

**CITY OF JACKSON PUBLIC
FINANCING AUTHORITY,
(A Component Unit of the City of Jackson, California)**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

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CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Annual Financial Report
For the Year Ended June 30, 2023

Table of Contents

	Page
INTRODUCTORY SECTION	
List of Officials	i
FINANCIAL SECTION	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis (Unaudited)	4-5
Basic Financial Statements:	
Fund Financial Statements:	
Proprietary Fund:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Basic Financial Statements	9-14
OTHER REPORT	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	15-16

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INTRODUCTORY SECTION

- **List of Officials**

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CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
List of Officials
For the Year Ended June 30, 2023

Steve McLean	Mayor
Charles Simmons	Vice Mayor
Robert Stimpson	Member
Connie Gonsalves	Member
Max Godde	Member

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board
City of Jackson Public Financing Authority
Jackson, California

Opinions

We have audited the accompanying financial statements of the proprietary fund of the City of Jackson Public Financing Authority (Authority), a component unit of the City of Jackson, California, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the proprietary fund of the Authority as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Governing Board
City of Jackson Public Financing Authority
Jackson, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

To the Governing Board
City of Jackson Public Financing Authority
Jackson, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

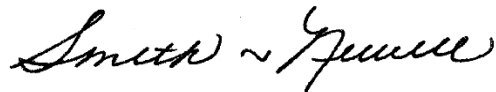
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our reported dated February 12, 2024, on our consideration of the Authority's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
February 12, 2024

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**Management's Discussion and Analysis
(Unaudited)**

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CITY OF JACKSON PUBLIC FINANCING AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2023

This section of the City of Jackson Public Financing Authority (Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2023. The Finance Authority of the City of Jackson issues financial statements in the format prescribed by the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). GASB 34 requires the Authority to provide this overview of its financial activities for the fiscal year and should be read in conjunction with the Authority's financial statements, which follow this section.

THE PURPOSE OF THE AUTHORITY

The Authority is a component unit of the City of Jackson (the City). It is controlled by the City and the City Council serves as the Authority's Board. City employees perform all the duties and functions required of the Authority through a cooperation agreement between the City and the Authority.

The Authority's purpose is to assist in the acquisition, construction and installation of property and public capital improvements, by the financing of such projects.

FISCAL 2022-2023 FINANCIAL HIGHLIGHTS

Authority-Wide

- The Authority's total assets equal its total liabilities and therefore, has no net position.
- At June 30, 2023, the Authority's total assets, plus deferred outflows of resources, and total liabilities were \$137,976 and at June 30, 2022, the Authority's total assets, plus deferred outflows of resources, and total liabilities were \$217,338.
- At June 30, 2023, the Authority's total revenues were \$20,063 and at June 30, 2022, the total Authority's revenues were \$27,896.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of management's discussion and analysis (this part) and the basic financial statements (comprised of fund financial statements).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the Authority's one fund.

Financial Statements for proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The Authority uses fund accounting to assure and demonstrate compliance with finance-related legal requirements.

- § At June 30, 2023, the Authority had zero net position, which consisted of total assets of \$123,413 and total liabilities of \$137,976 plus deferred charge on refunding of \$14,563 with a leasehold interest of \$24,307 which represents the additional funding which will be required from the City to fully retire the debt.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2023

§ At June 30, 2022, the Authority had zero net position, which consisted of total assets of \$188,213 and total liabilities of \$217,338 plus deferred charge on refunding of \$29,125 with a leasehold interest of \$62,172 which represents the additional funding which will be required from the City to fully retire the debt.

Revenues

§ The Authority had total revenues of \$23,843 for the fiscal year ended June 30, 2023, which consisted of payments from the City of Jackson in the form of rental payments for debt service requirements in the amount of \$20,063 and interest income of \$3,780.

§ The Authority had total revenues of \$27,938 for the fiscal year ended June 30, 2022, which consisted of payments from the City of Jackson in the form of rental payments for debt service requirements in the amount of \$27,896 and interest income of \$42.

Expenses

§ Expenses of the Authority totaled \$23,843 for the fiscal year ended June 30, 2023 which consisted of services and supplies of \$1,250 and debt interest in the amount of \$22,593.

§ Expenses of the Authority totaled \$27,939 for the fiscal year ended June 30, 2022 which consisted of services and supplies of \$1,250 and debt interest in the amount of \$26,688.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Authority does not hold title to any assets. Its purpose is to finance debt for the City. The resulting capital asset is owned, managed and maintained by the City and therefore reported on the City's records as an asset.

Long-Term Debt

At June 30, 2023 and 2022 respectively, the Authority had \$115 thousand and \$220 thousand in long term debt outstanding less unamortized discount and refunding difference. The decrease in long-term debt was a result of scheduled principal payments. The Authority made all scheduled repayments of existing debt on time. More detailed information about the Authority's total long-term liabilities is presented in Note 4 of the financial statements. As of June 30, 2023, the Authority's long-term debt consisted of:

2010 Water Revenue refunding bonds - 2% to 4% due 9/1/23	<u>\$115,000</u>
Total Debt	<u>\$115,000</u>

ECONOMIC FACTORS

The Authority will continue to repay the outstanding debt according to the amortization schedule. No new debt is anticipated to be issued.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Department, 33 Broadway, Jackson, CA 95642.

Basic Financial Statements

- **Fund Financial Statements**

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CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Statement of Net Position
Proprietary Fund
June 30, 2023

ASSETS

Current Assets:

Cash with fiscal agent	\$ 123,413
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Total Current Assets	123,413
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Total Assets	123,413
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DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	14,563
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Total Deferred Outflows of Resources	14,563
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LIABILITIES

Current Liabilities:

Bonds payable	113,669
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Leasehold interest	24,307
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Total Current Liabilities	137,976
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Noncurrent Liabilities:

Bonds payable	-
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Total Noncurrent Liabilities	-
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Total Liabilities	137,976
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NET POSITION

Unrestricted	-
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Total Net Position	\$ -
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The notes to the basic financial statements are an integral part of this statement.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

OPERATING REVENUES	
Lease repayments	\$ 20,063
Total Operating Revenues	<u>20,063</u>
OPERATING EXPENSES	
Services and supplies	1,250
Total Operating Expenses	<u>1,250</u>
Operating Income (Loss)	<u>18,813</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	3,780
Interest expense	<u>(22,593)</u>
Total Non-Operating Revenues (Expenses)	<u>(18,813)</u>
Change in Net Position	-
Total Net Position - Beginning	<u>-</u>
Total Net Position - Ending	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from operations	\$ 106,542
Payments to suppliers	(1,250)
	<u>105,292</u>
Net Cash Provided (Used) by Operating Activities	<u>105,292</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on debt	(105,000)
Interest paid on debt	(6,700)
	<u>(111,700)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(111,700)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	3,780
	<u>3,780</u>
Net Cash Provided (Used) by Investing Activities	<u>3,780</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,628)
Balances - Beginning	<u>126,041</u>
Balances - Ending	<u>\$ 123,413</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 18,813
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease (increase) in:	
Leasehold interest	86,479
	<u>86,479</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 105,292</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Amortization of deferred charge on refunding	\$ (14,563)
Amortization of premium	1,848
Amortization of discount	(3,179)

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Authority was established January 8, 1990, by the execution of a Joint Exercise of Powers Agreement between the City of Jackson and the former Redevelopment Agency of the City of Jackson. The Authority was created for the purpose of providing financing for public capital improvements owned and operated by the City. The Authority is the lessor of the City's 2010 Water Revenue Refunding Bonds and makes debt service payments on behalf of the City.

The Authority is considered to be a component unit of the City of Jackson. The City Council is the governing body of the Authority. The Authority is a legally separate entity for which the City is considered to be financially accountable and for which the nature and significance of the Authority's relationship with the City is such that exclusion would cause the combined financial statements to be misleading.

The Authority is considered a blended component unit of the City of Jackson. Since the only debt currently financed by the Authority is for the Treated Water fund, the activity and debt of the Finance Authority is reflected within the Treated Water fund and not in a separate fund in the City of Jackson's financial statements.

B. Basis of Presentation

The fund financial statements provide information about the Authority's fund. The fund of the Authority is organized into the proprietary category. The emphasis is placed on major funds within the proprietary category; each is displayed in a separate column.

The Authority reports all activity in one proprietary fund.

C. Basis of Accounting and Measurement Focus

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Under the accrual basis, revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

The Authority maintains all cash in the Bank of New York Mellon as cash with fiscal agent. This account is stated at cost which approximates fair value. For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments, including cash with fiscal agent, with original maturity of three months or less to be cash and cash equivalents.

E. Compensated Absences and Other Postemployment Benefits

The Authority has no employees. Services are provided by the City of Jackson. Therefore, there is no liability for compensated absences or other postemployment benefits.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At June 30, 2023, the proprietary fund reported a deferred charge from refunding. These amounts are deferred and recognized as an outflow of resources over the life of the refunding bonds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, the Authority did not have any deferred inflows of resources.

G. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 91, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

I. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

NOTE 2: CASH AND DEPOSITS

A. Financial Statement Presentation

As of June 30, 2023, the Authority’s cash consisted of the following:

Cash:	
Deposits with fiscal agents	\$ 123,413
Total Cash	<u>\$ 123,413</u>

The Authority adheres to the City’s investment policy in addressing specific types of risk for cash and investments.

B. Cash

At year end, the carrying amount of the Authority’s cash deposits was \$123,413 and the bank balance was \$123,413.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 2: CASH AND DEPOSITS (CONTINUED)

B. Cash (Continued)

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. As of June 30, 2023, the Authority's deposits were insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3: LEASEHOLD INTEREST

The City of Jackson, pursuant to an installment sales agreement, has covenanted to pay the principal, interest, and premium, if any, on the refunding bonds from net revenues from the services and facilities of the Water Treatment fund. The City has also covenanted to prescribe, revise and collect such charges from the services and facilities of the Water Treatment fund which will produce gross revenues sufficient in each fiscal year to provide net revenues equal to at least 1.25 times the aggregate amount of the principal and interest on the bonds. The leasehold interest is calculated as follows and is being amortized using the same basis of amortization as the refunding bonds.

Bonds Payable					\$ 115,000
Less:					
Funding cash with fiscal agent				123,413	
Unamortized discount				3,179	
Deferred amount from refunding				<u>14,563</u>	
Total Leasehold Interest					(26,155)
Plus:					
Bond Premium				<u>1,848</u>	
Net Leasehold Interest					(\$ <u>24,307</u>)

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

<u>Type of Indebtedness</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds	\$ 220,000	\$ -	(\$ 105,000)	\$ 115,000	\$ 115,000
Plus: Bond premium	3,696	-	(1,848)	1,848	1,848
Less Deferred Amounts:					
Unamortized discount	(6,358)	-	3,179	(3,179)	(3,179)
Bonds (Net)	<u>217,338</u>	-	(103,669)	<u>113,669</u>	<u>113,669</u>
Total Long-Term Liabilities	<u>\$ 217,338</u>	<u>\$ -</u>	<u>(\$ 103,669)</u>	<u>\$ 113,669</u>	<u>\$ 113,669</u>

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2023 are as follows:

Bonds:

2010 Water Revenue Refunding Bonds, issued February 10, 2010, in the amount of \$2,225,000 and payable in annual installments of \$85,000 to \$330,000, with an interest rate of 2.0% to 4.0% and maturity on September 1, 2023. The bonds were used to refund the 1998 Water Revenue Refunding Bonds.

\$ 115,000

Total Bonds

\$ 115,000

The annual aggregate maturities for the years subsequent to June 30, 2023, are as follows:

Year Ended June 30	Principal	Interest	Totals
2024	\$ 115,000	\$ 2,300	\$ 117,300
Total	<u>\$ 115,000</u>	<u>\$ 2,300</u>	<u>\$ 117,300</u>

NOTE 5: PRIOR ADVANCE REFUNDING

The City of Jackson Public Financing Authority has defeased 1992 Certificates of Participation with original issue amounts of \$1,840,000. Proceeds of new debt was placed in an irrevocable trust to provide for all future debt service payments on the old debt. The escrow account assets and the liability for the defeased debt are not included in the Authority's financial statements. At June 30, 2023, the defeased debt outstanding but not shown in these financial statements was \$135,000.

NOTE 6: NET POSITION

The proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

CITY OF JACKSON PUBLIC FINANCING AUTHORITY
(A Component Unit of the City of Jackson)
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 7: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is covered under the City of Jackson's risk management programs. Complete information on risk management can be found in the City of Jackson's audited financial statements.

NOTE 8: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2023 through February 12, 2024 the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

OTHER REPORT

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Governing Board
City of Jackson Public Financing Authority
Jackson, California

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 proprietary fund of the City of Jackson Public Financing Authority (Authority) a component unit of the City of Jackson, California as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

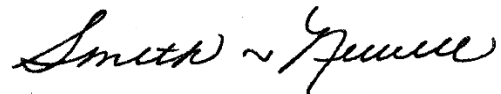
To the Governing Board
City of Jackson Public Financing Authority
Jackson, California

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in black ink.

