

**CITY OF JACKSON,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2020**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2020

Table of Contents

	Page
INTRODUCTORY SECTION	
List of Officials	i
FINANCIAL SECTION	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis (Unaudited)	4-11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12-13
Statement of Activities.....	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position – Governmental Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities.....	18
Proprietary Funds:	
Statement of Net Position	19-20
Statement of Revenues, Expenses and Changes in Net Position	21
Statement of Cash Flows	22-23
Fiduciary Funds:	
Statement of Net Position	24
Notes to Basic Financial Statements	25-54
Required Supplementary Information (Unaudited):	
City Pension Plan – Schedule of Proportionate Share of the Net Pension Liability	55
City Pension Plan – Schedule of Contributions	56
City Pension Plan – Notes to City Pension Plan	57
City OPEB Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios	58
City OPEB Plan – Note to City OPEB Plan.....	59
Budgetary Comparison Schedule – General Fund	60
Budgetary Comparison Schedule – Measure M.....	61
Note to Budgetary Comparison Schedules.....	62

CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2020

Table of Contents

	Page
FINANCIAL SECTION (CONTINUED)	
Combining Nonmajor Fund Financial Statements:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	64
Special Revenue Funds:	
Combining Balance Sheet	65-66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67-68
Capital Projects Funds:	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
Nonmajor Proprietary Funds:	
Enterprise Funds:	
Combining Statement of Net Position.....	71
Combining Statement of Revenues, Expenses and Changes in Net Position.....	72
Combining Statement of Cash Flows	73
Fiduciary Funds:	
Agency Funds:	
Combining Statement of Assets and Liabilities	74
Combining Statement of Changes in Assets and Liabilities.....	75

INTRODUCTORY SECTION

- **List of Officials**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
List of Officials
For the Year Ended June 30, 2020

City Council

Robert Stimpson	Mayor
Connie Gonsalves	Vice Mayor
Wayne Garibaldi	Member
Keith Sweet	Member
Marilyn Lewis	Member

City Officers

Yvonne Kimball	City Manager
Joshua Nelson	City Attorney
John Georgette	City Clerk
Michael Hooper	Building Inspector
Matt Ospital	City Engineer
Susan Peters	City Planner
Chris Mynderup	Police Chief
Deborah Mackey	Fire Chief

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

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

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in Note 13B to the financial statements, citizens and the economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect the City's operations because the disease's severity and duration are uncertain, we expect the 2020 financial results too will be significantly impacted and the implications beyond 2020, while unclear, could also be adversely impacted. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

Other Matters

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, 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

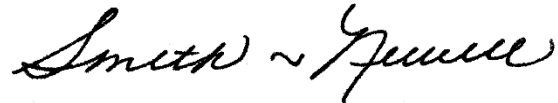
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

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

Smith & Newell CPAs
Yuba City, California
January 14, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

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, 2020. 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 \$53,736,702 as of June 30, 2020. Of this total, \$27,469,048 were governmental assets and \$26,267,654 were business-type assets.
- ❑ Entity-wide governmental revenues include program revenues of \$2,452,559 and general revenues and transfers of \$3,064,762 for a total of \$5,517,321.
- ❑ Entity-wide governmental expenses were \$5,492,531.
- ❑ Entity-wide business-type program, interest, other revenues and transfers were \$5,047,760 while business-type expenses were \$4,186,650.
- ❑ The City's total net pension liability was \$6,677,363 as of June 30, 2020. The total net OPEB obligation was \$1,703,049.
- ❑ The City's governmental net pension liability was \$4,849,334 as of June 30, 2020. The governmental net OPEB obligation was \$1,325,707.

Fund Level:

- ❑ Governmental fund balance increased to \$5,469,607 in fiscal year 2020, up from \$4,848,407 the prior year. Of the total fund balance, \$3,248,820 were federal and grant funds which were restricted for specific federal and state programs.
- ❑ Governmental fund revenues decreased to \$5,514,026 in fiscal year 2020, down by \$1,158,040 from the prior year.
- ❑ Governmental fund expenditures decreased to \$4,910,714 in fiscal year 2020, down by \$896,550 from the prior year.
- ❑ Business-type activities total operating revenues were \$4,920,250 and operating expenses were \$3,921,335, resulting in operating income of \$998,915 compared to last year's operating income of \$840,440. This was an increase of \$158,475.
- ❑ Total business-type (proprietary fund) pension liability was \$1,828,029 as of June 30, 2020. The net OPEB obligation was \$377,342.

General Fund:

- ❑ General fund revenues of \$3,680,877 were \$9,926 less than the prior year.
- ❑ General fund expenditures of \$3,632,043 were \$24,392 more than the prior year.
- ❑ Other financing sources contributed \$690,209 in fiscal year 2020, down by \$507,390 compared with the prior year.
- ❑ General fund balance of \$895,337 as of June 30, 2019 increased to \$1,634,380 by June 30, 2020. Of this total, \$1,143,512 were either restricted or committed funds, and \$490,868 were unassigned and were not restricted for any specific purpose or program.

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. The 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.

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

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 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 16 and 18 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.

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

- **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 reconciliations on pages 16 and 18 of the financial statements.

The City's major governmental funds are the General fund, Home Grant fund, and Measure M fund. 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 63 of this report.

- **Proprietary Funds** - when the City charges customers for services it provides, whether outside customers or to other units of the City, the 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 Statement 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 major special revenue funds, and a description of the City's accounting policies with regard to the annual budget, City pension plan information, and City OPEB plan information.

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Position

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	% Change
Assets:								
Current and other assets	\$ 14,572,147	\$ 13,783,675	\$ 4,780,776	\$ 2,977,374	\$ 19,352,923	\$ 16,761,049	\$ 2,591,874	15.46%
Capital assets	12,896,901	12,825,237	21,486,878	22,211,946	34,383,779	35,037,183	(653,404)	-1.86%
Total Assets	27,469,048	26,608,912	26,267,654	25,189,320	53,736,702	51,798,232	1,938,470	3.74%
Deferred Outflows of Resources:								
Deferred Charge on Refunding	-	-	58,250	72,813	58,250	72,813	(14,563)	-20.00%
Deferred Pension Adjustments	1,067,141	1,119,944	474,197	519,943	1,541,338	1,639,887	(98,549)	-6.01%
Deferred OPEB Adjustments	53,327	63,772	16,615	19,811	69,942	83,583	(13,641)	-16.32%
Total Deferred Outflows of Resources	1,120,468	1,183,716	549,062	612,567	1,669,530	1,796,283	(126,753)	-7.06%
Liabilities:								
Current	447,573	239,799	139,436	185,378	587,009	425,177	161,832	38.06%
Noncurrent	6,603,796	6,515,598	14,721,485	14,636,048	21,325,281	21,151,646	173,635	0.82%
Total Liabilities	7,051,369	6,755,397	14,860,921	14,821,426	21,912,290	21,576,823	335,467	1.55%
Deferred Inflows of Resources:								
Deferred Pension Adjustments	326,609	319,735	162,625	178,030	489,234	497,765	(8,531)	-1.71%
Deferred OPEB Adjustments	423,704	-	129,629	-	553,333	-	553,333	n/a
Deferred Housing Loan Payments	8,284,698	8,239,150	-	-	8,284,698	8,239,150	45,548	0.55%
Total Deferred Inflows of Resources	9,035,011	8,558,885	292,254	178,030	9,327,265	8,736,915	590,350	6.76%
Net Position:								
Net investment in capital assets	12,896,901	12,825,237	9,516,349	10,427,405	22,413,250	23,252,642	(839,392)	-3.61%
Restricted	4,562,275	4,364,238	2,132,538	1,922,372	6,694,813	6,286,610	408,203	6.49%
Unrestricted	(4,956,040)	(4,711,129)	14,654	(1,547,346)	(4,941,386)	(6,258,475)	1,317,089	-21.04%
Total Net Position	\$ 12,503,136	\$ 12,478,346	\$ 11,663,541	\$ 10,802,431	\$ 24,166,677	\$ 23,280,777	\$ 885,900	3.81%

