2	2	2	2	2	1	1	1	2	2
City clerk	2	2	2	2	2	1	1	1	2	2
City attorney	2	2	2	2	2	1	1	1	2	2
District court	5	5	5	5	5	5	3	4	5	5
Director of administration	1	1	1	1	1	1	0	0	0	0
Information technology	2	2	2	2	1	1	1	1	3	3
Finance	7	7	8	7	6	6	6	6	7	6
Human resources	3	3	3	3	2	1	1	1	2	2
Fleet services	3	3	3	2	2	2	2	2	2	2
Public works										
Public works coordinator	1	1	1	1	1	1	1	1	1	1
Engineering	3	4	4	4	3	3	3	3	3	3
Code enforcement	4	4	4	4	4	4	3	2	5	3
Parks and recreation	30	40	55	35	34	45	34	64	55	55
Police	95	95	98	96	95	94	79	55	60	58
Fire	54	54	56	56	55	45	55	51	56	62
Emergency communication	13	14	15	12	11	10	13	9	10	14
Animal control	6	6	6	5	5	5	5	5	5	5
Total General Fund	<u>254</u>	<u>266</u>	<u>288</u>	<u>261</u>	<u>253</u>	<u>248</u>	<u>229</u>	<u>227</u>	<u>240</u>	<u>245</u>
Community Development										
Community Development	2	2	2	1	1	1	1	1	1	1
Emergency Medical Services	11	12	12	12	12	12	12	12	10	10
Public Works - Street	18	22	18	15	14	18	19	16	14	12
Sanitation	16	18	16	15	15	15	16	13	15	15
Total Other Funds	<u>47</u>	<u>54</u>	<u>48</u>	<u>43</u>	<u>42</u>	<u>46</u>	<u>48</u>	<u>42</u>	<u>40</u>	<u>38</u>
Total Personnel	<u>301</u>	<u>320</u>	<u>336</u>	<u>303</u>	<u>295</u>	<u>294</u>	<u>277</u>	<u>269</u>	<u>280</u>	<u>283</u>

Source: City's Human Resource Department

CITY OF JACKSONVILLE, ARKANSAS

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	2010	2011	2012	2013
Planning and Development				
Total building permits issued	224	171	228	158
Estimated building cost	\$ 20,416,524	\$ 13,250,658	\$ 28,930,558	\$ 10,620,235
New commercial construction permits	27	9	3	9
Commercial construction value	\$ 10,353,317	\$ 8,412,857	\$ 16,653,110	\$ 5,335,457
New residential construction permits	60	31	102	32
Residential construction value	\$ 8,665,968	\$ 3,416,000	\$ 10,687,144	\$ 4,109,500
Police				
Number of uniformed employees	76	76	79	80
Call responses	47,895	47,217	48,167	49,659
Physical arrests	4,362	4,007	4,050	3,804
Parking/traffic violations	7,865	7,146	7,399	5,996
Clearance rate - violent crimes	49.7%	65.6%	44.0%	63.5%
Clearance rate - property crimes	30.7%	36.3%	44.8%	64.0%
Fire				
Number of uniformed employees	51	53	53	55
Fire alarms	2,640	3,129	3,129	4,141
EMS alarms	2,841	3,125	3,216	3,120
Fire losses	\$ 380,450	\$ 407,600	\$ 963,342	\$ 829,630
Fire savings	\$ 2,630,600	\$ 990,800	\$ 1,113,900	\$ 3,014,880
911 Communications				
Ambulance land line calls (1)(2)	852	1,406	1,447	1,404
Ambulance wireless calls (1)(2)	1,989	1,718	1,769	1,716
Fire land line calls (1)(2)	792	1,408	1,408	1,863
Fire wireless calls (1)(2)	1,848	1,721	1,721	2,278
Police land line calls (1)(2)	14,369	21,248	21,675	22,347
Police wireless calls (1)(2)	33,527	25,969	26,492	27,312
Animal Shelter				
Animals handled	2,176	2,063	1,762	1,563
Adoptions	915	758	564	595
Rescued and released to owners	431	416	419	374
Animal cruelty investigations	145	156	107	73
Animal bite investigations	34	39	33	35
Solid Waste/Garbage collection				
Solid waste disposal monthly service rate (3)	\$ 8.21	\$ 9.60	\$ 20.98	\$ 21.40
Refuse collected (cubic yards)	23,648	22,503	21,027	21,542
Recyclables collected, processed, and sold (tons)	675	665	609	579
Recycled yard waste (cubic yards)	32,816	35,768	32,910	33,456
Recycle drive-thru customers (4)	8,474	7,500	6,696	7,826
Public Works				
Asphalt milling (square yards)	6,111	7,113	8,308	15,513
Asphalt overlay (tons)	2,554	1,655	1,956	2,574
Right-of-way and ditch mowing (miles)	1,850	1,850	1,850	1,850
Ditch cleaning (linear feet)	12,906	11,398	22,322	22,322
Pipe/culvert installation (linear feet)	1,423	1,000	2,158	2,577
Storm drain culverts cleaned/flushed (feet)	3,000	3,000	3,000	3,000
Roadways cleaned with street sweeper (miles)	9,318	9,318	9,318	9,318
Potholes repaired	256	241	167	202
Parks and recreation				
Total recorded parks attendance	487,600	349,525	356,321	375,000
Community Center events booked	376	325	338	350
Pool parties-indoor pool	216	128	154	227
Pool parties-outdoor pool	81	107	122	113
Swim lessons	1,656	853	1,220	1,562
AG&FF Shooting Sports Complex (5)				
Total Events Held	-	-	-	-
Targets Thrown	-	-	-	-