Smith & Newell CPAs
Yuba City, California
February 12, 2024

**CITY OF JACKSON,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2023**

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CITY OF JACKSON
Single Audit Act
For the Year Ended June 30, 2023

Table of Contents

	Page
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1-2
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2023	6
Notes to Schedule of Expenditures of Federal Awards	7-8
Schedule of Findings and Questioned Costs	9-11
Schedule of Prior Year Findings and Questioned Costs	12
Management’s Corrective Action Plan	13

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

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, each major fund, and the aggregate remaining fund information of the City of Jackson, California, (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2023-001 and 2023-002)

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Report on Compliance and Other Matters

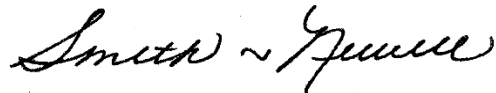
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Smith & Newell CPAs
Yuba City, California
February 12, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jackson, California's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures, include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Report on Internal Control Over Compliance

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

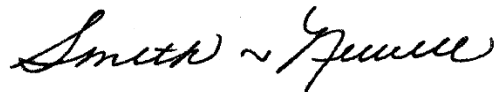
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, California, (City) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 12, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell CPAs
Yuba City, California
February 12, 2024

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CITY OF JACKSON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
State Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	\$ -	\$ 107,216
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV1-00064	-	3,974
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-CV2-3-00136	-	9,296
Subtotal 14.228			-	120,486
Emergency Solutions Grant Program	14.231	ESG-CV 2021	-	11,093
Home Investment Partnerships Program	14.239	-	-	7,625,331
Total U.S. Department of Housing and Urban Development			-	7,756,910
U.S. Department of Transportation				
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5141 (014)	-	30,768
Highway Planning and Construction	20.205	BRLO-5141 (015)	-	64,880
Highway Planning and Construction	20.205	BRLO-5141 (018)	-	73,667
Highway Planning and Construction	20.205	HSIPL-5141 (019)	-	7,511
Subtotal 20.205			-	176,826
Total U.S. Department of Transportation			-	176,826
U.S. Department of the Treasury				
State Department of Finance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	-	23,066
Total U.S. Department of the Treasury			-	23,066
Total			\$ -	\$ 7,956,802

See the accompanying Notes to Schedule of Expenditures of Federal Awards

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CITY OF JACKSON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Jackson, California (City). The City reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule of Expenditures of Federal Awards. 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.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the City financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements. In addition, the outstanding balance of prior years' loans that have significant continuing compliance requirements have been included in total federal expenditures.

3. INDIRECT COST RATE

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

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the City's basic financial statements.

6. PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City determined that no identifying number is assigned for the program or the City was unable to obtain an identifying number from the pass-through entity.

CITY OF JACKSON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

7. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City participates in certain federal award programs that sponsor revolving loan programs, which are administered by the City. These programs require servicing arrangements with the City. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Section 200.510 of the Uniform Guidance, the City has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2023, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2023:

<u>Assistance Listing No.</u>	<u>Program Title</u>	<u>Amounts Outstanding</u>	
		<u>July 1, 2022</u>	<u>June 30, 2023</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 107,216	\$ 101,649
14.239	Home Investment Partnerships Program	<u>7,625,331</u>	<u>7,684,003</u>
	Total Loans Outstanding	<u>\$ 7,732,547</u>	<u>\$ 7,785,652</u>

CITY OF JACKSON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR’S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor’s report issued	Unmodified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified and not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified and not considered to be material weaknesses?	No
2. Type of auditor’s report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs: 14.239 Home Investment Partnerships Program	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.520?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

Audit Adjustments	2023-001
Budget	2023-002

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

CITY OF JACKSON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-001 Audit Adjustments (Significant Deficiency)

Criteria

Governmental Auditing Standards require independent auditors to evaluate all unadjusted misstatements of the financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements in receivables, unavailable revenues, and compensated absences.

Cause

The City had not reconciled and adjusted all accounts in the City's general ledger.

Effect

The financial statements as presented to us contained misstatements that required adjustment.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2022-002.

Recommendation

We recommend that the City reconcile all accounts and make the necessary adjustments prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

CITY OF JACKSON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-002 Budget (Significant Deficiency)

Criteria

California Government Code requires that appropriate operating budgets be adopted and amended as needed and that expenditures not exceed the approved budget.

Condition

For the year ended June 30, 2023, we noted that the City incurred expenditures in excess of appropriations of \$142,062 in the General Fund and \$7,639 in the Measure M special revenue fund.

Cause

The City did not amend its budget for changes in the estimate of expenditures during the fiscal year.

Effect

Expenditures exceeded appropriations by \$142,062 in the General Fund and \$7,639 in the Measure M special revenue fund.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the City control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the City take appropriate action to amend the budget.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

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"Preserving Our Past, Enriching Our Present, Building Our Future"

33 Broadway, Jackson, California 95642-2301 • voice (209) 223-1646 • fax (209) 223-3141
E-mail: info@ci.jackson.ca.us • Web site: <http://ci.jackson.ca.us>

CITY OF JACKSON, CALIFORNIA

Schedule of Prior Year Findings and Questioned Costs

and

Corrective Action Plan

For the Year Ended June 30, 2023

Compiled by: Dalacie Blankenship

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CITY OF JACKSON
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2023

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
2022-001	Reconciliation of Cash and Investments of the City Recommendation We recommend that cash and investments reported in the City’s books be reconciled to the cash and investments held in the bank timely. Status Implemented
2022-002	Audit Adjustments Recommendation We recommend that the City reconcile all accounts and make the necessary adjustments prior to the start of the annual audit Status Not Implemented
2022-003	Schedule of Expenditures of Federal Awards Recommendation We recommend that the City compile a SEFA at year-end. Status Implemented

CITY OF JACKSON
Management's Corrective Action Plan
For the Year Ended June 30, 2023

2023-001 Audit Adjustments (Significant Deficiency)

We recommend that the City reconcile all accounts and make the necessary adjustments prior to the start of the annual audit.

Management's Response: The City concurs with the finding.

Responsible Individual: Dalacie Blankenship, Finance Manager

Corrective Action Plan: The City will make every attempt to have all accounts reconciled prior to the start of the audit. This should be viable now that the accounting department is fully staffed.

Anticipated Completion Date: June 30, 2024

2023-002 Budget (Significant Deficiency)

We recommend that the City control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the City take appropriate action to amend the budget.

Management's Response: The City concurs with the finding.

Responsible Individual: City Manager

Corrective Action Plan: Budget adjustments will be submitted and processed by the finance department at the close of each fiscal year.

Anticipated Completion Date: June 30, 2023

**CITY OF JACKSON,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

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CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2023

Table of Contents

	Page
INTRODUCTORY SECTION	
List of Officials	i
FINANCIAL SECTION	
Independent Auditor’s Report.....	1-4
Management’s Discussion and Analysis (Unaudited)	5-12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	13-14
Statement of Activities.....	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	16
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position – Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities.....	19
Proprietary Funds:	
Statement of Net Position	20-21
Statement of Revenues, Expenses and Changes in Net Position	22
Statement of Cash Flows	23-24
Fiduciary Funds:	
Statement of Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Basic Financial Statements	27-57
Required Supplementary Information (Unaudited):	
City Pension Plan – Schedule of Proportionate Share of the Net Pension Liability	58
City Pension Plan – Schedule of Contributions.....	59
City Pension Plan – Notes to City Pension Plan	60
City OPEB Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios	61
City OPEB Plan – Note to City OPEB Plan.....	62
Budgetary Comparison Schedule – General Fund	63
Budgetary Comparison Schedule – Measure M.....	64
Budgetary Comparison Schedule – American Rescue Plan.....	65
Notes to Budgetary Comparison Schedules	66

CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2023

Table of Contents

	Page
FINANCIAL SECTION (CONTINUED)	
Combining Nonmajor Fund Financial Statements:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	68
Special Revenue Funds:	
Combining Balance Sheet	69-71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72-74
Capital Project Funds:	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76
Nonmajor Proprietary Funds:	
Enterprise Funds:	
Combining Statement of Net Position.....	77
Combining Statement of Revenues, Expenses and Changes in Net Position.....	78
Combining Statement of Cash Flows	79
Fiduciary Funds:	
Custodial Funds:	
Combining Statement of Net Position.....	80
Combining Statement of Changes in Fiduciary Net Position.....	81

INTRODUCTORY SECTION

- **List of Officials**

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CITY OF JACKSON
List of Officials
For the Year Ended June 30, 2023

City Council

Steve McLean	Mayor
Chad Simmons	Vice Mayor
Robert Stimpson	Member
Connie Gonsalves	Member
Max Godde	Member

City Officers

Yvonne Kimball	City Manager
Joshua Nelson	City Attorney
John Georgette	City Clerk
Jeffrey Taylor	Building Inspector
Chris Mynderup	Police Chief
Dale Fishback	Fire Chief
Bree Wilder	Public Works Superintendent
Dalacie Blankenship	Finance/HR Manager

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Financial Statements**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Report on the Audit of the Financial Statements**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, City Pension Plan information, City OPEB Plan information, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

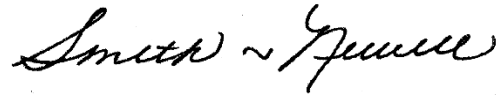
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

To the Honorable Mayor and Members of the City Council
City of Jackson
Jackson, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
February 12, 2024

**Management's Discussion and Analysis
(Unaudited)**

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CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

This discussion and analysis of the City of Jackson financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements and related notes, which follow this section.

FINANCIAL HIGHLIGHTS

Entity-wide:

- ❑ The City's total assets were \$60,307,154 as of June 30, 2023. Of this total, \$32,575,500 are governmental assets and \$27,731,654 were business-type assets.
- ❑ Entity-wide governmental revenues include program revenues of \$2,799,012 and general revenues and transfers of \$4,091,961 for a total of \$6,890,973.
- ❑ Entity-wide Governmental expenses were \$4,129,454.
- ❑ Entity-wide Business-type program, interest, other revenues and transfers were \$6,337,811 while Business-type expenses were \$4,948,116.
- ❑ The City's total Net Pension Liability was \$7,941,373 as of June 30, 2023. The total Net OPEB obligation was \$1,457,159.

Fund Level:

- ❑ Governmental Fund balance increased to \$16,770,476 in fiscal year 2023, up from \$15,772,795 the prior year. Of the total fund balance, \$8,099,457 were federal and grant funds which were restricted for specific federal and state programs.
- ❑ Governmental Fund revenues increased to \$7,033,555 in fiscal year 2023 up by \$503,849 from the prior year.
- ❑ Governmental Fund expenditures increased to \$6,017,104 in fiscal year 2023, up by \$311,174 from the prior year.
- ❑ Business Type Activities' total revenues were \$6,227,083 and expenses were \$4,724,802. Resulting in an operating income of \$1,502,281 compared to last year's operating income of \$1,002,885, an increase of \$499,396.
- ❑ Total Business type (Proprietary Fund) Pension Liability was \$2,037,592 as of June 30, 2023. Net OPEB obligation was \$308,486.

General Fund:

- ❑ General Fund revenues of \$4,479,796 were \$220,348 more than the prior year.
- ❑ General Fund expenditures of \$4,215,523 were \$382,013 more than the prior year.
- ❑ Other Financing Sources contributed \$370,151 in fiscal year 2023 compared with the prior year of \$210,576.
- ❑ General Fund balance of \$3,084,724 as of June 30, 2022, increased to \$3,719,121 by June 30, 2023.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Of this total, \$1,389,270 were either restricted or committed funds, and \$2,329,851 were unassigned and were not restricted for any specific purpose or program.

- The City's Governmental Net Pension Liability was \$5,903,781 as of June 30, 2023. The Governmental Net OPEB obligation was \$1,148,673.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, commonly referred to as the City's Basic Financial Statements. Management's Discussion and Analysis introduces these statements and includes two different views of the City's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the City's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of City finances in a manner similar to private sector business. These statements separate the City's activities into two areas:

- **Governmental Activities** - these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered to be governmental activities including public safety, community development, public works, parks and recreation, and general administration.
- **Business-Type Activities** - these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater systems are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

- **The Statement of Net Position** presents information on all the City's assets and liabilities, with the difference between the two 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 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.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the City (including infrastructure) and all liabilities (including long-term debt) and exclude certain inter-fund

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

receivables, payables and other inter-fund activity as prescribed by GASB Statement No. 34. For additional reference, reconciliation between the two is provided on pages 17 and 19 of this report.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds - not the City as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary and fiduciary.

- **Governmental Funds** - most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

The City's major governmental funds are the General Fund, the HOME Grant fund, Measure M and American Rescue Plan. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 67 of this report.

- **Proprietary Funds** - when the City charges customers for services it provides, whether outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business-type activities), only in more detail. The City uses enterprise funds to account for its Sewer and Water operations, in addition the City uses enterprise funds to account for parking and utility deposits.
- **Fiduciary Funds** - the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: budgetary comparisons for the City's General Fund, and a description of the City's accounting policies with regard to the annual budget.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Position

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total	
	2023	2022	2023	2022	2023	2022	Dollar Change	% Change
Assets:								
Current and other assets	\$ 18,485,623	\$ 17,297,447	\$ 8,068,693	\$ 6,855,435	\$ 26,554,316	\$ 24,152,882	\$ 2,401,434	9.94%
Capital assets	14,089,877	13,549,951	19,662,961	20,326,110	33,752,838	33,876,061	(123,223)	-0.36%
Total Assets	32,575,500	30,847,398	27,731,654	27,181,545	60,307,154	58,028,943	2,278,211	3.93%
Deferred Outflows of Resources:								
Deferred Charge on Refunding	-	-	14,562	29,125	14,562	29,125	(14,563)	-50.00%
Deferred Pension Adjustments	2,580,507	1,031,349	828,956	463,088	3,409,463	1,494,437	1,915,026	128.14%
Deferred OPEB Adjustments	78,349	97,497	25,548	33,063	103,897	130,560	(26,663)	-20.42%
Total Deferred Outflows of Resources	2,658,856	1,128,846	869,066	525,276	3,527,922	1,654,122	1,873,800	113.28%
Liabilities:								
Current	1,275,141	941,322	61,195	79,137	1,336,336	1,020,459	315,877	30.95%
Noncurrent	7,576,309	4,863,813	13,497,765	13,359,759	21,074,074	18,223,572	2,850,502	15.64%
Total Liabilities	8,851,450	5,805,135	13,558,960	13,438,896	22,410,410	19,244,031	3,166,379	16.45%
Deferred Inflows of Resources:								
Deferred Pension Adjustments	761,855	3,223,965	349,096	930,579	1,110,951	4,154,544	(3,043,593)	-73.26%
Deferred OPEB Adjustments	531,271	618,883	170,777	205,154	702,048	824,037	(121,989)	n/a
Total Deferred Inflows of Resources	1,293,126	3,842,848	519,873	1,135,733	1,812,999	4,978,581	(3,165,582)	-63.58%
Net Position:								
Net investment in capital assets	14,063,716	13,549,951	8,919,921	9,160,192	22,983,637	22,710,143	273,494	1.20%
Restricted	13,873,187	14,178,870	2,247,309	2,216,653	16,120,496	16,395,523	(275,027)	-1.68%
Unrestricted	(2,847,123)	(5,400,560)	3,354,657	1,755,347	507,534	(3,645,213)	4,152,747	-113.92%
Total Net Position	\$ 25,089,780	\$ 22,328,261	\$ 14,521,887	\$ 13,132,192	\$ 39,611,667	\$ 35,460,453	\$ 4,151,214	11.71%