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Statement of Activities

	Governmental Activities		Business-Type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	% Change
Revenues:								
Program Revenues:								
Charges for services	\$ 1,309,321	\$ 1,329,763	\$ 4,911,482	\$ 4,497,105	\$ 6,220,803	\$ 5,826,868	\$ 393,935	6.76%
Operating grants and contribution	667,846	459,381	-	-	667,846	459,381	208,465	45.38%
Capital grants and contributions	475,392	1,776,616	-	-	475,392	1,776,616	(1,301,224)	-73.24%
General Revenues:								
Property taxes	937,245	890,630	-	-	937,245	890,630	46,615	5.23%
Sales and use taxes	976,007	1,074,714	-	-	976,007	1,074,714	(98,707)	-9.18%
Franchise taxes	172,379	164,826	-	-	172,379	164,826	7,553	4.58%
Property transfer taxes	16,652	22,913	-	-	16,652	22,913	(6,261)	-27.33%
Transient occupancy taxes	546,078	594,112	-	-	546,078	594,112	(48,034)	-8.09%
Grants and contributions	406,933	389,131	-	-	406,933	389,131	17,802	4.57%
Interest and investment earnings	67,189	32,907	44,246	16,562	111,435	49,469	61,966	125.26%
Miscellaneous	25,543	46,285	8,768	25,330	34,311	71,615	(37,304)	-52.09%
Total revenues	5,600,585	6,781,278	4,964,496	4,538,997	10,565,081	11,320,275	(755,194)	-6.67%
Expenses:								
General government	1,192,574	771,646	-	-	1,192,574	771,646	420,928	54.55%
Public protection	2,287,625	2,134,020	-	-	2,287,625	2,134,020	153,605	7.20%
Public ways and facilities	1,150,953	1,021,597	-	-	1,150,953	1,021,597	129,356	12.66%
Community development	571,302	627,234	-	-	571,302	627,234	(55,932)	-8.92%
Culture and recreation	290,077	307,707	-	-	290,077	307,707	(17,630)	-5.73%
Sewer facilities	-	-	2,338,022	2,191,498	2,338,022	2,191,498	146,524	6.69%
Treated water	-	-	1,836,657	1,692,232	1,836,657	1,692,232	144,425	8.53%
Parking	-	-	11,971	50,136	11,971	50,136	(38,165)	-76.12%
Utility deposits	-	-	-	1,625	-	1,625	(1,625)	n/a
Total Expenses	5,492,531	4,862,204	4,186,650	3,935,491	9,679,181	8,797,695	881,486	10.02%
Excess before transfers	108,054	1,919,074	777,846	603,506	885,900	2,522,580	(1,636,680)	-64.88%
Transfers	(83,264)	(37,687)	83,264	37,687	-	-	-	0.00%
Change in Net Position	24,790	1,881,387	861,110	641,193	885,900	2,522,580	(1,636,680)	-64.88%
Net Position, Beginning	12,478,346	10,596,959	10,802,431	10,161,238	23,280,777	20,758,197	2,522,580	12.15%
Net Position, Ending	\$ 12,503,136	\$ 12,478,346	\$ 11,663,541	\$ 10,802,431	\$ 24,166,677	\$ 23,280,777	\$ 885,900	3.81%

Revenue

The City's total revenue was \$10.56 million for the fiscal year ended June 30, 2020. Revenue from governmental activities totaled \$5.6 million and revenue from business-type activities total \$4.96 million. Property taxes provided 8.9 percent of the total revenue of the City, while charges for services provided 59 percent. Operating and capital grants and sales and use taxes both provided 10.8 and 9.2 percent, respectively, of the total revenue received during the 2019/20 fiscal year.

Expenses

Expenses of the City for the year totaled \$9.68 million. Governmental activities expenses totaled \$5.49 million, or 57 percent, of total expenses. Business-type activities expenses total \$4.19 million, or 43 percent, of total expenses.

**CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Governmental Activities

The following table shows the net cost of each of the City's major programs. The net cost is the total cost offset by 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	
	2020	2019	Dollar Change	% Change
General government	\$ (1,003,739)	\$ (691,110)	\$ (312,629)	-45.2%
Public protection	(1,792,599)	(1,686,920)	(105,679)	-6.3%
Public ways and facilities	10,957	1,262,062	(1,251,105)	-99.1%
Community development	21,751	81,535	(59,784)	-73.3%
Culture and recreation	(276,342)	(262,011)	(14,331)	-5.5%
Total	<u>\$ (3,039,972)</u>	<u>\$ (1,296,444)</u>	<u>\$ (1,743,528)</u>	<u>-134.5%</u>

The cost of all governmental activities for fiscal year 2019-2020 was \$3 million. The City's taxpayers paid for these costs, partially, through property and sales and use taxes. Some grants were also obtained related to the COVID pandemic, PSPS, along with various other 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 assets.

Business-Type Activities

Program revenue of the City's business-type activities totaled \$4.91 million. Expenses of business-type activities were \$4.2 million. The cost of capital improvements is reported as capital assets in the statement of net assets, 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, 2020 of \$5.47 million, which is an increase of \$0.62 million from the previous fiscal year. The General fund increased by \$739,043 and other governmental funds decreased by \$117,843. The General fund increase was due to increases in property taxes, other grant monies received, and the final closeout of the New York Ranch Road project.

**CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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, 2020, was \$34,383,779 (net of accumulated depreciation). This investment in capital assets includes police and fire equipment, buildings, park facilities, roads and water and sewer lines, and treatment facilities. The City's net investment in capital assets decreased \$653,404 since June 30, 2019. This decrease was caused by the increase in depreciation from projects completed last year and the expiration and disposal of some capital assets.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$21,325,281. The pension and OPEB liability make up \$8,380,412. 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

This has been an extraordinary year with many challenges that we have never experienced before. The year 2020 started out with those very disrupting power shut-off events, then the COVID-19 emergency which led to swift changes to continue services, then addressing the COVID-19 recession, followed by the efforts and struggles to reopen, finally the year was finished with nationwide protests and political demonstrations. All of the above impacted Jackson's operation. Proudly, despite the unprecedented difficulties and uncertainties, Team Jackson completed the year with productivity and resiliency while serving our residents safely.

The COVID induced recession has impacted the City in unique ways. The revenues from property taxes and permits continue to rise due to a sudden surge in the real estate market. The sales taxes were a bit higher than originally expected, mainly due to the increase of online sales. On the other hand, Transient Occupancy Tax dropped by 20 percent due to the stay-at-home orders. This overall revenue trend is expected to continue for a couple of more years and contingent upon the pandemic responses worldwide.

The City also received a large number of grants in FY 19/20. Some were in response to special emergencies. For example, the Public Safety Power Shutoff (PSPS) grant has been able to provide critical infrastructure improvement in order to equip the City to handle future power shut-offs. The City also applied for the CARES funds whose implementation activities will reflect in the FY 20/21 financial documents. The City also received new park grants, planning/land use grants, and energy related grants. All grant related projects will take place in future years and will impact financial status. When all counted for, the City is overseeing over 20 different grant programs in the end of FY 19/20, which is another indication of continued high productivity.

Both City's utility funds (Water and Sewer) for the first time in a decade saw uptick largely due to the rate increases in the last two years. However, due to the pandemic recession, the City has seen a significant number of delinquent accounts. This trend is expected to continue for a year or two, which is concerning to the City's finances.

In closing, Team Jackson concluded FY 19/20 with a positive fund balance in all funds. For the first time in a decade, we are able to present a committed fund balance requirement set by the City Council. Yet, we need to continue to be vigilant as the future remains very uncertain due partly to the evolving pandemic and political landscape.

**CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 5,273,282	\$ 4,198,317	\$ 9,471,599
Cash with fiscal agent	-	125,987	125,987
Receivables:			
Accounts	38,190	496,723	534,913
Taxes	435,050	-	435,050
Interest	5,315	4,124	9,439
Intergovernmental	263,307	-	263,307
Internal balances	45,002	(45,002)	-
Prepaid costs	6,500	627	7,127
Prepaid insurance	220,803	-	220,803
Loans receivable	8,284,698	-	8,284,698
Capital assets:			
Non-depreciable	3,789,483	261,408	4,050,891
Depreciable, net	9,107,418	21,225,470	30,332,888
Total capital assets	<u>12,896,901</u>	<u>21,486,878</u>	<u>34,383,779</u>
Total Assets	<u>27,469,048</u>	<u>26,267,654</u>	<u>53,736,702</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	58,250	58,250
Deferred pension adjustments	1,067,141	474,197	1,541,338
Deferred OPEB adjustments	<u>53,327</u>	<u>16,615</u>	<u>69,942</u>
Total Deferred Outflows of Resources	<u>1,120,468</u>	<u>549,062</u>	<u>1,669,530</u>
LIABILITIES			
Accounts payable	227,190	107,459	334,649
Salaries and benefits payable	7,313	-	7,313
Retentions payable	2,616	-	2,616
Deposits payable	7,285	31,977	39,262
Unearned revenue	203,169	-	203,169
Long-term liabilities:			
Due within one year	214,377	513,977	728,354
Due in more than one year	214,378	12,002,137	12,216,515
Net pension liability	4,849,334	1,828,029	6,677,363
Net OPEB liability	<u>1,325,707</u>	<u>377,342</u>	<u>1,703,049</u>
Total Liabilities	<u>7,051,369</u>	<u>14,860,921</u>	<u>21,912,290</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred housing loan payments	8,284,698	-	8,284,698
Deferred pension adjustments	326,609	162,625	489,234
Deferred OPEB adjustments	<u>423,704</u>	<u>129,629</u>	<u>553,333</u>
Total Deferred Inflows of Resources	<u>9,035,011</u>	<u>292,254</u>	<u>9,327,265</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, 2020

NET POSITION	Governmental Activities	Business-Type Activities	Totals
Net investment in capital assets	12,896,901	9,516,349	22,413,250
Restricted for:			
General government	467,141	-	467,141
Public ways and facilities	1,891,503	-	1,891,503
Community development	1,168,091	-	1,168,091
Culture and recreation	1,018,714	-	1,018,714
Capital projects	16,826	2,132,538	2,149,364
Unrestricted	(4,956,040)	14,654	(4,941,386)
Total Net Position	\$ 12,503,136	\$ 11,663,541	\$ 24,166,677

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

Continued (Page 2 of 2)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,192,574	\$ 68,905	\$ 119,930	\$ -
Public protection	2,287,625	333,710	161,316	-
Public ways and facilities	1,150,953	299,918	386,600	475,392
Community development	571,302	593,053	-	-
Culture and recreation	290,077	13,735	-	-
Total Governmental Activities	5,492,531	1,309,321	667,846	475,392
Business-type activities:				
Sewer Facilities	2,338,022	3,043,304	-	-
Treated Water	1,836,657	1,868,178	-	-
Parking	11,971	-	-	-
Total Business-Type Activities	4,186,650	4,911,482	-	-
Total	\$ 9,679,181	\$ 6,220,803	\$ 667,846	\$ 475,392

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

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
\$ (1,003,739)	\$ -	\$ (1,003,739)
(1,792,599)	-	(1,792,599)
10,957	-	10,957
21,751	-	21,751
(276,342)	-	(276,342)
(3,039,972)	-	(3,039,972)
-	705,282	705,282
-	31,521	31,521
-	(11,971)	(11,971)
-	724,832	724,832
(3,039,972)	724,832	(2,315,140)
937,245	-	937,245
976,007	-	976,007
172,379	-	172,379
16,652	-	16,652
546,078	-	546,078
406,933	-	406,933
67,189	44,246	111,435
25,543	8,768	34,311
(83,264)	83,264	-
3,064,762	136,278	3,201,040
24,790	861,110	885,900
12,478,346	10,802,431	23,280,777
\$ 12,503,136	\$ 11,663,541	\$ 24,166,677

THIS PAGE INTENTIONALLY LEFT BLANK

Basic Financial Statements

- **Fund Financial Statements**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 1,359,996	\$ -	\$ 547,086	\$ 3,366,200	\$ 5,273,282
Receivables:					
Accounts	38,190	-	-	-	38,190
Taxes	396,220	-	38,830	-	435,050
Interest	1,245	-	491	3,579	5,315
Intergovernmental	-	-	-	263,307	263,307
Due from other funds	-	-	-	406,818	406,818
Prepaid costs	6,500	-	-	-	6,500
Loans receivable	-	5,852,962	-	2,431,736	8,284,698
	<u>1,802,151</u>	<u>5,852,962</u>	<u>586,407</u>	<u>6,471,640</u>	<u>14,713,160</u>
Total Assets	\$ 1,802,151	\$ 5,852,962	\$ 586,407	\$ 6,471,640	\$ 14,713,160
LIABILITIES					
Accounts payable	\$ 133,715	\$ -	\$ -	\$ 93,475	\$ 227,190
Salaries and benefits payable	7,313	-	-	-	7,313
Unearned revenue	19,458	-	-	183,711	203,169
Retentions payable	-	-	-	2,616	2,616
Due to other funds	-	-	-	248,245	248,245
Deposits payable	7,285	-	-	-	7,285
	<u>167,771</u>	<u>-</u>	<u>-</u>	<u>528,047</u>	<u>695,818</u>
Total Liabilities	167,771	-	-	528,047	695,818
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	263,037	263,037
Deferred housing loan payments	-	5,852,962	-	2,431,736	8,284,698
	<u>-</u>	<u>5,852,962</u>	<u>-</u>	<u>2,694,773</u>	<u>8,547,735</u>
Total Deferred Inflows of Resources	-	5,852,962	-	2,694,773	8,547,735
FUND BALANCES					
Restricted	466,947	-	586,407	3,422,362	4,475,716
Committed	676,565	-	-	-	676,565
Assigned	-	-	-	113,093	113,093
Unassigned	490,868	-	-	(286,635)	204,233
	<u>1,634,380</u>	<u>-</u>	<u>586,407</u>	<u>3,248,820</u>	<u>5,469,607</u>
Total Fund Balances	1,634,380	-	586,407	3,248,820	5,469,607
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,802,151	\$ 5,852,962	\$ 586,407	\$ 6,471,640	\$ 14,713,160

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

CITY OF JACKSON
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2020

Total Fund Balance - Total Governmental Funds	\$ 5,469,607
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.	12,896,901
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	263,037
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,120,468
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(750,313)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated absences	(428,755)
Net pension liability	(4,849,334)
Net OPEB liability	(1,325,707)
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>107,232</u>
Net Position of Governmental Activities	<u><u>\$12,503,136</u></u>

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

CITY OF JACKSON
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 2,689,564	\$ -	\$ 586,803	\$ -	\$ 3,276,367
Licenses and permits	348,955	-	-	198,719	547,674
Fines and forfeitures	9,986	-	-	-	9,986
Use of money and property	21,134	-	5,333	40,722	67,189
Intergovernmental	529,482	-	-	936,382	1,465,864
Charges for services	58,495	-	-	62,908	121,403
Other revenues	23,261	-	-	2,282	25,543
Total Revenues	<u>3,680,877</u>	<u>-</u>	<u>592,136</u>	<u>1,241,013</u>	<u>5,514,026</u>
EXPENDITURES					
Current:					
General government	799,730	-	-	60,292	860,022
Public protection	2,031,260	-	-	-	2,031,260
Public ways and facilities	575,499	-	-	113,300	688,799
Community development	-	-	511,466	59,836	571,302
Culture and recreation	209,147	-	-	-	209,147
Capital outlay	16,407	-	-	533,777	550,184
Total Expenditures	<u>3,632,043</u>	<u>-</u>	<u>511,466</u>	<u>767,205</u>	<u>4,910,714</u>
Excess of Revenues Over (Under) Expenditures	<u>48,834</u>	<u>-</u>	<u>80,670</u>	<u>473,808</u>	<u>603,312</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	750,339	-	-	6,250	756,589
Transfers out	(60,130)	-	-	(678,571)	(738,701)
Total Other Financing Sources (Uses)	<u>690,209</u>	<u>-</u>	<u>-</u>	<u>(672,321)</u>	<u>17,888</u>
Net Change in Fund Balances	739,043	-	80,670	(198,513)	621,200
Fund Balances - Beginning	<u>895,337</u>	<u>-</u>	<u>505,737</u>	<u>3,447,333</u>	<u>4,848,407</u>
Fund Balances - Ending	<u>\$ 1,634,380</u>	<u>\$ -</u>	<u>\$ 586,407</u>	<u>\$ 3,248,820</u>	<u>\$ 5,469,607</u>