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

Table 19

2014	2015	2016	2018	2019	2020
150	147	153	145	190	174
\$ 11,637,357	\$ 9,244,024	\$ 15,307,827	\$ 18,957,534	\$ 41,491,501	\$ 15,694,601
3	1	6	8	4	6
\$ 5,273,746	\$ 380,000	\$ 2,126,400	\$ 9,564,888	\$ 26,265,314	\$ 3,505,844
39	43	41	36	56	51
\$ 4,749,000	\$ 5,633,017	\$ 5,060,053	\$ 5,404,500	\$ 13,256,326	\$ 7,921,238
80	77	76	70	70	65
45,587	55,199	51,263	43,266	40,031	37,528
4,040	3,363	2,896	2,621	2,018	1,539
7,278	7,731	6,410	3,651	5,572	3,890
56.7%	63.0%	59.0%	59.0%	38.7%	55.1%
44.5%	49.0%	37.0%	35.0%	39.7%	29.4%
55	67	55	52	56	62
3,752	4,485	4,699	5,308	5,558	6,101
3,541	3,847	3,920	4,253	4,608	4,797
\$ 803,495	\$ 394,220	\$ 829,630	\$ 459,600	\$ 205,750	\$ 633,800
\$ 2,906,079	\$ 7,949,810	\$ 5,656,220	\$ 6,967,785	\$ 7,633,750	\$ 7,873,800
1,593	1,731	980	1,063	1,152	1,199
1,948	2,116	2,940	3,190	3,456	3,598
1,688	2,018	1,175	1,327	1,390	1,525
2,064	2,467	3,524	3,981	4,169	4,576
20,514	24,840	12,816	10,816	10,008	9,382
25,073	30,359	38,447	32,450	30,023	28,146
1,507	1,500	1,503	1,668	1,720	1,562
795	1,032	1,125	1,180	1,012	1,044
324	324	296	299	361	354
38	27	17	6	14	8
40	40	32	18	8	21
\$ 22.40	\$ 22.40	\$ 22.40	\$ 22.39	\$ 22.39	\$ 24.12
22,393	24,774	26,890	22,789	23,967	26,933
612	557	524	557	384	505
34,529	30,636	31,830	30,636	30,054	34,962
8,156	8,140	8,122	8,140	6,766	10,164
13,286	7,314	11,600	7,390	21,025	0
1,623	2,226	2,055	2,280	2,759	0
1,850	1,850	1,850	1,850	1,850	1,850
22,240	18,422	20,299	30,582	30,582	14,655
1,500	1,065	1,528	3,288	2,040	3,517
3,000	3,000	3,000	3,000	2,500	2,500
9,318	9,318	7,800	7,800	7,800	7,800
200	225	225	358	495	425
425,000	425,000	435,000	435,000	500,000	500,000
173	187	303	474	304	101
185	272	184	203	171	74
112	126	92	118	97	36
1,541	1,126	1,477	1,472	1,439	874
-	-	79	60	60	
-	-	1,200,000	1,200,000	1,200,000	620,975

CITY OF JACKSONVILLE, ARKANSAS

CAPITAL ASSET STATISTICS BY FUNCTION/PI LAST TEN YEARS

Table 20

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	2	2	2	2	2	2
Patrol units	69	69	69	87	82	78	80	49	51	64
Fire										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire trucks	4	4	4	5	5	5	5	6	8	7
Ambulances	4	4	4	4	4	4	3	4	5	5
Refuse Collection										
Collection trucks	18	18	18	18	18	20	22	18	19	24
Public Works										
Miles of streets	121.33	121	121	121	123	123	124	124	124	125
Miles of highways	43	43	43	43	43	43	43	43	43	43
Traffic signals	24	24	24	17	17	16	16	18	18	18
Parks and Recreation										
Acreage	318	318	318	700	700	700	700	700	700	700
Number of parks	16	16	16	16	16	16	16	16	16	16
Number of playgrounds	10	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	2	2	3	3	3	3	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.