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Statement of Activities

	Governmental Activities		Business-Type Activities		Total		Total	
	2023	2022	2023	2022	2023	2022	Dollar Change	% Change
Revenues:								
Program Revenues:								
Charges for services	\$ 1,229,801	\$ 1,443,483	\$ 6,182,830	\$ 5,762,572	\$ 7,412,631	\$ 7,206,055	\$ 206,576	2.87%
Operating grants and contribution	1,052,994	1,432,438	-	-	1,052,994	1,432,438	(379,444)	-26.49%
Capital grants and contributions	516,217	225,893	-	-	516,217	225,893	290,324	128.52%
General Revenues:								
Property taxes	1,091,242	1,005,915	-	-	1,091,242	1,005,915	85,327	8.48%
Sales and use taxes	1,123,799	1,284,179	-	-	1,123,799	1,284,179	(160,380)	-12.49%
Franchise taxes	211,686	195,411	-	-	211,686	195,411	16,275	8.33%
Property transfer taxes	14,287	33,101	-	-	14,287	33,101	(18,814)	-56.84%
Transient occupancy taxes	652,177	572,583	-	-	652,177	572,583	79,594	13.90%
Grants and contributions	469,877	443,960	-	-	469,877	443,960	25,917	5.84%
Interest and investment earnings	367,059	194,479	85,208	(49,844)	452,267	144,635	307,632	212.70%
Miscellaneous	180,604	39,072	44,253	12,810	224,857	51,882	172,975	333.40%
Gain on sale of capital asset	6,750	7,050	-	-	6,750	7,050	(300)	-4.26%
Total revenues	6,916,493	6,877,564	6,312,291	5,725,538	13,228,784	12,603,102	625,682	4.96%
Expenses:								
General government	705,446	1,280,107	-	-	705,446	1,280,107	(574,661)	-44.89%
Public protection	1,634,408	2,968,833	-	-	1,634,408	2,968,833	(1,334,425)	-44.95%
Public ways and facilities	865,277	1,109,041	-	-	865,277	1,109,041	(243,764)	-21.98%
Community development	626,439	620,922	-	-	626,439	620,922	5,517	0.89%
Culture and recreation	297,825	471,402	-	-	297,825	471,402	(173,577)	-36.82%
Interest on long-term debt	59	-	-	-	59	-	59	-
Sewer facilities	-	-	2,450,611	2,756,907	2,450,611	2,756,907	(306,296)	-11.11%
Treated water	-	-	2,488,011	2,315,774	2,488,011	2,315,774	172,237	7.44%
Utility deposits	-	-	8	-	8	-	8	-
Parking	-	-	9,486	9,975	9,486	9,975	(489)	-4.90%
Total Expenses	4,129,454	6,450,305	4,948,116	5,082,656	9,077,570	11,532,961	(2,455,391)	-21.29%
Excess before transfers	2,787,039	427,259	1,364,175	642,882	4,151,214	1,070,141	3,081,073	287.91%
Transfers	(25,520)	67,539	25,520	(67,539)	-	-	-	0.00%
Change in Net Position	2,761,519	494,798	1,389,695	575,343	4,151,214	1,070,141	3,081,073	287.91%
Net Position, Beginning	22,328,261	21,833,463	13,132,192	12,556,849	35,460,453	34,390,312	1,070,141	3.02%
Net Position, Ending	\$ 25,089,780	\$ 22,328,261	\$ 14,521,887	\$ 13,132,192	\$ 39,611,667	\$ 35,460,453	\$ 4,151,214	10.48%

Revenue

The City's total revenue was \$13.2 million for the fiscal year ended June 30, 2023. Revenue from governmental activities totaled \$7 million and revenue from business-type activities total \$6.3 million. Property taxes provided 8 percent of the total revenue of the City, while charges for services provided 56 percent. Operating and Capital Grants and Sales and Use Taxes both provided 11.9 and 8.5 percent respectively of the total revenue received during the 2022/2023 fiscal year.

Expenses

Expenses of the City for the year totaled \$9.1 million. Governmental activity expenses totaled \$4.1 million or 46 percent of total expenses. Business-type activity expenses total \$4.9 million or 55 percent of total expenses.

CITY OF JACKSON
Management’s Discussion and Analysis
For the Year Ended June 30, 2023

Governmental Activities

The following table shows the net cost of each of the City’s major programs. The net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of these programs.

	Net (Expense) Revenue of Services		Total	
	2023	2022	Dollar Change	% Change
General government	\$ (313,805)	\$ (810,703)	\$ 496,898	61.3%
Public protection	(1,137,598)	(2,374,746)	1,237,148	52.1%
Public ways and facilities	(329,674)	128,407	(458,081)	-356.7%
Community development	684,626	124,872	559,754	448.3%
Culture and recreation	(233,932)	(416,321)	182,389	43.8%
Total	<u>\$ (1,330,383)</u>	<u>\$ (3,348,491)</u>	<u>\$ 2,018,108</u>	<u>60.3%</u>

The cost of all governmental activities for fiscal year 2022-2023 was \$1.3 million. The City’s taxpayers paid for these costs, partially, through property and sales and use taxes. Again, this year some grants were obtained related to the COVID pandemic, along with various other funding sources. The cost of capital assets is not presented as a cost in determining the net cost of governmental activities, but is reflected as an asset in the Statement of Net Position.

Business-Type Activities

Program revenue of the City’s business-type activities totaled \$6.18 million. Expenses of business-type activities were \$4.95 million. The cost of capital improvements is reported as capital assets in the Statement of Net Position, rather than as expenses in the Statement of Activities.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City’s operation in more detail than the government-wide statements. The City’s governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City’s governmental funds reported combined fund balances at June 30, 2023 of \$16.77 million, which is an increase of \$998 thousand from the previous fiscal year. The General Fund’s net increase was \$634 thousand, however, other Governmental Funds remained moderate with only a slight increase of \$364 thousand. The General Fund increase was due to increases in property taxes, sales and use taxes and other miscellaneous monies received including an updated cost allocation for services provided.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, was \$33,752,838, (net of accumulated depreciation). This investment in capital assets includes police and

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

fire equipment, buildings, park facilities, roads and water and sewer lines and treatment facilities. The City's net investment in capital assets decreased \$123,223 since June 30, 2022. This decrease was caused by some assets being sold and some being fully depreciated.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$21,074,074. Pension and OPEB liability make up \$9,398,532. The majority of the balance is made up of the State Revolving Fund Loan for the WWTP improvements. Also included in the figure is the balance of the 2010 Water Refunding Bonds and Compensated Absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2022/2023 ended with the City being in a stronger financial position than in recent years. Many projects were completed and more are planned. This successful year is due to council leadership, the talents of staff and community determination. This year has been rewarding and challenging.

A brief review of FY22/23 indicated strong productivity and a solid fiscal condition. Since Covid, we have had a record number of grants to work with. We were able to complete and close out many grants by June 30, 2023. Those grant funded projects improved city's infrastructure, ensured planning efforts for future development, and enhanced critical services such as public safety and homeless outreach. We also received many one-time revenues in FY 22-23 which are to be offset by projects and purchases in the following years. On the labor front, while some city positions still remain vacant, we were able to fill some critical positions and placed employees' on-the-job training as a priority. FY 22/23 continued to experience high cost in labor, goods, and fuel. Additionally, in December 2022, January and February 2023, the City experienced historical winter storm events which resulted in flooding of homes, businesses, and damage to city infrastructure. Having overcome the flooding and storm emergencies, Team Jackson continue to work on improving creek and drainage infrastructure capacity in FY 23/24. All said, FY 22/23 ended well and there is a lot to look forward to in FY 23/24.

The General Fund is the city's largest operational fund. This fund provides funding for most city departments and a majority of core services including public safety, streets and grounds. Departments or functions under the General Fund are City Council, Administration, City Attorney, Civic Center, Police, a portion of Fire, Streets & Drainage, Parks, Building/Code Enforcement, Planning, and Engineering Services.

The City continues to face PERS unfunded liability obligations, rising health insurance costs, and increased liability and property insurance costs. High inflation, fuel costs and labor costs will also impact the upcoming years' expenditures.

In FY 22/23 City Council continued with the seven priority areas which include fiscal stability, public safety, infrastructure, organization, economic development, environment, and regional collaboration. Focus on these areas has led to a productive year and improved financial health. It is anticipated that Council will continue those focus areas with greater emphasis on public safety, infrastructure and economic development in FY 23/24.

FY 23/24 Budget maintains the "status quo" status. Routine expenditures are kept close to a minimal level. Now that the city has a healthy financial status, the citywide fleet system, including safety vehicles, is expected to be improved in FY 23/24. Capital purchases, including vehicles, equipment and large projects are budgeted for accordingly under the general fund, water or sewer fund, grants, and special revenue funds, such as ARPA.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Also in FY 23/24, Council is anticipated to have regional discussions on the school consolidation plan. Council will participate in a county-wide self-help sales tax initiative on roads. Council has appointed an Economic Development Committee and directed staff to work with the Committee to implement tangible actions and bring recommendations and results before Council. Although these efforts do not tie directly to budget expenditures yet, they will have policy impacts on the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Department, 33 Broadway, Jackson, CA 95642, (209) 223-1646.

Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF JACKSON
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 9,535,149	\$ 7,416,862	\$ 16,952,011
Cash with fiscal agent	-	123,413	123,413
Receivables:			
Accounts	200	616,419	616,619
Taxes	489,645	-	489,645
Interest	39,652	29,190	68,842
Intergovernmental	483,807	-	483,807
Internal balances	117,191	(117,191)	-
Prepaid insurance	34,327	-	34,327
Loans receivable	7,785,652	-	7,785,652
Capital assets:			
Non-depreciable	5,329,060	181,689	5,510,749
Depreciable, net	8,760,817	19,481,272	28,242,089
Total capital assets	<u>14,089,877</u>	<u>19,662,961</u>	<u>33,752,838</u>
Total Assets	<u>32,575,500</u>	<u>27,731,654</u>	<u>60,307,154</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	14,562	14,562
Deferred pension adjustments	2,580,507	828,956	3,409,463
Deferred OPEB adjustments	78,349	25,548	103,897
Total Deferred Outflows of Resources	<u>2,658,856</u>	<u>869,066</u>	<u>3,527,922</u>
LIABILITIES			
Accounts payable	125,187	22,537	147,724
Salaries and benefits payable	6,074	-	6,074
Retentions payable	2,616	-	2,616
Deposits payable	6,500	38,658	45,158
Unearned revenue	1,134,764	-	1,134,764
Long-term liabilities:			
Due within one year	273,904	518,176	792,080
Due in more than one year	249,951	10,633,511	10,883,462
Net pension liability	5,903,781	2,037,592	7,941,373
Net OPEB liability	1,148,673	308,486	1,457,159
Total Liabilities	<u>8,851,450</u>	<u>13,558,960</u>	<u>22,410,410</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	761,855	349,096	1,110,951
Deferred OPEB adjustments	531,271	170,777	702,048
Total Deferred Inflows of Resources	<u>1,293,126</u>	<u>519,873</u>	<u>1,812,999</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

CITY OF JACKSON
Statement of Net Position
June 30, 2023

NET POSITION	Governmental Activities	Business-Type Activities	Totals
Net investment in capital assets	14,063,716	8,919,921	22,983,637
Restricted for:			
General government	723,866	-	723,866
Public protection	86,159	-	86,159
Public ways and facilities	1,798,709	-	1,798,709
Community development	10,376,711	-	10,376,711
Culture and recreation	859,735	-	859,735
Capital projects	28,007	2,247,309	2,275,316
Unrestricted	(2,847,123)	3,354,657	507,534
Total Net Position	\$ 25,089,780	\$ 14,521,887	\$ 39,611,667

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

CITY OF JACKSON
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 705,446	\$ 73,495	\$ 318,146	\$ -
Public protection	1,634,408	42,797	454,013	-
Public ways and facilities	865,277	255,037	280,566	-
Community development	626,439	814,848	-	496,217
Culture and recreation	297,825	43,624	269	20,000
Interest on long-term debt	59	-	-	-
Total Governmental Activities	4,129,454	1,229,801	1,052,994	516,217
Business-type activities:				
Sewer Facilities	2,450,611	3,248,046	-	-
Treated Water	2,488,011	2,934,784	-	-
Parking	9,486	-	-	-
Utility Deposits	8	-	-	-
Total Business-Type Activities	4,948,116	6,182,830	-	-
Total	\$ 9,077,570	\$ 7,412,631	\$ 1,052,994	\$ 516,217

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Property transfer taxes

 Transient occupancy taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the basic financial statements are an integral part of this statement.