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

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 621,200
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	550,184
Less current year depreciation	(492,603)
Various adjustments affecting capital assets	14,083
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	86,559
Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities related to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	(52,803)
Change in deferred outflows of resources related to OPEB	(10,445)
Change in deferred inflows of resources related to pension	(6,874)
Change in deferred inflows of resources related to OPEB	(423,704)
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	(178,814)
Change in net pension liability	(323,415)
Change in net OPEB liability	414,031
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.	
	<u>(172,609)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 24,790</u></u>

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

CITY OF JACKSON
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Internal Service Fund
ASSETS					
Current Assets:					
Cash and investments	\$ 3,331,180	\$ 846,507	\$ 20,630	\$ 4,198,317	\$ -
Cash with fiscal agent	-	125,987	-	125,987	-
Receivables:					
Accounts	301,763	194,960	-	496,723	-
Interest	3,287	837	-	4,124	-
Prepaid costs	627	-	-	627	-
Prepaid insurance	-	-	-	-	220,803
Total Current Assets	3,636,857	1,168,291	20,630	4,825,778	220,803
Noncurrent Assets:					
Capital assets:					
Non-depreciable	90,254	15,568	155,586	261,408	-
Depreciable, net	15,826,961	5,101,037	297,472	21,225,470	-
Total capital assets	15,917,215	5,116,605	453,058	21,486,878	-
Total Noncurrent Assets	15,917,215	5,116,605	453,058	21,486,878	-
Total Assets	19,554,072	6,284,896	473,688	26,312,656	220,803
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	58,250	-	58,250	-
Deferred pension adjustments	330,260	144,113	(176)	474,197	-
Deferred OPEB adjustments	12,476	4,139	-	16,615	-
Total Deferred Outflows of Resources	342,736	206,502	(176)	549,062	-
LIABILITIES					
Current Liabilities:					
Accounts payable	29,406	78,053	-	107,459	-
Deposits payable	-	-	31,977	31,977	-
Due to other funds	-	-	-	-	158,573
Compensated absences payable	6,666	11,165	-	17,831	-
Customer advances	-	84,439	-	84,439	-
Loans payable	313,038	-	-	313,038	-
Bonds payable	-	98,669	-	98,669	-
Total Current Liabilities	349,110	272,326	31,977	653,413	158,573

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, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Internal Service Fund
Noncurrent Liabilities:					
Compensated absences payable	6,666	11,165	-	17,831	-
Customer advances	-	367,234	-	367,234	-
Loans payable	11,296,063	-	-	11,296,063	-
Bonds payable	-	321,009	-	321,009	-
Net pension liability	1,218,845	608,055	1,129	1,828,029	-
Net OPEB liability	239,840	137,502	-	377,342	-
Total Noncurrent Liabilities	12,761,414	1,444,965	1,129	14,207,508	-
Total Liabilities	13,110,524	1,717,291	33,106	14,860,921	158,573
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	123,934	38,683	8	162,625	-
Deferred OPEB adjustments	96,789	32,840	-	129,629	-
Total Deferred Inflows of Resources	220,723	71,523	8	292,254	-
NET POSITION					
Net investment in capital assets	4,308,114	4,755,177	453,058	9,516,349	-
Restricted for capital projects	1,536,226	596,312	-	2,132,538	-
Unrestricted	721,221	(648,905)	(12,660)	59,656	62,230
Total Net Position	\$ 6,565,561	\$ 4,702,584	\$ 440,398	11,708,543	\$ 62,230
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(45,002)	
Net Position of Business-Type Activities				\$ 11,663,541	

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, 2020

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Sewer Facilities</u>	<u>Treated Water</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>
OPERATING REVENUES					
Licenses and permits	\$ 142,387	\$ 43,257	\$ -	\$ 185,644	\$ -
Charges for services	2,900,917	1,824,921	-	4,725,838	-
Other revenues	596	8,172	-	8,768	-
Total Operating Revenues	<u>3,043,900</u>	<u>1,876,350</u>	<u>-</u>	<u>4,920,250</u>	<u>-</u>
OPERATING EXPENSES					
Salaries and benefits	680,225	306,354	440	987,019	-
Contract services	147,940	26,768	-	174,708	-
Utilities	170,493	2,050	-	172,543	-
Insurance	76,458	31,483	-	107,941	-
Maintenance	98,097	56,146	-	154,243	-
Supplies	82,530	16,884	-	99,414	-
Write offs	-	-	197	197	-
Administration	-	18,938	-	18,938	-
Water purchase	-	936,149	-	936,149	-
Other	172,582	201,730	-	374,312	-
Insurance and claims	-	-	-	-	107,276
Depreciation	688,934	196,056	10,881	895,871	-
Total Operating Expenses	<u>2,117,259</u>	<u>1,792,558</u>	<u>11,518</u>	<u>3,921,335</u>	<u>107,276</u>
Operating Income (Loss)	<u>926,641</u>	<u>83,792</u>	<u>(11,518)</u>	<u>998,915</u>	<u>(107,276)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	33,900	10,346	-	44,246	-
Interest expense	(195,439)	(34,057)	-	(229,496)	-
Total Non-Operating Revenues (Expenses)	<u>(161,539)</u>	<u>(23,711)</u>	<u>-</u>	<u>(185,250)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>765,102</u>	<u>60,081</u>	<u>(11,518)</u>	<u>813,665</u>	<u>(107,276)</u>
Transfers in	12,010,553	9,951	744	12,021,248	-
Transfers out	(11,937,784)	(200)	-	(11,937,984)	(101,152)
Change in Net Position	837,871	69,832	(10,774)	896,929	(208,428)
Total Net Position - Beginning	<u>5,727,690</u>	<u>4,632,752</u>	<u>451,172</u>		<u>270,658</u>
Total Net Position - Ending	<u>\$ 6,565,561</u>	<u>\$ 4,702,584</u>	<u>\$ 440,398</u>		<u>\$ 62,230</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(35,819)	
Change in Net Position of Business-Type Activities				<u>\$ 861,110</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, 2020