McAlister Von-Jacobs & Associates, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

1 Crestview Plaza, P. O. Box 956
Jacksonville, Arkansas 72078
(501) 982-4491 Fax (501) 982-8518

Independent Auditor's Report on Compliance With Certain State Acts

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

We have examined management's assertions that the City of Jacksonville, Arkansas, complied with the requirements of *Arkansas Act 15 of 1985* and the following Arkansas statutes during the year ended December 31, 2020:

- (1) Arkansas Municipal Accounting Law of 1973, § 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.; and
- (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 Accountants. 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 whether management's assertion is fairly stated, in all material respects. 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 the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Jacksonville, Arkansas complied with the aforementioned requirements during the year ended December 31, 2020 is fairly stated, in all material respects.

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

McAlister Von-Jacobs & Associates, PLLC

Jacksonville, Arkansas
November 30, 2021



McAlister Von-Jacobs & Associates, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

1 Crestview Plaza, P. O. Box 956
Jacksonville, Arkansas 72078
(501) 982-4491 Fax (501) 982-8518

**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

To the Honorable Mayor and
Members of the City Council
City of Jacksonville, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Jacksonville, Arkansas' basic financial statements, and have issued our report thereon dated November 30, 2021. Our report includes a reference to other auditors who audited the financial statements of Jacksonville Municipal Water Works as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

McAlister Von-Jacobs & Associates, PLLC

Jacksonville, Arkansas

November 30, 2021

McAlister Von-Jacobs & Associates, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

1 Crestview Plaza, P. O. Box 956
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(501) 982-4491 Fax (501) 982-8518

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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Jacksonville, Arkansas

Report on Compliance for the Major Federal Program

We have audited the City of Jacksonville, Arkansas's (City) compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

McAlister Von-Jacobs & Associates, PLLC

Jacksonville, Arkansas
November 30, 2021

CITY OF JACKSONVILLE, ARKANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<u>Department of Defense Programs</u>				
Direct Programs:				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	N/A	\$ -	\$ 295,646
Total Department of Defense			-	295,646
<u>Department of Housing and Urban Development Programs</u>				
Direct Programs:				
<i>CDBG Entitlement Grants Cluster</i>				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	10,000	141,770
COVID - 19 Community Development Block Grants/ Entitlement Grants	14.218	N/A	-	123,984
<i>Total CDBG Entitlement Grants Cluster</i>			10,000	265,754
Total Department of Housing and Urban Development			10,000	265,754
<u>Department of Justice Programs</u>				
Direct Programs:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	61,398
Bulletproof Vest Partnership Program	16.607	N/A	-	7,989
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	31,036
Equitable Sharing Program	16.922	N/A	-	15,236
Total Department of Justice			-	115,659
<u>Department of Transportation Programs</u>				
<i>Highway Planning and Construction Cluster</i>				
Pass-Through From:				
Arkansas Department of Transportation Highway Planning and Construction	20.205	JOB #061538	-	45,741
<i>Total Highway Planning and Construction Cluster</i>			-	45,741
Total Department of Transportation			-	45,741
<u>Department of Treasury</u>				
Pass-Through From:				
Arkansas Department of Finance and Administration COVID-19 Coronavirus Relief Fund	21.019	None Provided	-	1,123,718
Arkansas Department of Human Services COVID-19 Coronavirus Relief Fund	21.019	None Provided	-	136,200
<i>Total Coronavirus Relief Fund</i>			-	1,259,918
Total Department of Treasury			-	1,259,918

CITY OF JACKSONVILLE, ARKANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued) YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
<u>Department of Health and Human Services</u>				
Direct Program:				
Provider Relief Fund	93.498	N/A	-	20,463
Total Department of Health and Human Services			-	20,463
<u>Department of Homeland Security</u>				
Pass-Through From:				
Arkansas Department of Emergency Management				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4518-DR-AR	-	37,555
<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			-	37,555
Total Department of Homeland Security			-	37,555
<i>Total Expenditures of Federal Awards</i>			<u>\$ 10,000</u>	<u>\$ 2,040,736</u>

CITY OF JACKSONVILLE, ARKANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2020

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, 2020. 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, 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, 2020.

CITY OF JACKSONVILLE, ARKANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

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

CITY OF JACKSONVILLE, ARKANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

7. Identification of the major federal program:

Cluster/Program	
COVID-19 Coronavirus Relief Fund	21.019

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

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

Reference Number	Finding
	No matters are reportable.

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

Reference Number	Finding
	No matters are reportable.

CITY OF JACKSONVILLE, ARKANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2020

Reference Number	Summary of Finding	Status
No matters are reportable		