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

Governmental Activities	Business-Type Activities	Totals
\$ (313,805)	\$ -	\$ (313,805)
(1,137,598)	-	(1,137,598)
(329,674)	-	(329,674)
684,626	-	684,626
(233,932)	-	(233,932)
(59)	-	(59)
(1,330,442)	-	(1,330,442)
-	797,435	797,435
-	446,773	446,773
-	(9,486)	(9,486)
-	(8)	(8)
-	1,234,714	1,234,714
(1,330,442)	1,234,714	(95,728)
1,091,242	-	1,091,242
1,123,799	-	1,123,799
211,686	-	211,686
14,287	-	14,287
652,177	-	652,177
469,877	-	469,877
367,059	85,208	452,267
180,604	44,253	224,857
6,750	-	6,750
(25,520)	25,520	-
4,091,961	154,981	4,246,942
2,761,519	1,389,695	4,151,214
22,328,261	13,132,192	35,460,453
\$ 25,089,780	\$ 14,521,887	\$ 39,611,667

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF JACKSON
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	HOME Grant	Measure M	American Rescue Plan
ASSETS				
Cash and investments	\$ 3,270,921	\$ -	\$ 1,319,481	\$ 1,134,991
Receivables:				
Accounts	200	-	-	-
Taxes	489,645	-	-	-
Interest	13,081	-	4,933	4,608
Intergovernmental	1,082	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	6,337,258	-	-
	\$ 3,774,929	\$ 6,337,258	\$ 1,324,414	\$ 1,139,599
LIABILITIES				
Accounts payable	\$ 36,121	\$ -	\$ 85	\$ -
Salaries and benefits payable	6,074	-	-	-
Retentions payable	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	6,500	-	-	-
Unearned revenue	-	-	-	1,134,764
	48,695	-	85	1,134,764
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	7,113	-	-	-
	7,113	-	-	-
FUND BALANCES				
Restricted	602,081	6,337,258	1,324,329	4,835
Committed	787,189	-	-	-
Assigned	-	-	-	-
Unassigned	2,329,851	-	-	-
	3,719,121	6,337,258	1,324,329	4,835
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,774,929	\$ 6,337,258	\$ 1,324,414	\$ 1,139,599

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ 3,809,756	\$ 9,535,149
-	200
-	489,645
17,030	39,652
482,725	483,807
707,218	707,218
1,448,394	7,785,652
<u>\$ 6,465,123</u>	<u>\$ 19,041,323</u>
\$ 88,981	\$ 125,187
-	6,074
2,616	2,616
529,134	529,134
-	6,500
-	1,134,764
<u>620,731</u>	<u>1,804,275</u>
<u>459,459</u>	<u>466,572</u>
<u>459,459</u>	<u>466,572</u>
5,748,496	14,016,999
-	787,189
233,902	233,902
(597,465)	1,732,386
<u>5,384,933</u>	<u>16,770,476</u>
<u>\$ 6,465,123</u>	<u>\$ 19,041,323</u>

CITY OF JACKSON
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2023

Total Fund Balance - Total Governmental Funds	\$16,770,476
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 therefore are not reported in the governmental funds balance sheet.	14,063,310
Right to use capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	26,567
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	466,572
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	2,658,856
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(1,293,126)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(497,694)
Right to use capital assets liability	(26,161)
Net pension liability	(5,903,781)
Net OPEB liability	(1,148,673)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.	<u>(26,566)</u>
Net Position of Governmental Activities	<u><u>\$25,089,780</u></u>

The notes to the basic financial statements are an integral part of this statement.

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CITY OF JACKSON
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	HOME Grant	Measure M	American Rescue Plan
REVENUES				
Taxes and assessments	\$ 3,160,291	\$ -	\$ 814,848	\$ -
Licenses and permits	248,416	-	-	-
Fines and forfeitures	7,356	-	-	-
Use of money and property	98,575	161,432	11,884	9,791
Intergovernmental	692,846	-	-	23,066
Charges for services	92,081	-	-	-
Other revenues	180,204	-	-	-
Total Revenues	4,479,769	161,432	826,732	32,857
EXPENDITURES				
Current:				
General government	631,608	-	-	-
Public protection	2,290,070	-	-	-
Public ways and facilities	697,073	-	-	-
Community development	-	-	626,439	-
Culture and recreation	324,194	-	-	-
Debt service				
Principal	11,955	-	-	-
Interest and other charges	59	-	-	-
Capital outlay	260,564	-	-	-
Total Expenditures	4,215,523	-	626,439	-
Excess of Revenues Over (Under) Expenditures	264,246	161,432	200,293	32,857
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	6,750	-	-	-
Transfers in	472,284	-	-	-
Transfers out	(108,883)	-	-	(23,066)
Total Other Financing Sources (Uses)	370,151	-	-	(23,066)
Net Change in Fund Balances	634,397	161,432	200,293	9,791
Fund Balances - Beginning	3,084,724	6,175,826	1,124,036	(4,956)
Fund Balances - Ending	\$ 3,719,121	\$ 6,337,258	\$ 1,324,329	\$ 4,835

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ -	\$ 3,975,139
-	248,416
-	7,356
85,377	367,059
1,446,988	2,162,900
-	92,081
400	180,604
1,532,765	7,033,555
412,259	1,043,867
-	2,290,070
26,098	723,171
-	626,439
-	324,194
-	11,955
-	59
736,785	997,349
1,175,142	6,017,104
357,623	1,016,451
-	6,750
177,552	649,836
(543,407)	(675,356)
(365,855)	(18,770)
(8,232)	997,681
5,393,165	15,772,795
\$ 5,384,933	\$ 16,770,476

CITY OF JACKSON
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 997,681

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	997,349
Less current year depreciation/amortization	(495,734)
Various adjustments related to GASB 87	195

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Right to use capital assets liability retirements	11,955
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Some revenues reported in the Statement of Activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenues	(123,812)
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pension	1,549,158
Change in deferred outflows of resources related to OPEB	(19,148)
Change in deferred inflows of resources related to pension	2,462,110
Change in deferred inflows of resources related to OPEB	87,612

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences	(124,216)
Change in net pension liability	(2,544,425)
Change in net OPEB liability	(17,694)

Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

(19,512)

Change in Net Position of Governmental Activities \$ 2,761,519

The notes to the basic financial statements are an integral part of this statement.

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CITY OF JACKSON
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities
					Self- Insurance Internal Service Fund
ASSETS					
Current Assets:					
Cash and investments	\$ 6,076,253	\$ 1,311,897	\$ 28,712	\$ 7,416,862	\$ -
Cash with fiscal agent	-	123,413	-	123,413	-
Receivables:					
Accounts	300,968	315,451	-	616,419	-
Interest	23,666	5,524	-	29,190	-
Prepaid insurance	-	-	-	-	34,327
Total Current Assets	6,400,887	1,756,285	28,712	8,185,884	34,327
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,285	8,818	155,586	181,689	-
Depreciable, net	14,342,514	4,871,439	267,319	19,481,272	-
Total capital assets	14,359,799	4,880,257	422,905	19,662,961	-
Total Noncurrent Assets	14,359,799	4,880,257	422,905	19,662,961	-
Total Assets	20,760,686	6,636,542	451,617	27,848,845	34,327
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	14,562	-	14,562	-
Deferred pension adjustments	550,881	278,075	-	828,956	-
Deferred OPEB adjustments	17,900	7,648	-	25,548	-
Total Deferred Outflows of Resources	568,781	300,285	-	869,066	-
LIABILITIES					
Current Liabilities:					
Accounts payable	21,243	1,294	-	22,537	-
Deposits payable	-	-	38,658	38,658	-
Due to other funds	-	-	-	-	178,084
Compensated absences payable	11,438	21,574	-	33,012	-
Customer advances	-	42,220	-	42,220	-
Loans payable	329,275	-	-	329,275	-
Bonds payable	-	113,669	-	113,669	-
Total Current Liabilities	361,956	178,757	38,658	579,371	178,084

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

CITY OF JACKSON
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities
					Self- Insurance Internal Service Fund
Noncurrent Liabilities:					
Compensated absences payable	9,753	16,305	-	26,058	-
Customer advances	-	282,795	-	282,795	-
Loans payable	10,324,658	-	-	10,324,658	-
Net pension liability	1,350,153	687,439	-	2,037,592	-
Net OPEB liability	199,655	108,831	-	308,486	-
Total Noncurrent Liabilities	11,884,219	1,095,370	-	12,979,589	-
Total Liabilities	12,246,175	1,274,127	38,658	13,558,960	178,084
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	245,705	103,391	-	349,096	-
Deferred OPEB adjustments	120,138	50,639	-	170,777	-
Total Deferred Inflows of Resources	365,843	154,030	-	519,873	-
NET POSITION					
Net investment in capital assets	3,705,866	4,781,150	422,905	8,909,921	-
Restricted for capital projects	1,624,476	622,833	-	2,247,309	-
Unrestricted	3,387,107	104,687	(9,946)	3,481,848	(143,757)
Total Net Position	\$ 8,717,449	\$ 5,508,670	\$ 412,959	14,639,078	\$ (143,757)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(117,191)	
Net Position of Business-Type Activities				\$ 14,521,887	

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

CITY OF JACKSON
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Sewer</u>	<u>Treated</u>	<u>Other</u>	<u>Totals</u>	<u>Activities</u>
					<u>Enterprise</u>
	<u>Facilities</u>	<u>Water</u>	<u>Funds</u>		<u>Insurance</u>
					<u>Internal</u>
					<u>Service Fund</u>
OPERATING REVENUES					
Charges for services	\$ 3,248,046	\$ 2,934,784	\$ -	\$ 6,182,830	\$ 377,356
Other revenues	33,944	10,309	-	44,253	-
Total Operating Revenues	<u>3,281,990</u>	<u>2,945,093</u>	<u>-</u>	<u>6,227,083</u>	<u>377,356</u>
OPERATING EXPENSES					
Salaries and benefits	436,552	173,288	-	609,840	-
Contract services	187,148	21,679	-	208,827	-
Utilities	217,761	33,817	-	251,578	-
Insurance	88,682	32,710	-	121,392	-
Maintenance	159,368	33,862	8	193,238	-
Supplies	127,602	27,578	-	155,180	-
Water purchase	-	1,639,433	-	1,639,433	-
Other	340,356	297,968	-	638,324	-
Insurance and claims	-	-	-	-	410,968
Depreciation	696,552	201,130	9,308	906,990	-
Total Operating Expenses	<u>2,254,021</u>	<u>2,461,465</u>	<u>9,316</u>	<u>4,724,802</u>	<u>410,968</u>
Operating Income (Loss)	<u>1,027,969</u>	<u>483,628</u>	<u>(9,316)</u>	<u>1,502,281</u>	<u>(33,612)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	67,060	18,148	-	85,208	-
Interest expense	(186,621)	(22,593)	-	(209,214)	-
Total Non-Operating Revenues (Expenses)	<u>(119,561)</u>	<u>(4,445)</u>	<u>-</u>	<u>(124,006)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>908,408</u>	<u>479,183</u>	<u>(9,316)</u>	<u>1,378,275</u>	<u>(33,612)</u>
Transfers in	25,580	-	-	25,580	-
Transfers out	(60)	-	-	(60)	-
Change in Net Position	933,928	479,183	(9,316)	1,403,795	(33,612)
Total Net Position - Beginning	<u>7,783,521</u>	<u>5,029,487</u>	<u>422,275</u>		<u>(110,145)</u>
Total Net Position - Ending	<u>\$ 8,717,449</u>	<u>\$ 5,508,670</u>	<u>\$ 412,959</u>		<u>\$ (143,757)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(14,100)	
Change in Net Position of Business-Type Activities				<u>\$ 1,389,695</u>	

The notes to the basic financial statements are an integral part of this statement.

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CITY OF JACKSON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Self- Insurance Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,297,337	\$ 2,888,596	\$ -	\$ 6,185,933	\$ 377,356
Payments to suppliers	(1,137,194)	(2,089,575)	855	(3,225,914)	(375,419)
Payments to employees	(674,146)	(302,241)	-	(976,387)	-
Net Cash Provided (Used) by Operating Activities	<u>1,485,997</u>	<u>496,780</u>	<u>855</u>	<u>1,983,632</u>	<u>1,937</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loans received	-	-	-	-	178,084
Interfund loans repaid	-	-	-	-	(180,021)
Transfers from other funds	25,580	-	-	25,580	-
Transfers to other funds	(60)	-	-	(60)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>25,520</u>	<u>-</u>	<u>-</u>	<u>25,520</u>	<u>(1,937)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(200,427)	(43,414)	-	(243,841)	-
Principal paid on debt	(323,771)	(147,219)	-	(470,990)	-
Interest paid on debt	(186,621)	(22,593)	-	(209,214)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(710,819)</u>	<u>(213,226)</u>	<u>-</u>	<u>(924,045)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	48,424	29,592	-	78,016	-
Net Cash Provided (Used) by Investing Activities	<u>48,424</u>	<u>29,592</u>	<u>-</u>	<u>78,016</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	849,122	313,146	855	1,163,123	-
Balances - Beginning	<u>5,227,131</u>	<u>1,122,164</u>	<u>27,857</u>	<u>6,377,152</u>	<u>-</u>
Balances - Ending	<u>\$ 6,076,253</u>	<u>\$ 1,435,310</u>	<u>\$ 28,712</u>	<u>\$ 7,540,275</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF JACKSON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Sewer</u>	<u>Treated</u>	<u>Other</u>	<u>Totals</u>	<u>Activities</u>
					<u>Facilities</u>
					<u>Insurance</u>
					<u>Internal</u>
					<u>Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,027,969	\$ 483,628	\$ (9,316)	\$ 1,502,281	\$ (33,612)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	696,552	201,130	9,308	906,990	-
Decrease (increase) in:					
Accounts receivable	15,347	(56,497)	-	(41,150)	-
Prepaid insurance	-	-	-	-	135,549
Pension adjustments - deferred outflows	(228,609)	(137,259)	-	(365,868)	-
OPEB adjustments - deferred outflows	4,636	2,879	-	7,515	-
Increase (decrease) in:					
Accounts payable	(16,277)	(2,528)	-	(18,805)	(100,000)
Deposits payable	-	-	863	863	-
Compensated absences payable	(8,845)	8,643	-	(202)	-
Net pension liability	375,481	225,443	-	600,924	-
Net OPEB liability	4,283	2,661	-	6,944	-
Pension adjustments - deferred inflows	(363,334)	(218,149)	-	(581,483)	-
OPEB adjustments - deferred inflows	(21,206)	(13,171)	-	(34,377)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,485,997</u>	<u>\$ 496,780</u>	<u>\$ 855</u>	<u>\$ 1,983,632</u>	<u>\$ 1,937</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Amortization of deferred charge on refunding	\$ -	\$ (14,563)	\$ -	\$ (14,563)	\$ -
Amortization of premium	-	(1,848)	-	(1,848)	-
Amortization of discount	-	3,178	-	3,178	-

The notes to the basic financial statements are an integral part of this statement.

CITY OF JACKSON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 16,808
Receivables:	
Interest	5
Total Assets	16,813
NET POSITION	
Restricted for individuals, organizations, and other governments	16,813
Total Net Position	\$ 16,813

The notes to the basic financial statements are an integral part of this statement.

CITY OF JACKSON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Net investment earnings	\$ 3
Total Additions	3
DEDUCTIONS	
Distributions from pooled investments	-
Total Deductions	-
Net Increase (decrease) in Fiduciary Net Position	3
Total Net Position - Beginning	16,810
Total Net Position - Ending	\$ 16,813

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City operates under a Council form of government and provides the following services: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, general administrative services, water, sewer and parking.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council. The financial statements of the individual component units may be obtained by writing to the City of Jackson, 33 Broadway, Jackson, CA 95642.