	Business-Type Activities - Enterprise Funds			Governmental	
	Sewer Facilities	Treated Water	Other Enterprise Funds	Internal Service Fund	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,021,020	\$ 1,844,000	\$ -	\$ 4,865,020	\$ -
Payments to suppliers	(871,120)	(1,214,527)	193	(2,085,454)	(107,276)
Payments to employees	(609,140)	(258,042)	-	(867,182)	-
Net Cash Provided (Used) by Operating Activities	<u>1,540,760</u>	<u>371,431</u>	<u>193</u>	<u>1,912,384</u>	<u>(107,276)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loans received	(466,907)	-	-	(466,907)	158,573
Transfers from other funds	72,769	9,751	744	83,264	(101,152)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(394,138)</u>	<u>9,751</u>	<u>744</u>	<u>(383,643)</u>	<u>57,421</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(114,644)	(56,159)	-	(170,803)	-
Proceeds from issuance of debt	585,049	-	-	585,049	-
Principal paid on debt	(314,954)	(142,220)	-	(457,174)	-
Interest paid on debt	(195,439)	(18,165)	-	(213,604)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(39,988)</u>	<u>(216,544)</u>	<u>-</u>	<u>(256,532)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	31,152	9,694	5	40,851	-
Net Cash Provided (Used) by Investing Activities	<u>31,152</u>	<u>9,694</u>	<u>5</u>	<u>40,851</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,137,786	174,332	942	1,313,060	(49,855)
Balances - Beginning	<u>2,193,394</u>	<u>798,162</u>	<u>19,688</u>	<u>3,011,244</u>	<u>49,855</u>
Balances - Ending	<u><u>\$ 3,331,180</u></u>	<u><u>\$ 972,494</u></u>	<u><u>\$ 20,630</u></u>	<u><u>\$ 4,324,304</u></u>	<u><u>\$ -</u></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 Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Sewer</u>	<u>Treated</u>	<u>Other</u>	<u>Totals</u>	<u>Internal</u>
	<u>Facilities</u>	<u>Water</u>	<u>Enterprise</u>		<u>Service</u>
			<u>Funds</u>		<u>Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 926,641	\$ 83,792	\$ (11,518)	\$ 998,915	\$ (107,276)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	688,934	196,056	10,881	895,871	-
Decrease (increase) in:					
Accounts receivable	(22,880)	(32,350)	-	(55,230)	-
Prepaid insurance	(627)	-	-	(627)	-
Pension adjustments - deferred outflows	29,777	15,969	-	45,746	-
OPEB adjustments - deferred outflows	2,386	810	-	3,196	-
Increase (decrease) in:					
Accounts payable	(122,394)	75,620	(1,285)	(48,059)	-
Deposits payable	-	-	2,115	2,115	-
Compensated absences payable	1,616	11,958	-	13,574	-
Net pension liability	45,126	24,203	-	69,329	-
Net OPEB liability	(94,581)	(32,090)	-	(126,671)	-
Pension adjustments - deferred inflows	(10,027)	(5,377)	-	(15,404)	-
OPEB adjustments - deferred inflows	96,789	32,840	-	129,629	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,540,760</u>	<u>\$ 371,431</u>	<u>\$ 193</u>	<u>\$ 1,912,384</u>	<u>\$ (107,276)</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	-	3,177	-	3,177	-

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

Continued (Page 2 of 2)

CITY OF JACKSON
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds
ASSETS	
Cash and investments	\$ 16,802
Total Assets	\$ 16,802
LIABILITIES	
Agency obligations	\$ 16,802
Total Liabilities	\$ 16,802

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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.

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.

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, 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- The Measure M fund is a special revenue fund used to account for Measure M 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 service and billing for service provided by the City.
- The Treated Water fund is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.
- Agency funds account for resources held by the City as an agent for various local governments and for individuals.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

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

D. Non-Current Governmental Asset/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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2020, 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2020 including accrued interest was \$8,284,698.

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
Structures 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.

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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions (Continued)

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, 2018
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019

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, 2019
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020

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.

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 item relates to housing principal and interest receivable amount and is reported in the statement of net position as well as the governmental funds balance sheet. The third item relates to the inflows 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, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) Statement has been implemented, if applicable, in the current financial statements.

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement extends the effective dates of certain accounting and financial reporting provisions in the Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement apply to the financial statements of all state and local governments. The GASB Statements effected by this statement include Statement No. 84 - Fiduciary Activities, Statement No. 87 – Leases, Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90 - Majority Equity Interests, Statement No. 91 – Conduit Debt Obligations, Statement No. 92 – Omnibus 2020, and Statement No. 93 – Replacement of Interbank Offered Rates.

T. Future Accounting Pronouncements

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

Statement No. 84 “Fiduciary Activities”	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)
Statement No. 87 “Leases”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period”	The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)
Statement No. 90 “Majority Equity Interests”	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)
Statement No. 91 “Conduit Debt Obligations”	The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
Statement No. 92 “Omnibus 2020”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 93 “Replacement of Interbank Offered Rates”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Future Accounting Pronouncements (Continued)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96 “Subscription-Based Information Technology Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Position

The following nonmajor special revenue funds had deficit fund balances:

The Gen Plan Grant fund had a fund balance deficit of \$825, which is expected to be eliminated in future years through grant revenues.

The Regional Traffic fund had a fund balance deficit of \$16,516, which is expected to be eliminated in future years through license and permit revenues.

The PSPS Grant fund had a fund balance deficit of \$710, which is expected to be eliminated in future years through grant revenues.

The following nonmajor capital projects funds had deficit fund balances:

The South Avenue Bridge fund had a fund balance deficit of \$21,423, which is expected to be eliminated in future years through grant revenues.

The Pitt Street Bridge fund had a fund balance deficit of \$24,549, which is expected to be eliminated in future years through grant revenues.

The French Bar Bridge fund had a fund balance deficit of \$141,321, 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 the future through grant revenues.

The Sutter Street fund had a fund balance deficit of \$20,351, which is expected to be eliminated in the future through grant revenues.

The Jackson GT Culvert fund had a fund balance deficit of \$60,677, which is expected to be eliminated in the future through grant revenues.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

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

A. Deficit Fund Balance/Net Position (Continued)

The following nonmajor enterprise fund had a deficit net position:

The Utility Deposits fund had a net position deficit of \$11,347, which is expected to be eliminated in future years through increased user charges.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2020, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 5,273,282
Business-type activities	4,324,304
Agency funds	<u>16,802</u>
Total Cash and Investments	<u>\$ 9,614,388</u>

As of June 30, 2020, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 520
Deposits (less outstanding checks)	5,561,043
Deposits with fiscal agents	<u>125,987</u>
Total Cash	<u>5,687,550</u>
Investments:	
In City's pool	<u>3,926,838</u>
Total Investments	<u>3,926,838</u>
Total Cash and Investments	<u>\$ 9,614,388</u>

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 \$5,687,030 and the bank balance was \$6,136,693. 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 \$520.

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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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.

At June 30, 2020, the District 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	\$ 480,000	\$ 480,000	\$ -	\$ -
Total Investments Measured at Fair Value	480,000	<u>\$ 480,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
CalTRUST	859,822			
LAIF	<u>2,587,016</u>			
Total Investments	<u>\$ 3,926,838</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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2020, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Certificates of Deposit	2.450-2.550%	\$ -	\$ 480,000	\$ 480,000	0.88
CalTRUST	Variable	859,822	-	859,822	-
LAIF Variable		<u>2,587,016</u>	<u>-</u>	<u>2,587,016</u>	<u>-</u>
Total Investments		<u>\$ 3,446,838</u>	<u>\$ 480,000</u>	<u>\$ 3,926,838</u>	<u>0.11</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.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Certificates of Deposit	N/A	Unrated	Unrated	12.22%
CalTRUST	N/A	Unrated	Unrated	21.90%
LAIF	N/A	Unrated	Unrated	<u>65.88%</u>
Total				<u>100.00%</u>

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, 2020, that represent 5 percent or more of total City investments as follows:

Investment Type	Amount Invested	Percentage of Investments
Certificates of Deposit	\$ 480,000	12.22%