Blended Component Units

City of Jackson Public Financing Authority - The Authority was established January 8, 1990 by the execution of a Joint Exercise of Powers Agreement between the City of Jackson and the former City of Jackson Redevelopment Agency. The Authority was created for the purpose of providing financing for public capital improvements owned and operated by the City. The Authority is the lessor for the City's 2010 Water Revenue Refunding Bonds and makes debt service payments on behalf of the City. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the activity and debt of the Authority is reported in the Treated Water enterprise fund financial statements.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator at, 2180 Harvard Street, Suite 460 Sacramento, CA 95815. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public protection, community development, public ways and facilities, and culture and recreation services.
- The HOME Grant fund is a special revenue fund used to account for the HOME Grant program. Funding comes primarily from grant revenues.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Measure M fund is a special revenue fund used to account for Measure M revenues and expenditures.
- The American Rescue Plan fund is a special revenue fund used to account for Coronavirus State and Local Fiscal Recovery Funds revenues and expenditures.

The City reports the following major proprietary funds:

- The Sewer Facilities fund is an enterprise fund used to account for activity related to providing customers with sewer and billing for services provided by the City.
- The Treated Water fund is an enterprise fund used to account for activity related to providing customers with water and billing for services provided by the City.

The City reports the following additional fund types:

- Internal Service funds account for the City's self-insurance programs which provide services to other departments on a cost reimbursement basis.
- Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds include custodial funds. Custodial funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased including cash with fiscal agent, and their equity in the City's investment pool, to be cash and cash equivalents.

F. Investments

The City pools cash and investments of all funds except cash with fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short-term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

G. Receivables

Receivables for governmental activities consist mainly of accounts, taxes, and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required

Receivables for business-type activities consist mainly of user fees. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets

Inventory

Governmental and proprietary fund inventories are recorded as expenditures/expenses at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2023, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City records prepaid insurance for the net investment in a joint powers self-insurance agency.

I. Loans Receivable

The City has received funding over the years from the California Department of Housing and Community Development as part of the Federal Community Development Block Grant Program (CDBG) for FHA Title 1 and other revolving loans and as part of the Federal First Time Homebuyers Program (HOME), which is an owner-occupied housing program. Notes were issued to borrowers for homebuyers, construction and housing rehabilitation and for the Kennedy Meadows Project. The notes are secured by first deeds of trust. The notes have various monthly installment amounts and due dates. Interest rates vary depending on the term of the loan. The balance at June 30, 2023, including accrued interest, was \$7,785,652.

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, water, sewer, and similar items) are defined by the City as assets with a cost greater than \$5,000 and an estimated useful life of more than two years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 25 years
Buildings and improvements	5 to 50 years
Infrastructure	30 to 50 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

Amador County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements, or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from City service. The compensated absences liability is typically liquidated by the General fund for all nonproprietary fund compensated absences. In the government-wide and proprietary fund financial statements, the accrued compensated absences is reported as an expense and related liability. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One item, deferred charge on refunding, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second and third items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

R. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 91, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Position

The following nonmajor special revenue funds had deficit fund balances:

- The HCD Lead fund had a fund balance deficit of \$22,838, which is expected to be eliminated in future years through license and permit revenues.
- The Gen Plan Grant fund had a fund balance deficit of \$100,767, which is expected to be eliminated in future years through grant revenues.
- The HHAP R2 Grant fund had a fund balance deficit of \$38,245, which is expected to be eliminated in future years through grant revenues.
- The CV1 CC Roof fund had a fund balance deficit of \$13,092, which is expected to be eliminated in future years through grant revenues.
- The CV2 Utilities fund had a fund balance deficit of \$6,575, which is expected to be eliminated in future years through grant revenues.
- The Park Per Capita fund had a fund balance deficit of \$112,912, which is expected to be eliminated in future years through grant revenues.
- The HHAP R3 fund had a fund balance deficit of \$1,850, which is expected to be eliminated in future years through grant revenues.
- The ECRG fund had a fund balance deficit of \$63,664, which is expected to be eliminated in future years through grant revenues.
- The Storm Damage 23 fund had a fund balance deficit of \$51,678, which is expected to be eliminated in future years through grant revenues.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Deficit Fund Balance/Net Position (Continued)

The following nonmajor capital projects funds had deficit fund balances:

- The South Avenue Bridge fund had a fund balance deficit of \$18,564, which is expected to be eliminated in future years through grant revenues.
- The Pitt Street Bridge fund had a fund balance deficit of \$21,167, which is expected to be eliminated in future years through grant revenues.
- The French Bar Bridge fund had a fund balance deficit of \$104,545, which is expected to be eliminated in future years through grant revenues.
- The Sidewalk Improvement fund had a fund balance deficit of \$263, which is expected to be eliminated in future years through grant revenues.
- The Highway 49 Lights fund had a fund balance deficit of \$15,812, which is expected to be eliminated in future years through grant revenues.
- The Sutter Street fund had a fund balance deficit of \$22,877, which is expected to be eliminated in future years through grant revenues.
- The Jackson GT Culvert fund had a fund balance deficit of \$2,616, which is expected to be eliminated in future years through grant revenues.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2023, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 9,535,149
Business-type activities	7,540,275
Custodial funds	<u>16,808</u>
Total Cash and Investments	<u>\$ 17,092,232</u>

As of June 30, 2023, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 450
Deposits (less outstanding checks)	6,791,097
Deposits with fiscal agents	<u>123,413</u>
Total Cash	<u>6,914,960</u>
Investments:	
In City's pool	<u>10,177,272</u>
Total Investments	<u>10,177,272</u>
Total Cash and Investments	<u>\$ 17,092,232</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year-end, the carrying amount of the City's cash deposits (including amounts in checking accounts, savings accounts, and deposits with fiscal agents) was \$6,914,510 and the bank balance was \$7,409,724. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the City had cash on hand of \$450.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

Under the provisions of the City's investment policy the City may invest or deposit in the following:

- Local Agency Investment Fund (LAIF)
- Investment Trust of California (CalTRUST)
- Money Market Funds
- Nonnegotiable Certificates of Deposit
- Securities of the Federal Government or its Agencies

Fair Value of Investments - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The City's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2023, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Certificates of Deposit	\$ 701,861	\$ 701,861	\$ -	\$ -
Total Investments Measured at Fair Value	701,861	<u>\$ 701,861</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
CalTRUST	839,650			
LAIF	<u>8,635,761</u>			
Total Investments	<u>\$10,177,272</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of the purchase cannot occur without prior approval of the City Council.

As of June 30, 2023, the City had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
Certificates of Deposit	2.550%	\$ 234,497	\$ 467,364	\$ 701,861	1.92
CalTRUST	Variable	839,650	-	839,650	-
LAIF	Variable	<u>8,635,761</u>	-	<u>8,635,761</u>	-
Total Investments		<u>\$ 9,709,908</u>	<u>\$ 467,364</u>	<u>\$10,177,272</u>	<u>0.13</u>

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Certificates of Deposit	N/A	Unrated	Unrated	6.89%
CalTRUST	N/A	Unrated	Unrated	8.25%
LAIF	N/A	Unrated	Unrated	<u>84.86%</u>
Total				<u>100.00%</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third-party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) at June 30, 2023, did not exceed 5 percent or more of total City investments.

D. Investment in External Investment Pools

The City of Jackson maintains an investment in the Investment Trust of California (CalTRUST), administered by the California State Association of Counties (CSAC) Finance Corporation. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. At June 30, 2023, the City's investment in CalTRUST was \$839,650, and is based on the City's fair value per share provided by CalTRUST applied to the number of shares held by the City. There are no restrictions on withdrawal of funds.

The City of Jackson maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2023, the City's investment in LAIF valued at amortized cost was \$8,635,761 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178.4 billion. Of that amount, 97.22 percent is invested in non-derivative financial products and 2.78 percent in structured notes and asset-backed securities.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Transfers/ Adjustments	Balance June 30, 2023
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,472,252	\$ -	\$ -	\$ 1,472,252
Construction in progress	3,406,055	456,068	(5,315)	3,856,808
Total Capital Assets, Not Being Depreciated	4,878,307	456,068	(5,315)	5,329,060
Capital Assets, Being Depreciated:				
Buildings and improvements	6,548,694	-	5,315	6,554,009
Equipment	3,120,777	153,886	-	3,274,663
Right to use leased equipment	-	-	50,055	50,055
Infrastructure	14,720,330	387,395	-	15,107,725
Total Capital Assets, Being Depreciated	24,389,801	541,281	55,370	24,986,452
Less Accumulated Depreciation For:				
Buildings and improvements	(2,764,307)	(146,575)	-	(2,910,882)
Equipment	(2,778,320)	(65,644)	-	(2,843,964)
Right to use leased equipment	-	(11,744)	(11,744)	(23,488)
Infrastructure	(10,175,530)	(271,771)	-	(10,447,301)
Total Accumulated Depreciation	(15,718,157)	(495,734)	(11,744)	(16,225,635)
Total Capital Assets, Being Depreciated, Net	8,671,644	45,547	43,626	8,760,817
Governmental Activities Capital Assets, Net	\$ 13,549,951	\$ 501,615	\$ 38,311	\$ 14,089,877
	Balance July 1, 2022	Additions	Transfers/ Adjustments	Balance June 30, 2023
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 181,689	\$ -	\$ -	\$ 181,689
Construction in progress	64,317	-	(64,317)	-
Total Capital Assets, Not Being Depreciated:	246,006	-	(64,317)	181,689
Capital Assets, Being Depreciated:				
Buildings and improvements	3,718,902	-	-	3,718,902
Equipment	2,230,568	188,681	-	2,419,249
Infrastructure	27,375,878	55,160	64,317	27,495,355
Total Capital Assets, Being Depreciated:	33,325,348	243,841	64,317	33,633,506
Less Accumulated Depreciation For:				
Buildings and improvements	(2,670,798)	(71,984)	-	(2,742,782)
Equipment	(1,796,490)	(31,688)	-	(1,828,178)
Infrastructure	(8,777,956)	(803,318)	-	(9,581,274)
Total Accumulated Depreciation	(13,245,244)	(906,990)	-	(14,152,234)
Total Capital Assets, Being Depreciated, Net	20,080,104	(663,149)	64,317	19,481,272
Business-Type Activities Capital Assets, Net	\$ 20,326,110	(\$ 663,149)	\$ -	\$ 19,662,961

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation/Amortization

Depreciation/amortization expense was charged to governmental activities as follows:

General government	\$ 52,587
Public protection	52,297
Public ways and facilities	343,185
Culture and recreation	<u>47,665</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 495,734</u>

Depreciation expense was charged to business-type activities as follows:

Sewer Facilities	\$ 696,552
Treated Water	201,130
Parking	<u>9,308</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 906,990</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on street and bridge projects.

NOTE 5: INTERFUND TRANSACTIONS

Due From/To Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2023:

	<u>Due From Other funds</u>	<u>Due To Other funds</u>
Nonmajor governmental funds	\$ 707,218	\$ 529,134
Internal service funds	<u>-</u>	<u>178,084</u>
Total	<u>\$ 707,218</u>	<u>\$ 707,218</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 472,284	\$ 108,883
American Rescue Plan	-	23,066
Nonmajor governmental funds	177,552	543,407
Sewer Facilities	<u>25,580</u>	<u>60</u>
Total	<u>\$ 675,416</u>	<u>\$ 675,416</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 6: UNEARNED REVENUES

At June 30, 2023, components of unearned revenues were as follows:

Nonmajor governmental funds	
ARPA funds received in advance	\$ 1,134,764
Total	<u>\$ 1,134,764</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

Type of Indebtedness	Balance July 1, 2022	Adjustments/ Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 373,478	\$ 316,790	(\$ 192,574)	\$ 497,694	\$ 261,925
Right to use capital asset liability	-	38,116	(11,955)	26,161	11,979
Total Governmental Activities	<u>\$ 373,478</u>	<u>\$ 354,906</u>	<u>(\$ 204,529)</u>	<u>\$ 523,855</u>	<u>\$ 273,904</u>
Business-Type Activities					
Compensated absences	\$ 59,272	\$ 67,680	(67,882)	59,070	\$ 33,012
Customer advances	367,234	-	(42,219)	325,015	42,220
Loans	10,977,704	-	(323,771)	10,653,933	329,275
Bonds	220,000	-	(105,000)	115,000	115,000
Plus: Bonds Premium	3,696	-	(1,848)	1,848	1,848
Less: Unamortized Discount	(6,357)	-	3,178	(3,179)	(3,179)
Bonds (Net)	<u>217,339</u>	<u>-</u>	<u>(103,670)</u>	<u>113,669</u>	<u>113,669</u>
Total Business-Type Activities	<u>\$ 11,621,549</u>	<u>\$ 67,680</u>	<u>(\$ 537,542)</u>	<u>\$11,151,687</u>	<u>\$ 518,176</u>

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred, which is primarily the General fund.

Individual issues of debt payable outstanding at June 30, 2023, are as follows:

Business-Type Activities

Customer Advances:

Frontier Communications, payable in annual installments of \$13,841 to \$42,220. As part of the purchase agreement for Jackson Water Works, Inc. the City agreed to pay an amount equal to the annual refunds. Jackson Water Works, Inc. was obligated to pay pursuant to "Main Extension Contracts" executed after June 10, 1992.

\$ 325,015

Total Customer Advances

325,015

Loans:

California Water Resources Control Board loan, issued October 17, 2016, in the amount of \$11,950,521 and payable in annual installments of \$471,639 to \$511,431, with an interest rate of 1.70% and a maturity on January 28, 2049. The bonds were used to finance wastewater treatment plant facility upgrades.

10,653,933

Total Loans

10,653,933

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Bonds:

2010 Water Revenue Refunding Bonds, dated February 10, 2010, payable in annual installments of \$85,000 to \$330,000, with an interest rate of 2.0% to 4.0% and maturity on September 1, 2023. The bonds were used to refund the 1998 Water Revenue Refunding Bonds.

	115,000
Total Bonds	115,000
Total Business-Type Activities	\$ 11,093,948

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Business-Type Activities

Year Ended June 30	Customer Advances		
	Principal	Interest	Totals
2024	\$ 42,219	\$ -	\$ 42,219
2025	40,631	-	40,631
2026	38,723	-	38,723
2027	34,688	-	34,688
2028	31,045	-	31,045
2029-2032	137,709	-	137,709
Total	\$ 325,015	\$ -	\$ 325,015

Year Ended June 30	Loans		
	Principal	Interest	Totals
2024	\$ 329,275	\$ 181,117	\$ 510,392
2025	334,873	175,519	510,392
2026	340,566	169,826	510,392
2027	346,356	164,036	510,392
2028	352,244	158,188	510,432
2029-2033	1,853,102	698,859	2,551,961
2034-2038	2,016,063	535,898	2,551,961
2039-2043	2,193,355	358,606	2,551,961
2044-2048	2,386,238	165,724	2,551,962
2049	501,861	8,531	510,392
Total	\$ 10,653,933	\$ 2,616,304	\$ 13,270,237

Year Ended June 30	Bonds		
	Principal	Interest	Totals
2024	\$ 115,000	\$ 2,300	\$ 117,300
Total	\$ 115,000	\$ 2,300	\$ 117,300

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RIGHT TO USE CAPITAL ASSET LIABILITY

The City has entered into certain lease agreements, which were required to be reported under GASB 87.

	Incremental Borrowing Rate	Present Value of Remaining Payments at June 30, 2023
Governmental activities	0.20%	\$ 26,161
Total		\$ 26,161

Equipment and related accumulated depreciation under capital leases are as follows:

	Governmental Activities
Equipment	\$ 50,055
Less: accumulated depreciation	(23,468)
Net Value	\$ 26,567

As of June 30, 2023, capital lease annual amortization is as follows:

Year Ended June 30	Business-type Activities
2024	\$ 12,020
2025	10,778
2026	3,425
Total Requirements	26,223
Less Interest	(62)
Present Value of Remaining Payments	\$ 26,161

NOTE 9: PRIOR ADVANCE REFUNDING

The City of Jackson has defeased 1992 Certificates of Participation with an original issue amount of \$1,840,000. Proceeds of new debt was placed in an irrevocable trust to provide for all future debt service payments on the old debt. The escrow account assets and the liability for the defeased debt are not included in the City's financial statements. At June 30, 2023, the defeased debt outstanding but not shown in these financial statements was \$135,000.

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 10: NET POSITION (CONTINUED)

- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$16,120,496 of restricted net position, of which \$1,926,410 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

	General Fund	HOME Grant	Measure M	American Rescue Plan	Other Governmental Funds	Totals
Restricted for:						
Measure E	\$ 602,081	\$ -	\$ -	\$ -	\$ -	\$ 602,081
Home Grant	-	6,337,258	-	-	-	6,337,258
Measure M	-	-	1,324,329	-	-	1,324,329
American Rescue Plan	-	-	-	4,835	-	4,835
Argonaut Heights	-	-	-	-	5,260	5,260
Essential Services	-	-	-	-	688,215	688,215
Recycling Promo	-	-	-	-	2,986	2,986
CRWQCB	-	-	-	-	136,924	136,924
Local Transportation	-	-	-	-	199,100	199,100
Parkland	-	-	-	-	830,175	830,175
Regional Parks	-	-	-	-	29,560	29,560
Streets and Bridges	-	-	-	-	1,073,494	1,073,494
Argonaut Lane Improvements	-	-	-	-	37,155	37,155
New York Ranch Rd Forfeiture	-	-	-	-	2,496	2,496
Community Development Capital Projects	-	-	-	-	2,715,124	2,715,124
	-	-	-	-	28,007	28,007
Subtotal	<u>602,081</u>	<u>6,337,258</u>	<u>1,324,329</u>	<u>4,835</u>	<u>5,748,496</u>	<u>14,016,999</u>
Committed:						
General Fund Reserve	<u>787,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,189</u>
Subtotal	<u>787,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,189</u>
Assigned:						
Road Maintenance	-	-	-	-	220,644	220,644
HES Signs	-	-	-	-	13,258	13,258
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,902</u>	<u>233,902</u>
Unassigned	<u>2,329,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(597,465)</u>	<u>1,732,386</u>
Total	<u>\$3,719,121</u>	<u>\$ 6,337,258</u>	<u>\$ 1,324,329</u>	<u>\$ 4,835</u>	<u>\$ 5,384,933</u>	<u>\$16,770,476</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The City Council adopted the City of Jackson fund balance policy in January 2013. The policy establishes procedures for reporting fund balance classifications. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: PENSION PLAN

A. General Information about the Pension Plan

All qualified permanent and probationary employees are eligible to participate in the City’s Safety police, Safety fire, and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the City added retirement tiers for both the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City’s retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPRA	Safety members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety Police	Safety police members hired before January 1, 2013
Safety Fire	Safety fire members hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50-55	2.000% to 2.500%
Miscellaneous PEPRA	2.0% @ 62	52-62	1.000% to 2.500%
Safety Police	3.0% @ 50	50	3.000%
Safety Police PEPRA	2.7% @ 57	50-57	2.000% to 2.700%
Safety Fire	2.0% @ 50	50	2.000% to 2.700%
Safety Fire PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	12.210%	8.000%	0.000%
Miscellaneous PEPRA	7.470%	6.750%	0.000%
Safety Police	22.470%	9.000%	2.500%
Safety Police PEPRA	12.780%	13.000%	0.000%
Safety Fire	18.170%	9.000%	0.000%
Safety Fire PEPRA	12.780%	13.000%	0.000%

For the year ended June 30, 2023, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 440,522	\$ -
Safety	329,405	-

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Proportion June 30, 2022</u>	<u>Proportion June 30, 2023</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.17370%	.10784%	(.06586%)
Safety	.04268%	.04213%	(.00055%)

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 5,046,090
Safety	<u>2,895,283</u>
Total Net Pension Liability	<u>\$ 7,941,373</u>

For the year ended June 30, 2023, the City recognized a pension credit of \$989,207. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 824,064	\$ -
Change of assumptions	809,010	-
Difference between expected and actual experience	221,161	(99,311)
Difference between projected and actual earnings on pension plan investments	1,381,515	-
Differences between City contributions and proportionate share of contributions	-	(224,497)
Amortization due to differences in proportions	<u>173,713</u>	<u>(787,143)</u>
Total	<u>\$ 3,409,463</u>	<u>(\$ 1,110,951)</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

\$824,064 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended	
<u>June 30</u>	
2024	\$ 287,742
2025	224,255
2026	118,210
2027	844,241
Thereafter	<u>-</u>
Total	<u>\$ 1,474,448</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERFC was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

Sensitivity of the 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 for each rate tier as of the measurement date, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
Miscellaneous	\$ 6,977,397	\$ 5,046,090	\$ 3,457,103
Safety	4,327,932	2,895,283	1,724,417

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The City's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the City. The Plan is a single-employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). The City Council reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City provides the following OPEB: lifetime retiree medical coverage.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous PEPR employee) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. It is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not a City retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City's current PEMHCA resolutions define the City's contribution toward the medical plan premiums for active employees and retirees to be \$350 per month. The benefit level has not been increased since it was set in 2017 and the City reported that it is not ever expected to be increased.

Monthly contributions from the City may not be less than a required PEMHCA Minimum Employer Contribution (MEC). The MEC is \$151 per month in 2023 and increases by medical Consumer Price Index. If the \$350 per month benefit is not increased, as expected, the MEC will eventually exceed the \$350 benefit.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

The 2022 CalPERS monthly medical plan rates in the Region 1 rate group are shown in the table below. The CalPERS administration fee is assumed to be expensed each year and has not been projected as an OPEB liability.

Region 1 2022 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	EE Only	EE + 1	EE + 2+	EE Only	EE + 1	EE + 2+
Kaiser HMO	\$ 857.06	\$ 1,714.12	\$ 2,228.36	\$ 302.53	\$ 605.06	\$ 1,119.30
PERS Platinum PPO	1,057.01	2,114.02	2,748.23	381.94	763.88	1,398.09
PERS Gold PPO	701.23	1,402.46	1,823.20	377.41	754.82	1,175.56
PORAC Region 1	799.00	1,725.00	2,219.00	461.00	919.00	1,413.00

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following plan members were covered by the benefit terms:

Inactive plan members currently receiving benefits payments	18
Inactive plan members entitled to but not receiving benefits	21
Active plan members	<u>30</u>
Total	<u><u>69</u></u>

B. Net OPEB Liability

The City's net OPEB liability of \$1,457,159, was measured as of June 30, 2023, and was determined by the actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal cost, level percent of pay
General Inflation	2.50% per year
Salary Increases	3.00% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between services.
Discount rate	4.13%
Healthcare cost trend rates	5.8% in 2023, fluctuates to 3.9% in 2076 and later
Mortality Improvement	CalPERS 2021 Experience Study; projected with MacLeod Watts Scale 2022

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019.

C. Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2022	\$ 1,432,521
Changes for the year:	
Service cost	69,084
Interest cost	59,416
Change in assumptions	(6,087)
Benefit payments	(97,775)
Net Changes	24,638
Balance at June 30, 2023	\$ 1,457,159

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
Net OPEB liability	\$ 1,645,184	\$ 1,457,159	\$ 1,302,555

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net 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 trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,375,888	\$ 1,457,159	\$ 1,589,671

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$27,086. At June 30, 2023, 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
Changes of assumptions	\$ 103,897	(\$ 493,700)
Differences between expected and actual experience	-	208,348
Total	\$ 103,897	(\$ 702,048)

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

Year Ended June 30		
2024		(\$ 101,414)
2025		(103,676)
2026		(111,049)
2027		(115,054)
2028		(97,210)
Thereafter		(69,748)
		(\$ 598,151)

NOTE 14: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has a Risk Management fund (internal service fund) to account for and finance its uninsured risks of loss for workers' compensation and liability.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The City is a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured \$25,000 retention for liability and the self-insured \$100,000 retention for workers compensation. The NCCSIF is composed of 22 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing. The City pays an annual premium to NCCSIF for its insurance coverage.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 14: RISK MANAGEMENT (CONTINUED)

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Code. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Jackson council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The participants as of June 30, 2023 were as follows:

- Anderson
- Auburn
- Colusa
- Corning
- Dixon
- Elk Grove
- Folsom
- Galt
- Gridley
- Ione
- Jackson
- Lincoln
- Marysville
- Nevada City
- Oroville
- Paradise
- Placerville
- Red Bluff
- Rio Vista
- Rocklin
- Willows
- Yuba City

The City's investment in NCCSIF of \$34,327 is recorded in the Internal Service fund as prepaid insurance. The net change is shown as an income or expense item in the Internal Service fund.

NOTE 15: OTHER INFORMATION

A. Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 15: OTHER INFORMATION (CONTINUED)

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2023 through February 12, 2024, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023
Last 10 Years*

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Miscellaneous Plan				
Proportion of the net pension liability	0.04429%	0.04840%	0.04520%	0.05015%
Proportionate share of the net pension liability	\$ 2,756,209	\$ 3,324,051	\$ 3,906,887	\$ 4,339,347
Covered payroll	786,634	902,696	754,110	788,960
Proportionate share of the net pension liability as a percentage of covered payroll	350.38%	368.24%	518.08%	550.01%
Plan fiduciary net position as a percentage of the total pension liability	75.28%	70.84%	67.55%	66.54%
Safety Plan				
Proportion of the net pension liability	0.02115%	0.01950%	0.02020%	0.02355%
Proportionate share of the net pension liability	\$ 1,315,913	\$ 1,337,332	\$ 1,745,019	\$ 2,037,610
Covered payroll	483,703	689,008	879,183	792,629
Proportionate share of the net pension liability as a percentage of covered payroll	272.05%	194.10%	198.48%	257.07%
Plan fiduciary net position as a percentage of the total pension liability	79.12%	79.19%	74.81%	74.39%

* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
0.11203%	0.11032%	0.10874%	0.17370%	0.10784%
\$ 4,222,192 748,079	\$ 4,417,696 815,790	\$ 4,586,802 865,050	\$ 3,298,186 846,681	\$ 5,046,090 1,005,191
564.40%	541.52%	530.24%	389.54%	502.00%
67.49%	67.15%	66.75%	75.87%	64.38%
0.03515%	0.03620%	0.03755%	0.04268%	0.04213%
\$ 2,062,427 808,492	\$ 2,259,667 862,973	\$ 2,501,608 902,243	\$ 1,497,838 841,954	\$ 2,895,283 906,382
255.10%	261.85%	277.27%	177.90%	319.43%
75.68%	74.16%	73.17%	84.33%	72.09%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2023
Last 10 Years*

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Miscellaneous Plan				
Contractually required contributions (actuarially determined)	\$ 205,182	\$ 71,607	\$ 69,674	\$ 332,037
Contributions in relation to the actuarially determined contributions	<u>(205,182)</u>	<u>(304,271)</u>	<u>(314,950)</u>	<u>(332,037)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (232,664)</u>	<u>\$ (245,276)</u>	<u>\$ -</u>
Covered payroll	\$ 902,696	\$ 754,110	\$ 788,960	\$ 748,079
Contributions as a percentage of covered payroll	22.73%	40.35%	39.92%	44.39%
Safety Plan				
Contractually required contributions (actuarially determined)	\$ 243,946	\$ 137,721	\$ 128,370	\$ 210,009
Contributions in relation to the actuarially determined contributions	<u>(243,946)</u>	<u>(194,352)</u>	<u>(193,773)</u>	<u>(210,009)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (56,631)</u>	<u>\$ (65,403)</u>	<u>\$ -</u>
Covered payroll	\$ 689,008	\$ 879,183	\$ 792,629	\$ 808,492
Contributions as a percentage of covered payroll	35.41%	22.11%	24.45%	25.98%

* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 375,058	\$ 395,687	\$ 406,587	\$ 440,522	\$ 477,791
<u>(375,058)</u>	<u>(395,687)</u>	<u>(406,587)</u>	<u>(440,522)</u>	<u>(477,791)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 815,790 45.97%	\$ 865,050 45.74%	\$ 846,681 48.02%	\$ 1,005,191 43.82%	\$ 1,123,648 42.52%
\$ 236,605	\$ 288,817	\$ 301,207	\$ 329,405	\$ 346,273
<u>(236,605)</u>	<u>(288,817)</u>	<u>(301,207)</u>	<u>(329,405)</u>	<u>(346,273)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 862,973 27.42%	\$ 902,243 32.01%	\$ 841,954 35.77%	\$ 906,382 36.34%	\$ 898,924 38.52%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2023

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll (Pre-2019 basis), Level Dollar
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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CITY OF JACKSON
Required Supplementary Information
City OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
Last 10 Years*

	<u>2017/218</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Total OPEB Liability				
Service Cost	\$ 117,019	\$ 127,443	\$ 136,047	\$ 95,036
Interest	64,101	64,054	64,767	46,339
Changes of assumptions and other inputs	62,362	42,939	(380,392)	113,943
Benefit payments	(102,766)	(113,714)	(116,785)	(112,004)
Plan experience	-	-	(244,339)	-
Net Change in Total OPEB Liability	140,716	120,722	(540,702)	143,314
Total OPEB Liability - Beginning	<u>1,982,313</u>	<u>2,123,029</u>	<u>2,243,751</u>	<u>1,703,049</u>
Total OPEB Liability - Ending (a)	<u>\$ 2,123,029</u>	<u>\$ 2,243,751</u>	<u>\$ 1,703,049</u>	<u>\$ 1,846,363</u>
Plan Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,123,029</u>	<u>\$ 2,243,751</u>	<u>\$ 1,703,049</u>	<u>\$ 1,846,363</u>
Covered-employee payroll	\$ 1,743,954	\$ 1,960,074	\$ 2,000,000	\$ 1,627,010
Net OPEB liability as a percentage of covered-employee payroll	121.74%	114.47%	85.15%	113.48%

* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only six years are shown.