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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, 2020, the City's investment in CalTRUST was \$859,822, 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, 2020, the City's investment in LAIF valued at amortized cost was \$2,587,016 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 \$100.9 billion. Of that amount, 96.63 percent is invested in non-derivative financial products and 3.37 percent in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,472,252	\$ -	\$ -	\$ -	\$ 1,472,252
Construction in progress	<u>4,095,875</u>	<u>386,667</u>	<u>-</u>	<u>(2,165,311)</u>	<u>2,317,231</u>
Total Capital Assets, Not Being Depreciated	<u>5,568,127</u>	<u>386,667</u>	<u>-</u>	<u>(2,165,311)</u>	<u>3,789,483</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	4,384,987	-	(47,474)	2,165,311	6,502,824
Equipment	2,815,918	44,572	61,557	-	2,922,047
Infrastructure	<u>14,408,252</u>	<u>118,945</u>	<u>-</u>	<u>-</u>	<u>14,527,197</u>
Total Capital Assets, Being Depreciated	<u>21,609,157</u>	<u>163,517</u>	<u>14,083</u>	<u>2,165,311</u>	<u>23,952,068</u>
Less Accumulated Depreciation For:					
Buildings and improvements	(2,367,462)	(156,067)	61,556	-	(2,461,973)
Equipment	(2,603,151)	(74,161)	(61,556)	-	(2,738,868)
Infrastructure	<u>(9,381,434)</u>	<u>(262,375)</u>	<u>-</u>	<u>-</u>	<u>(9,643,809)</u>
Total Accumulated Depreciation	<u>(14,352,047)</u>	<u>(492,603)</u>	<u>-</u>	<u>-</u>	<u>(14,844,650)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,257,110</u>	<u>(329,086)</u>	<u>-</u>	<u>2,165,311</u>	<u>9,107,418</u>
Governmental Activities Capital Assets, Net	<u>\$12,825,237</u>	<u>\$ 57,581</u>	<u>\$ 14,083</u>	<u>\$ -</u>	<u>\$ 12,896,901</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 4: CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 181,689	\$ -	\$ -	\$ 181,689
Construction in progress	<u>-</u>	<u>79,719</u>	<u>-</u>	<u>79,719</u>
Total Capital Assets, Not Being Depreciated:	<u>181,689</u>	<u>79,719</u>	<u>-</u>	<u>261,408</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	3,705,822	-	(6,920)	3,698,902
Equipment	2,606,044	39,458	(723,568)	1,921,934
Infrastructure	<u>26,268,617</u>	<u>51,626</u>	<u>730,488</u>	<u>27,050,731</u>
Total Capital Assets, Being Depreciated:	<u>32,580,483</u>	<u>91,084</u>	<u>-</u>	<u>32,671,567</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,445,882)	(75,969)	1,788	(2,520,063)
Equipment	(1,891,434)	(31,092)	190,359	(1,732,167)
Infrastructure	<u>(6,212,910)</u>	<u>(788,810)</u>	<u>(192,147)</u>	<u>(7,193,867)</u>
Total Accumulated Depreciation	<u>(10,550,226)</u>	<u>(895,871)</u>	<u>-</u>	<u>(11,446,097)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,030,257</u>	<u>(804,787)</u>	<u>-</u>	<u>21,225,470</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,211,946</u>	<u>(\$ 725,068)</u>	<u>\$ -</u>	<u>\$ 21,486,878</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 26,153
Public protection	80,335
Public ways and facilities	337,456
Culture and recreation	<u>48,659</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 492,603</u>

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

Sewer Facilities	\$ 688,934
Treated Water	196,056
Parking	<u>10,881</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 895,871</u>

Construction in Progress

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 5: INTERFUND TRANSACTIONS

Due To/From 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 to and due from balances as of June 30, 2020:

	<u>Due From Other funds</u>	<u>Due To Other funds</u>
Nonmajor governmental funds	\$ 406,818	\$ 248,245
Internal service funds	-	158,573
Total	<u>\$ 406,818</u>	<u>\$ 406,818</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, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 750,339	\$ 60,130
Sewer Facilities	12,010,553	11,937,784
Treated Water	9,951	200
Nonmajor governmental funds	6,250	678,571
Nonmajor proprietary funds	744	-
Internal service funds	-	101,152
Total	<u>\$ 12,777,837</u>	<u>\$ 12,777,836</u>

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2019</u>	<u>Adjustment/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 249,941	\$ 245,702	(\$ 66,888)	\$ 428,755	\$ 214,377
Total Governmental Activities	<u>\$ 249,941</u>	<u>\$ 245,702</u>	<u>(\$ 66,888)</u>	<u>\$ 428,755</u>	<u>\$ 214,377</u>
Business-Type Activities					
Compensated absences	\$ 22,088	\$ 69,180	(55,606)	35,662	\$ 17,831
Customer advances	493,893	-	(42,220)	451,673	84,439
Loans	11,339,005	585,049	(314,953)	11,609,101	313,038
Bonds	525,000	-	(100,000)	425,000	100,000
Plus: Bonds Premium	9,241	-	(1,848)	7,393	1,848
Less Deferred Amounts:					
Unamortized Discount	(15,892)	-	3,177	(12,715)	(3,179)
Bonds (Net)	<u>518,349</u>	<u>-</u>	<u>(98,671)</u>	<u>419,678</u>	<u>98,669</u>
Total Business-Type Activities	<u>\$12,373,335</u>	<u>\$ 654,229</u>	<u>(\$ 511,450)</u>	<u>\$ 12,516,114</u>	<u>\$ 513,977</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

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, 2020, 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.	<u>\$ 451,673</u>
Total Customer Advances	<u>451,673</u>

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 are being used to finance wastewater treatment plant facility upgrades.	<u>11,609,101</u>
Total Loans	<u>11,609,101</u>

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.	<u>425,000</u>
Total Loans	<u>425,000</u>
Total Business-Type Activities	<u>\$ 12,485,774</u>

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

Business-Type Activities

<u>Year Ended</u> <u>June 30</u>	Customer Advances		
	Principal	Interest	Total
2021	\$ 84,439	\$ -	\$ 84,439
2022	42,220	-	42,220
2023	42,219	-	42,219
2024	42,219	-	42,219
2025	40,630	-	40,630
2026-2030	158,209	-	158,209
2031-2032	41,737	-	41,737
Total	<u>\$ 451,673</u>	<u>\$ -</u>	<u>\$ 451,673</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Year Ended June 30	Loans		
	Principal	Interest	Total
2021	\$ 313,038	\$ 197,355	\$ 510,393
2022	318,359	192,033	510,392
2023	323,771	186,621	510,392
2024	329,275	181,117	510,392
2025	334,873	175,519	510,392
2026-2030	1,761,719	790,243	2,551,962
2031-2035	1,916,643	635,318	2,551,961
2036-2040	2,085,192	466,769	2,551,691
2041-2045	2,268,563	283,398	2,551,961
2046-2049	<u>1,957,668</u>	<u>83,902</u>	<u>2,041,570</u>
Total	<u>\$ 11,609,101</u>	<u>\$ 3,192,275</u>	<u>\$ 14,801,376</u>

Year Ended June 30	Bonds		
	Principal	Interest	Total
2021	\$ 100,000	\$ 14,615	\$ 114,615
2022	105,000	10,795	115,795
2023	105,000	6,700	111,700
2024	<u>115,000</u>	<u>2,300</u>	<u>117,300</u>
Total	<u>\$ 425,000</u>	<u>\$ 34,410</u>	<u>\$ 459,410</u>

NOTE 7: 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, 2020, the defeased debt outstanding but not shown in these financial statements was \$490,000.