<u>2021/2022</u>	<u>2022/2023</u>
\$ 108,654	\$ 69,084
41,588	59,416
(370,052)	(6,087)
(94,633)	(97,775)
(99,399)	-
(413,842)	24,638
<u>1,846,363</u>	<u>1,432,521</u>
<u>\$ 1,432,521</u>	<u>\$ 1,457,159</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 1,432,521</u>	<u>\$ 1,457,159</u>
\$ 1,987,912	\$ 2,129,549
72.06%	68.43%

CITY OF JACKSON
Required Supplementary Information
City OPEB Plan
Note to City OPEB Plan
For the Year Ended June 30, 2023

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Summary of Changes of Benefits or Assumptions

Discount Rate: The discount rate was changed from 4.09 percent as of June 30, 2022, to 4.13 percent as of June 30, 2023 based on the published change in return for the applicable municipal bond index.

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,928,910	\$ 2,928,910	\$ 3,160,291	\$ 231,381
Licenses and permits	240,100	240,100	248,416	8,316
Fines and forfeitures	6,900	6,900	7,356	456
Use of money and property	9,000	9,000	98,575	89,575
Intergovernmental	815,893	815,893	692,846	(123,047)
Charges for services	675,050	675,050	722,831	47,781
Other revenues	35,700	35,700	180,204	144,504
Total Revenues	<u>4,711,553</u>	<u>4,711,553</u>	<u>5,110,519</u>	<u>398,966</u>
EXPENDITURES				
Current:				
General government	1,358,445	1,358,445	1,262,358	96,087
Public protection	2,303,550	2,303,550	2,290,070	13,480
Public ways and facilities	755,504	755,504	697,073	58,431
Culture and recreation	216,712	216,712	324,194	(107,482)
Debt service				
Principal	-	-	11,955	(11,955)
Interest and other charges	-	-	59	(59)
Capital outlay	70,000	70,000	260,564	(190,564)
Total Expenditures	<u>4,704,211</u>	<u>4,704,211</u>	<u>4,846,273</u>	<u>(142,062)</u>
Excess of Revenues Over (Under) Expenditures	<u>7,342</u>	<u>7,342</u>	<u>264,246</u>	<u>256,904</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	6,750	6,750
Transfers in	-	-	472,284	472,284
Transfers out	-	-	(108,883)	(108,883)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>370,151</u>	<u>370,151</u>
Net Change in Fund Balances	7,342	7,342	634,397	627,055
Fund Balances - Beginning	<u>3,084,724</u>	<u>3,084,724</u>	<u>3,084,724</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,092,066</u>	<u>\$ 3,092,066</u>	<u>\$ 3,719,121</u>	<u>\$ 627,055</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ 634,397

The amount reported in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances was different because:

Expenditure reimbursements were included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.

Charges for services	(630,750)
General government	<u>630,750</u>

Net Change in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balances \$ 634,397

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
Measure M
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 613,000	\$ 613,000	\$ 814,848	\$ 201,848
Use of money and property	-	-	11,884	11,884
Total Revenues	<u>613,000</u>	<u>613,000</u>	<u>826,732</u>	<u>213,732</u>
EXPENDITURES				
Current:				
Community development	<u>618,800</u>	<u>618,800</u>	<u>626,439</u>	<u>(7,639)</u>
Total Expenditures	<u>618,800</u>	<u>618,800</u>	<u>626,439</u>	<u>(7,639)</u>
Net Change in Fund Balances	(5,800)	(5,800)	200,293	206,093
Fund Balances - Beginning	<u>1,124,036</u>	<u>1,124,036</u>	<u>1,124,036</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,118,236</u>	<u>\$ 1,118,236</u>	<u>\$ 1,324,329</u>	<u>\$ 206,093</u>

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
American Rescue Plan
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 9,791	\$ 9,791
Intergovernmental	578,915	578,915	23,066	(555,849)
Total Revenues	<u>578,915</u>	<u>578,915</u>	<u>32,857</u>	<u>(546,058)</u>
EXPENDITURES				
Current:				
General government	578,915	578,915	-	578,915
Total Expenditures	<u>578,915</u>	<u>578,915</u>	<u>-</u>	<u>578,915</u>
Net Change in Fund Balances	-	-	32,857	32,857
Fund Balances - Beginning	<u>(4,956)</u>	<u>(4,956)</u>	<u>(4,956)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (4,956)</u>	<u>\$ (4,956)</u>	<u>\$ 27,901</u>	<u>\$ 32,857</u>

CITY OF JACKSON
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2023

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budget to actual results for the General fund and major special revenue fund. There were no expenditures in and the City did not adopt a budget for the HOME Grant major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The City Manager submits to the City Council a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The City Council reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Council also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended June 30, 2023, the City incurred expenditures in excess of appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	Excess of Expenditures Over <u>Appropriations</u>
General Fund	\$ 4,704,211	\$ 4,846,273	\$ 142,062
Measure M	618,800	626,439	7,639

Combining Nonmajor Fund Financial Statements

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Nonmajor Governmental Funds

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and investments	\$ 3,781,804	\$ 27,952	\$ 3,809,756
Receivables:			
Interest	16,975	55	17,030
Intergovernmental	351,191	131,534	482,725
Due from other funds	707,218		707,218
Loans receivable	1,448,394	-	1,448,394
	Total Assets	\$ 159,541	\$ 6,465,123
LIABILITIES			
Accounts payable	\$ 26,117	\$ 62,864	\$ 88,981
Retentions payable	-	2,616	2,616
Due to other funds	408,770	120,364	529,134
	Total Liabilities	185,844	620,731
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	327,925	131,534	459,459
	Total Deferred Inflows of Resources	131,534	459,459
FUND BALANCES			
Restricted	5,720,489	28,007	5,748,496
Assigned	233,902	-	233,902
Unassigned	(411,621)	(185,844)	(597,465)
	Total Fund Balances (Deficits)	(157,837)	5,384,933
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 159,541	\$ 6,465,123

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue	Capital Projects	Totals
REVENUES			
Use of money and property	\$ 85,142	\$ 235	\$ 85,377
Intergovernmental	680,028	766,960	1,446,988
Other revenues	400	-	400
Total Revenues	<u>765,570</u>	<u>767,195</u>	<u>1,532,765</u>
EXPENDITURES			
Current:			
General government	405,072	7,187	412,259
Public ways and facilities	26,098	-	26,098
Capital outlay	290,230	446,555	736,785
Total Expenditures	<u>721,400</u>	<u>453,742</u>	<u>1,175,142</u>
Excess of Revenues Over (Under) Expenditures	<u>44,170</u>	<u>313,453</u>	<u>357,623</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	177,552	-	177,552
Transfers out	(543,407)	-	(543,407)
Total Other Financing Sources (Uses)	<u>(365,855)</u>	<u>-</u>	<u>(365,855)</u>
Net Change in Fund Balances	<u>(321,685)</u>	<u>313,453</u>	<u>(8,232)</u>
Fund Balances (Deficits) - Beginning	<u>5,864,455</u>	<u>(471,290)</u>	<u>5,393,165</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,542,770</u>	<u>\$ (157,837)</u>	<u>\$ 5,384,933</u>

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	<u>Argonaut Heights</u>	<u>CDBG Revolving</u>	<u>CDBG Discretionary</u>	<u>Home PI</u>	<u>First Time Homebuyers 2005</u>
ASSETS					
Cash and investments	\$ 5,239	\$ 56	\$ 101,804	\$ 1,160,362	\$ -
Receivables:					
Interest	21	21	393	4,094	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	101,649	-	-	409,595
Total Assets	<u>\$ 5,260</u>	<u>\$ 101,726</u>	<u>\$ 102,197</u>	<u>\$ 1,164,456</u>	<u>\$ 409,595</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	5,260	101,726	102,197	1,164,456	409,595
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>5,260</u>	<u>101,726</u>	<u>102,197</u>	<u>1,164,456</u>	<u>409,595</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,260</u>	<u>\$ 101,726</u>	<u>\$ 102,197</u>	<u>\$ 1,164,456</u>	<u>\$ 409,595</u>

First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	CRWQCB	RMRA RD-Maint	Local Transportation
\$ -	\$ -	\$ 685,501	\$ 2,974	\$ -	\$ 136,924	\$ 219,845	\$ 198,311
-	-	2,714	12	-	-	799	789
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
221,668	493,681	-	-	-	-	-	-
<u>\$ 221,668</u>	<u>\$ 493,681</u>	<u>\$ 688,215</u>	<u>\$ 2,986</u>	<u>\$ -</u>	<u>\$ 136,924</u>	<u>\$ 220,644</u>	<u>\$ 199,100</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
221,668	493,681	688,215	2,986	-	136,924	-	199,100
-	-	-	-	-	-	220,644	-
-	-	-	-	-	-	-	-
221,668	493,681	688,215	2,986	-	136,924	220,644	199,100
<u>\$ 221,668</u>	<u>\$ 493,681</u>	<u>\$ 688,215</u>	<u>\$ 2,986</u>	<u>\$ -</u>	<u>\$ 136,924</u>	<u>\$ 220,644</u>	<u>\$ 199,100</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	HES Signs	HCD Lead	Gen Plan Grant	Parkland In Lieu	Regional Parks
ASSETS					
Cash and investments	\$ 13,206	\$ -	\$ -	\$ 826,484	\$ 29,560
Receivables:					
Interest	52	-	-	3,691	-
Intergovernmental	-	18,388	100,087	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	\$ 13,258	\$ 18,388	\$ 100,087	\$ 830,175	\$ 29,560
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 525	\$ -	\$ -
Due to other funds	-	22,838	100,242	-	-
Total Liabilities	-	22,838	100,767	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	18,388	100,087	-	-
Total Deferred Inflows of Resources	-	18,388	100,087	-	-
FUND BALANCES					
Restricted	-	-	-	830,175	29,560
Assigned	13,258	-	-	-	-
Unassigned	-	(22,838)	(100,767)	-	-
Total Fund Balances (Deficits)	13,258	(22,838)	(100,767)	830,175	29,560
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,258	\$ 18,388	\$ 100,087	\$ 830,175	\$ 29,560

SLESF	Streets and Bridges	Regional Traffic	FTHB 2011	PSPS Grant	ESG-CV ATCAA	HHAP R2 Grant	CV 1 CC Roof
\$ -	\$ 362,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,233	-	-	-	-	-	-
86,159	-	-	-	-	-	38,176	-
-	707,218	-	-	-	-	-	-
-	-	-	221,801	-	-	-	-
<u>\$ 86,159</u>	<u>\$ 1,073,494</u>	<u>\$ -</u>	<u>\$ 221,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,176</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192	\$ 5,510
-	-	-	-	-	-	38,053	7,582
-	-	-	-	-	-	38,245	13,092
86,159	-	-	-	-	-	38,176	-
86,159	-	-	-	-	-	38,176	-
-	1,073,494	-	221,801	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(38,245)	(13,092)
-	1,073,494	-	221,801	-	-	(38,245)	(13,092)
<u>\$ 86,159</u>	<u>\$ 1,073,494</u>	<u>\$ -</u>	<u>\$ 221,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,176</u>	<u>\$ -</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	CV2 Utilities	Park Per Capita	HHAP R3	ECRG	Storm Damage 23
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Interest	-	-	-	-	-
Intergovernmental	-	20,000	24,716	63,665	-
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	\$ -	\$ 20,000	\$ 24,716	\$ 63,665	\$ -
LIABILITIES					
Accounts payable	\$ 4,798	\$ -	\$ 652	\$ 14,440	\$ -
Due to other funds	1,777	112,912	24,464	49,224	51,678
Total Liabilities	6,575	112,912	25,116	63,664	51,678
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	20,000	1,450	63,665	-
Total Deferred Inflows of Resources	-	20,000	1,450	63,665	-
FUND BALANCES					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(6,575)	(112,912)	(1,850)	(63,664)	(51,678)
Total Fund Balances (Deficits)	(6,575)	(112,912)	(1,850)	(63,664)	(51,678)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 20,000	\$ 24,716	\$ 63,665	\$ -

<u>Argonaut Lane Improvement</u>	<u>New York Ranch Road Forfeiture</u>	<u>Totals</u>
\$ 37,009	\$ 2,486	\$ 3,781,804
146	10	16,975
-	-	351,191
-	-	707,218
-	-	1,448,394
<u>\$ 37,155</u>	<u>\$ 2,496</u>	<u>\$ 6,305,582</u>
\$ -	\$ -	\$ 26,117
-	-	408,770
-	-	434,887
-	-	327,925
-	-	327,925
37,155	2,496	5,720,489
-	-	233,902
-	-	(411,621)
<u>37,155</u>	<u>2,496</u>	<u>5,542,770</u>
<u>\$ 37,155</u>	<u>\$ 2,496</u>	<u>\$ 6,305,582</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Argonaut Heights	CDBG Revolving	CDBG Discretionary	Home PI	First Time Homebuyers 2005
REVENUES					
Use of money and property	\$ 73	\$ 874	\$ 1,393	\$ 9,387	\$ 8,159
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	<u>73</u>	<u>874</u>	<u>1,393</u>	<u>9,387</u>	<u>8,159</u>
EXPENDITURES					
Current:					
General government	-	-	3,690	6,000	-
Public ways and facilities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,690</u>	<u>6,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>73</u>	<u>874</u>	<u>(2,297)</u>	<u>3,387</u>	<u>8,159</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	6,250	131,487	-
Transfers out	-	(6,250)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,250)</u>	<u>6,250</u>	<u>131,487</u>	<u>-</u>
Net Change in Fund Balances	73	(5,376)	3,953	134,874	8,159
Fund Balances (Deficits) - Beginning	<u>5,187</u>	<u>107,102</u>	<u>98,244</u>	<u>1,029,582</u>	<u>401,436</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,260</u>	<u>\$ 101,726</u>	<u>\$ 102,197</u>	<u>\$ 1,164,456</u>	<u>\$ 409,595</u>

First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	CRWQCB	RMRA RD-Maint	Local Transportation
\$ 4,530	\$ 10,480	\$ 9,341	\$ -	\$ -	\$ 939	\$ 514	\$ 1,779
-	-	-	4,998	137,285	-	111,975	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,530</u>	<u>10,480</u>	<u>9,341</u>	<u>4,998</u>	<u>137,285</u>	<u>939</u>	<u>112,489</u>	<u>1,779</u>
-	-	-	2,000	-	62,555	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	<u>2,000</u>	-	<u>62,555</u>	-	-
<u>4,530</u>	<u>10,480</u>	<u>9,341</u>	<u>2,998</u>	<u>137,285</u>	<u>(61,616)</u>	<u>112,489</u>	<u>1,779</u>
-	-	-	-	-	60	-	-
-	(9,000)	-	-	(147,376)	-	-	-
-	(9,000)	-	-	(147,376)	60	-	-
<u>4,530</u>	<u>1,480</u>	<u>9,341</u>	<u>2,998</u>	<u>(10,091)</u>	<u>(61,556)</u>	<u>112,489</u>	<u>1,779</u>
<u>217,138</u>	<u>492,201</u>	<u>678,874</u>	<u>(12)</u>	<u>10,091</u>	<u>198,480</u>	<u>108,155</u>	<u>197,321</u>
<u>\$ 221,668</u>	<u>\$ 493,681</u>	<u>\$ 688,215</u>	<u>\$ 2,986</u>	<u>\$ -</u>	<u>\$ 136,924</u>	<u>\$ 220,644</u>	<u>\$ 199,100</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	HES Signs	HCD Lead	Gen Plan Grant	Parkland In Lieu	Regional Parks
REVENUES					
Use of money and property	\$ 184	\$ -	\$ -	\$ 15,778	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	184	-	-	15,778	-
EXPENDITURES					
Current:					
General government	-	4,450	63,002	-	-
Public ways and facilities	-	-	-	-	-
Capital outlay	-	-	-	194,793	-
Total Expenditures	-	4,450	63,002	194,793	-
Excess of Revenues Over (Under) Expenditures	184	(4,450)	(63,002)	(179,015)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	184	(4,450)	(63,002)	(179,015)	-
Fund Balances (Deficits) - Beginning	13,074	(18,388)	(37,765)	1,009,190	29,560
Fund Balances (Deficits) - Ending	\$ 13,258	\$ (22,838)	\$ (100,767)	\$ 830,175	\$ 29,560

SLESE	Streets and Bridges	Regional Traffic	FTHB 2011	PSPS Grant	ESG-CV ATCAA	HHAP R2 Grant	CV 1 CC Roof
\$ -	\$ 14,645	\$ -	\$ 5,558	\$ 984	\$ -	\$ -	\$ -
232,714	-	-	-	2,279	26,912	23,823	73,192
-	-	-	-	-	-	-	-
-	-	-	-	-	400	-	-
<u>232,714</u>	<u>14,645</u>	<u>-</u>	<u>5,558</u>	<u>3,263</u>	<u>27,312</u>	<u>23,823</u>	<u>73,192</u>
-	-	34,920	-	2,280	11,128	46,909	7,553
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,514
-	-	<u>34,920</u>	<u>-</u>	<u>2,280</u>	<u>11,128</u>	<u>46,909</u>	<u>17,067</u>
<u>232,714</u>	<u>14,645</u>	<u>(34,920)</u>	<u>5,558</u>	<u>983</u>	<u>16,184</u>	<u>(23,086)</u>	<u>56,125</u>
-	-	16,545	-	-	144	-	-
<u>(232,714)</u>	<u>-</u>	<u>-</u>	<u>(122,487)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(232,714)</u>	<u>-</u>	<u>16,545</u>	<u>(122,487)</u>	<u>-</u>	<u>144</u>	<u>-</u>	<u>-</u>
-	14,645	(18,375)	(116,929)	983	16,328	(23,086)	56,125
-	<u>1,058,849</u>	<u>18,375</u>	<u>338,730</u>	<u>(983)</u>	<u>(16,328)</u>	<u>(15,159)</u>	<u>(69,217)</u>
<u>\$ -</u>	<u>\$ 1,073,494</u>	<u>\$ -</u>	<u>\$ 221,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,245)</u>	<u>\$ (13,092)</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	<u>CV2 Utilities</u>	<u>Park Per Capita</u>	<u>HHAP R3</u>	<u>ECRG</u>	<u>Storm Damage 23</u>
REVENUES					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,923	-	23,267	34,660	-
Other revenues	-	-	-	-	-
Total Revenues	<u>8,923</u>	<u>-</u>	<u>23,267</u>	<u>34,660</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	14,078	-	48,183	98,324	-
Public ways and facilities	-	-	-	-	26,098
Capital outlay	-	85,923	-	-	-
Total Expenditures	<u>14,078</u>	<u>85,923</u>	<u>48,183</u>	<u>98,324</u>	<u>26,098</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,155)</u>	<u>(85,923)</u>	<u>(24,916)</u>	<u>(63,664)</u>	<u>(26,098)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	23,066	-	-
Transfers out	-	-	-	-	(25,580)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>23,066</u>	<u>-</u>	<u>(25,580)</u>
Net Change in Fund Balances	<u>(5,155)</u>	<u>(85,923)</u>	<u>(1,850)</u>	<u>(63,664)</u>	<u>(51,678)</u>
Fund Balances (Deficits) - Beginning	<u>(1,420)</u>	<u>(26,989)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ (6,575)</u>	<u>\$ (112,912)</u>	<u>\$ (1,850)</u>	<u>\$ (63,664)</u>	<u>\$ (51,678)</u>

<u>Argonaut Lane Improvement</u>	<u>New York Ranch Road Forfeiture</u>	<u>Totals</u>
\$ 517	\$ 7	\$ 85,142
-	-	680,028
-	-	400
<u>517</u>	<u>7</u>	<u>765,570</u>
-	-	405,072
-	-	26,098
-	-	290,230
-	-	721,400
<u>517</u>	<u>7</u>	<u>44,170</u>
-	-	177,552
-	-	(543,407)
-	-	(365,855)
517	7	(321,685)
<u>36,638</u>	<u>2,489</u>	<u>5,864,455</u>
<u>\$ 37,155</u>	<u>\$ 2,496</u>	<u>\$ 5,542,770</u>

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Nonmajor Governmental Funds

- **Capital Project Funds**

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2023

	<u>South Ave Bridge</u>	<u>Pitt Street Bridge</u>	<u>French Bar Bridge</u>	<u>Sidewalk Improvement</u>	<u>Hwy 49 Lights</u>
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Interest	-	-	-	-	-
Intergovernmental	4,190	21,167	74,921	-	7,511
Total Assets	<u>\$ 4,190</u>	<u>\$ 21,167</u>	<u>\$ 74,921</u>	<u>\$ -</u>	<u>\$ 7,511</u>
LIABILITIES					
Accounts payable	\$ 4,345	\$ 11,740	\$ 44,664	\$ -	\$ 2,115
Retentions payable	-	-	-	-	-
Due to other funds	14,219	9,427	59,881	263	13,697
Total Liabilities	<u>18,564</u>	<u>21,167</u>	<u>104,545</u>	<u>263</u>	<u>15,812</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	4,190	21,167	74,921	-	7,511
Total Deferred Inflows of Resources	<u>4,190</u>	<u>21,167</u>	<u>74,921</u>	<u>-</u>	<u>7,511</u>
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Unassigned	(18,564)	(21,167)	(104,545)	(263)	(15,812)
Total Fund Balances (Deficits)	<u>(18,564)</u>	<u>(21,167)</u>	<u>(104,545)</u>	<u>(263)</u>	<u>(15,812)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,190</u>	<u>\$ 21,167</u>	<u>\$ 74,921</u>	<u>\$ -</u>	<u>\$ 7,511</u>

Sutter Street	Street Stripe	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 3,942	\$ 24,010	\$ -	\$ 27,952
-	15	40	-	55
23,745	-	-	-	131,534
<u>\$ 23,745</u>	<u>\$ 3,957</u>	<u>\$ 24,050</u>	<u>\$ -</u>	<u>\$ 159,541</u>
\$ -	\$ -	\$ -	\$ -	\$ 62,864
-	-	-	2,616	2,616
22,877	-	-	-	120,364
22,877	-	-	2,616	185,844
23,745	-	-	-	131,534
23,745	-	-	-	131,534
-	3,957	24,050	-	28,007
(22,877)	-	-	(2,616)	(185,844)
(22,877)	3,957	24,050	(2,616)	(157,837)
<u>\$ 23,745</u>	<u>\$ 3,957</u>	<u>\$ 24,050</u>	<u>\$ -</u>	<u>\$ 159,541</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended June 30, 2023

	<u>South Ave Bridge</u>	<u>Pitt Street Bridge</u>	<u>French Bar Bridge</u>	<u>Sidewalk Improvement</u>	<u>Hwy 49 Lights</u>
REVENUES					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	52,899	125,765	89,712	-	-
Total Revenues	<u>52,899</u>	<u>125,765</u>	<u>89,712</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	2,297	142	446	-	4,302
Capital outlay	37,416	72,702	64,434	-	4,512
Total Expenditures	<u>39,713</u>	<u>72,844</u>	<u>64,880</u>	<u>-</u>	<u>8,814</u>
Net Change in Fund Balances	13,186	52,921	24,832	-	(8,814)
Fund Balances (Deficits) - Beginning	<u>(31,750)</u>	<u>(74,088)</u>	<u>(129,377)</u>	<u>(263)</u>	<u>(6,998)</u>
Fund Balances (Deficits) - Ending	<u>\$ (18,564)</u>	<u>\$ (21,167)</u>	<u>\$ (104,545)</u>	<u>\$ (263)</u>	<u>\$ (15,812)</u>

Sutter Street	Street Stripe	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 246	\$ (11)	\$ -	\$ 235
489,763	-	8,821	-	766,960
489,763	246	8,810	-	767,195
-	-	-	-	7,187
267,491	-	-	-	446,555
267,491	-	-	-	453,742
222,272	246	8,810	-	313,453
(245,149)	3,711	15,240	(2,616)	(471,290)
\$ (22,877)	\$ 3,957	\$ 24,050	\$ (2,616)	\$ (157,837)

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Nonmajor Proprietary Funds

- **Enterprise Funds**

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CITY OF JACKSON
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2023

	Parking	Utility Deposits	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 28,712	\$ 28,712
Total Current Assets	-	28,712	28,712
Noncurrent Assets:			
Capital assets:			
Non-depreciable	155,586	-	155,586
Depreciable, net	267,319	-	267,319
Total Noncurrent Assets	422,905	-	422,905
Total Assets	422,905	28,712	451,617
LIABILITIES			
Current Liabilities:			
Deposits payable	-	38,658	38,658
Total Current Liabilities	-	38,658	38,658
Total Liabilities	-	38,658	38,658
NET POSITION			
Investment in capital assets	422,905	-	422,905
Unrestricted	-	(9,946)	(9,946)
Total Net Position	\$ 422,905	\$ (9,946)	\$ 412,959

CITY OF JACKSON
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	<u>Parking</u>	<u>Utility Deposits</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance	-	8	8
Depreciation	9,308	-	9,308
Total Operating Expenses	<u>9,308</u>	<u>8</u>	<u>9,316</u>
Change in Net Position	(9,308)	(8)	(9,316)
Total Net Position - Beginning	<u>432,213</u>	<u>(9,938)</u>	<u>422,275</u>
Total Net Position - Ending	<u>\$ 422,905</u>	<u>\$ (9,946)</u>	<u>\$ 412,959</u>

CITY OF JACKSON
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Parking	Utility Deposits	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ -	\$ 855	\$ 855
Net Cash Provided (Used) by Operating Activities	-	855	855
Net Increase (Decrease) in Cash and Cash Equivalentts	-	855	855
Balances - Beginning	-	27,857	27,857
Balances - Ending	\$ -	\$ 28,712	\$ 28,712
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (9,308)	\$ (8)	\$ (9,316)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	9,308	-	9,308
Increase (decrease) in:			
Deposits payable	-	863	863
Net Cash Provided (Used) by Operating Activities	\$ -	\$ 855	\$ 855

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Fiduciary Funds

- **Custodial Funds**

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CITY OF JACKSON
Combining Statement of Assets and Liabilities
Custodial Funds
June 30, 2023

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 1,304	\$ 15,310	\$ 194	\$ 16,808
Receivables:				
Interest	5	-	-	5
Total Assets	<u>\$ 1,309</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,813</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 1,309	\$ 15,310	\$ 194	\$ 16,813
Total Net Position	<u>\$ 1,309</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,813</u>

CITY OF JACKSON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ADDITIONS				
Net investment earnings	\$ 3	\$ -	\$ -	\$ 3
Total Additions	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
DEDUCTIONS				
Distributions from pooled investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in Fiduciary Net Position	3	-	-	3
Total Net Position - Beginning	<u>1,306</u>	<u>15,310</u>	<u>194</u>	<u>16,810</u>
Total Net Position - Ending	<u>\$ 1,309</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,813</u>