NOTE 8: 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.
- **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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 8: NET POSITION (CONTINUED)

- **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 \$6,694,813 of restricted net position, of which \$1,053,354 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 9: 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. As of June 30, 2020, fund balance for governmental funds is 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, 2020

NOTE 9: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2020, were distributed as follows:

	General Fund	HOME Grant	Measure E	Other Governmental Funds	Totals
Restricted for:					
Measure E	\$ 466,947	\$ -	\$ -	\$ -	\$ 466,947
Argonaut Heights	-	-	-	5,217	5,217
Essential Services	-	-	-	653,224	653,224
Measure M	-	-	586,407	-	586,407
Recycling Promo	-	-	-	194	194
Local Transportation	-	-	-	91,078	91,078
Parkland	-	-	-	1,018,714	1,018,714
Streets and Bridges	-	-	-	1,016,104	1,016,104
Argonaut Lane Improvements	-	-	-	36,847	36,847
New York Ranch Rd Forfeiture	-	-	-	2,474	2,474
Community Development	-	-	-	581,684	581,684
Capital Projects	-	-	-	16,826	16,826
Subtotal	<u>466,947</u>	<u>-</u>	<u>586,407</u>	<u>3,422,362</u>	<u>4,475,716</u>
Committed:					
General Fund Reserve	626,565	-	-	-	626,565
Corporate Yard Sinking Fund	20,000	-	-	-	20,000
Computer Sinking Fund	10,000	-	-	-	10,000
Park Equipment Sinking Fund	20,000	-	-	-	20,000
Subtotal	<u>676,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,565</u>
Assigned:					
RMRA – RD Maint	-	-	-	77,622	77,622
HES Signs	-	-	-	13,147	13,147
Street Stripe	-	-	-	22,324	22,324
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,093</u>	<u>113,093</u>
Unassigned	<u>490,868</u>	<u>-</u>	<u>-</u>	<u>(286,635)</u>	<u>204,233</u>
Total	<u>\$ 1,634,380</u>	<u>\$ -</u>	<u>\$ 586,407</u>	<u>\$ 3,248,820</u>	<u>\$ 5,469,607</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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 9: FUND BALANCES (CONTINUED)

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.

NOTE 10: 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, 2020

NOTE 10: 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, 2020, 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	1.426% to 2.418%
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 First Tier	11.432%	8.000%	0.000%
Miscellaneous PEPRA	6.985%	6.750%	0.000%
Safety Police	20.707%	6.500%	2.500%
Safety Fire	16.636%	9.000%	0.000%
Safety PEPRA	13.034%	12.000%	0.000%

For the year ended June 30, 2020, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 395,687	\$ -
Safety	288,817	-

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10: 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 is measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2019 and 2020 was as follows:

	<u>Proportion June 30, 2019</u>	<u>Proportion June 30, 2020</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.11203%	.11032%	(.00171%)
Safety	.03515%	.03620%	.00105%

As of June 30, 2020, 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	\$ 4,417,696
Safety	<u>2,259,667</u>
Total Net Pension Liability	<u>\$ 6,677,363</u>

For the year ended June 30, 2020, the City recognized pension expense of \$1,167,266. At June 30, 2020, 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	\$ 684,504	\$ -
Changes of assumptions	303,276	(92,751)
Difference between expected and actual experience	454,364	(23,773)
Difference between projected and actual earnings on pension plan investments	-	(108,321)
Difference between City contributions and proportionate share of contributions.	630	(69,557)
Amortization due to differences in proportions	<u>98,564</u>	<u>(194,832)</u>
Total	<u>\$ 1,541,338</u>	<u>(\$ 489,234)</u>

\$684,504 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10: PENSION PLAN (CONTINUED)

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

Year Ended <u>June 30</u>	
2021	\$ 405,422
2022	(110,813)
2023	51,341
2024	21,650
Thereafter	<u>-</u>
Total	<u>\$ 367,600</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 10: PENSION PLAN (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

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</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Miscellaneous	\$ 6,423,429	\$ 4,417,696	\$ 2,007,846
Safety	9,455,146	2,259,667	3,608,704

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, 2020

NOTE 11: 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.

Access to Coverage

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: with (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) 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. In other words, 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.

Benefits Provided

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 \$139 per month in 2020 and is increased annually to keep pace with the medical Consumer Price Index. If the \$350 per month benefit is not increased, as expected, the MEC will eventually exceed the \$350 benefit.

The 2020 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

Region 1 2020 Health Plan Rates						
	Activities and Pre-Med Retirees			Medicare Eligible Retirees		
Kaiser HMO	\$ 768.49	\$ 1,536.98	\$ 1,998.07	\$ 339.43	\$ 678.86	\$ 1,139.95
PERS Choice PPO	861.18	1,722.36	2,239.70	351.39	702.78	1,219.49
PERS Select PPO	520.59	1,040.58	1,352.75	351.39	702.78	1,014.95
PERS Care PPO	1,133.14	2,266.28	2,946.16	384.78	769.56	1,449.44
PORAC	774.00	1,699.00	2,199.00	513.00	1,022.00	1,522.00

Employees Covered by Benefit Terms

At June 30, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits payments	17
Inactive employees or beneficiaries entitled to but not receiving benefits	21
Active employees	<u>30</u>
Total	<u><u>68</u></u>

B. Net OPEB Liability

The City's net OPEB liability of \$1,703,049, was measured as of June 30, 2020, and was determined by the actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2020 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, level percent of pay
Inflation	2.50%
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years
Discount rate	2.79% as of June 30, 2019
	2.66% as of June 30, 2020
Healthcare cost trend rates	6.5% in 2021, fluctuates to 4.0% in 2076
Mortality	CalPERS 2017 Experience Study, projected with MW Scale 2020

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the S & P Municipal Bond 20 Year High Grade Index.

All actuarial assumptions used in the June 30, 2020 valuation were based on the results of the 2017 Experience Study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements.

C. Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2019	\$ 2,243,751
Changes for the year:	
Service cost	136,047
Interest cost	64,767
Change in assumptions	(380,392)
Difference between expected and actual experience	(244,339)
Benefit payments	(116,785)
Net Changes	(540,702)
Balance at June 30, 2020	\$ 1,703,049

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 1.66%	Current Rate 2.66%	1% Increase 3.66%
Net OPEB liability	\$ 1,944,055	\$ 1,703,049	\$ 1,508,146

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	\$ 1,597,277	\$ 1,703,049	\$ 1,879,551

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE 11: 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, 2020, the City recognized OPEB expense of \$143,057. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 69,942	\$ 336,917
Differences between expected and actual experience	-	216,416
Total	\$ 69,942	\$ 553,333

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		
2021		(\$ 57,757)
2022		(57,757)
2023		(57,757)
2024		(57,757)
2025		(60,019)
Thereafter		(192,344)
		(\$ 483,391)

NOTE 12: 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, 2020

NOTE 12: 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, 2020 were as follows:

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

The City's investment in the NCCSIF of \$220,803 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 13: 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, 2020

NOTE 13: OTHER INFORMATION (CONTINUED)

B. Subsequent Events

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The City has not included any contingencies in the financial statements specific to this issue.

Management has evaluated events subsequent to June 30, 2020 through January 14, 2021, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2020
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 six years are shown.

<u>2017/2018</u>	<u>2018/2019</u>
0.11203%	0.11032%
\$ 4,222,192	\$ 4,417,696
748,079	815,790
564.40%	541.52%
67.49%	67.15%
0.03515%	0.03620%
\$ 2,062,427	\$ 2,259,667
808,492	862,973
255.10%	261.85%
75.68%	74.16%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2020
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 contribution (actuarially determined)	\$ 205,182	\$ 71,607	\$ 69,674	\$ 332,037
Contributions in relation to the actuarially determined contribution	<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 contribution (actuarially determined)	\$ 243,946	\$ 137,721	\$ 128,370	\$ 210,009
Contributions in relation to the actuarially determined contribution	<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 six years are shown.

<u>2018/2019</u>	<u>2019/2020</u>
\$ 375,058	\$ 395,687
<u>(375,058)</u>	<u>(395,687)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 815,790 45.97%	\$ 865,050 45.74%
\$ 236,605	\$ 288,817
<u>(236,605)</u>	<u>(288,817)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 862,973 27.42%	\$ 902,243 32.01%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2020

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

Change of Assumptions and Methods

CalPERS has implemented a new actuarial valuation software system for the June 30, 2018, valuation. This new system has refined and improved calculation methodology. In December 2017, the CalPERS Board of Administration (the Board) adopted new mortality assumptions for plan participation in the Public Employee's Retirement Fund (PERF). The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent.

The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. These changes are being implemented in two steps commencing in the June 30, 2018, funding valuation. For financial reporting purposes, these assumption changes are fully reflected in the results for Fiscal Year 2017-18. In Fiscal Year 2014-15, the financial reporting discount rate was increased from 7.50 percent to 7.65 percent resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50 percent during this period, and remained adjusted for administrative expenses.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2017
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	Varies based on entry age and service
Investment rate of return	7.38%

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, 2020
Last 10 Years*

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

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

CITY OF JACKSON
Required Supplementary Information
City OPEB Plan
Note to City OPEB Plan
For the Year Ended June 30, 2020

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

Discount Rate:	The Discount rate was changed from 2.79 percent as of June 30, 2019, to 2.66 percent as of June 30, 2020 based on the change in return for the applicable municipal bond index.
Demographic Assumptions:	Assumed mortality, termination, and service retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS.
Mortality Improvements:	The mortality improvement scale was update from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020 reflecting continued updates in available information
Salary Scale:	Decreased from 3.25 percent per year to 3.0 percent per year
General Inflation Rate:	Decreased From 2.75 percent to 2.5 percent per year
Medical Trend:	Updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries
PEMHCA MEC Increases:	Decreased from 4.5 percent to 4.0 percent per year based on recent historical and expected future increases in CPI-medical.
Participation Rate:	Following a review of new data received on all retirees eligible for plan coverage, the participation rate for active employees currently covered by City medical plans was decreased from 75 percent to 50 percent. The participation rate for active employees currently waiving coverage was decreased from 50 percent to 30 percent.

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,551,500	\$ 2,551,500	\$ 2,689,564	\$ 138,064
Licenses and permits	269,500	264,100	348,955	84,855
Fines and forfeitures	1,000	8,000	9,986	1,986
Use of money and property	27,000	27,000	21,134	(5,866)
Intergovernmental	664,479	664,479	529,482	(134,997)
Charges for services	432,195	428,695	408,090	(20,605)
Other revenues	10,800	7,300	23,261	15,961
Total Revenues	<u>3,956,474</u>	<u>3,951,074</u>	<u>4,030,472</u>	<u>79,398</u>
EXPENDITURES				
Current:				
General government	1,169,019	1,169,019	1,149,325	19,694
Public protection	1,993,709	1,993,709	2,031,260	(37,551)
Public ways and facilities	610,056	610,056	575,499	34,557
Culture and recreation	270,653	247,295	209,147	38,148
Capital outlay	-	-	16,407	(16,407)
Total Expenditures	<u>4,043,437</u>	<u>4,020,079</u>	<u>3,981,638</u>	<u>38,441</u>
Excess of Revenues Over (Under) Expenditures	<u>(86,963)</u>	<u>(69,005)</u>	<u>48,834</u>	<u>117,839</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	750,339	750,339
Transfers out	-	-	(60,130)	(60,130)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>690,209</u>	<u>690,209</u>
Net Change in Fund Balances	<u>(86,963)</u>	<u>(69,005)</u>	<u>739,043</u>	<u>808,048</u>
Fund Balances - Beginning	<u>895,337</u>	<u>895,337</u>	<u>895,337</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 808,374</u>	<u>\$ 826,332</u>	<u>\$ 1,634,380</u>	<u>\$ 808,048</u>

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

Net Change in Fund Balance - Budgetary Basis	\$ 739,043
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	(349,595)
General government	349,595
Net Change in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 739,043</u>

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
Measure M
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 550,000	\$ 550,000	\$ 586,803	\$ 36,803
Use of money and property	-	-	5,333	5,333
Other revenues	102,375	102,375	-	(102,375)
Total Revenues	<u>652,375</u>	<u>652,375</u>	<u>592,136</u>	<u>(60,239)</u>
EXPENDITURES				
Current:				
Community development	777,398	777,398	511,466	265,932
Total Expenditures	<u>777,398</u>	<u>777,398</u>	<u>511,466</u>	<u>265,932</u>
Net Change in Fund Balances	(125,023)	(125,023)	80,670	205,693
Fund Balances - Beginning	<u>505,737</u>	<u>505,737</u>	<u>505,737</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 380,714</u>	<u>\$ 380,714</u>	<u>\$ 586,407</u>	<u>\$ 205,693</u>

CITY OF JACKSON
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2020

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. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

Combining Nonmajor Fund Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Governmental Funds

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and investments	\$ 3,327,090	\$ 39,110	\$ 3,366,200
Receivables:			
Interest	3,539	40	3,579
Intergovernmental	-	263,307	263,307
Due from other funds	406,818		406,818
Loans receivable	2,431,736	-	2,431,736
	\$ 6,169,183	\$ 302,457	\$ 6,471,640
LIABILITIES			
Accounts payable	\$ 58,141	\$ 35,334	\$ 93,475
Unearned revenue	183,711	-	183,711
Retentions payable	-	2,616	2,616
Due to other funds	17,341	230,904	248,245
	259,193	268,854	528,047
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	263,037	263,037
Deferred housing loan payments	2,431,736	-	2,431,736
	2,431,736	263,037	2,694,773
FUND BALANCES			
Restricted	3,405,536	16,826	3,422,362
Assigned	90,769	22,324	113,093
Unassigned	(18,051)	(268,584)	(286,635)
	3,478,254	(229,434)	3,248,820
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,169,183	\$ 302,457	\$ 6,471,640

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue	Capital Projects	Totals
REVENUES			
Licenses and permits	\$ 198,719	\$ -	\$ 198,719
Use of money and property	40,319	403	40,722
Intergovernmental	663,837	272,545	936,382
Charges for services	62,908	-	62,908
Other revenues	-	2,282	2,282
	965,783	275,230	1,241,013
EXPENDITURES			
Current:			
General government	45,620	14,672	60,292
Public ways and facilities	113,300	-	113,300
Community development	59,836	-	59,836
Capital outlay	150,587	383,190	533,777
	369,343	397,862	767,205
Excess of Revenues Over (Under) Expenditures	596,440	(122,632)	473,808
OTHER FINANCING SOURCES (USES)			
Transfers in	6,250	-	6,250
Transfers out	(387,331)	(291,240)	(678,571)
	(381,081)	(291,240)	(672,321)
Net Change in Fund Balances	215,359	(413,872)	(198,513)
Fund Balances - Beginning	3,262,895	184,438	3,447,333
Fund Balances - Ending	\$ 3,478,254	\$ (229,434)	\$ 3,248,820

Nonmajor Governmental Funds

- **Special Revenue Funds**

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	<u>Argonaut Heights</u>	<u>CDBG Revolving</u>	<u>CDBG Discretionary</u>	<u>Home PI</u>	<u>First Time Homebuyers</u>
ASSETS					
Cash and investments	\$ 5,211	\$ 180,317	\$ 89,613	\$ 156,363	\$ -
Receivables:					
Interest	6	211	88	218	-
Due from other funds	-	-	-	-	-
Loans receivable	-	141,410	-	-	592,347
Total Assets	<u>\$ 5,217</u>	<u>\$ 321,938</u>	<u>\$ 89,701</u>	<u>\$ 156,581</u>	<u>\$ 592,347</u>
LIABILITIES					
Accounts payable	\$ -	\$ 5,415	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>5,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred housing loan payments	-	141,410	-	-	592,347
Total Deferred Inflows of Resources	<u>-</u>	<u>141,410</u>	<u>-</u>	<u>-</u>	<u>592,347</u>
FUND BALANCES					
Restricted	5,217	175,113	89,701	156,581	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>5,217</u>	<u>175,113</u>	<u>89,701</u>	<u>156,581</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,217</u>	<u>\$ 321,938</u>	<u>\$ 89,701</u>	<u>\$ 156,581</u>	<u>\$ 592,347</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	RMRA RD-Maint	Local Transportation
\$ -	\$ -	\$ 160,289	\$ 652,536	\$ 182	\$ -	\$ 77,553	\$ 90,983
-	-	-	688	12	-	69	95
-	-	-	-	-	-	-	-
696,503	208,078	470,973	-	-	-	-	-
<u>\$ 696,503</u>	<u>\$ 208,078</u>	<u>\$ 631,262</u>	<u>\$ 653,224</u>	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 77,622</u>	<u>\$ 91,078</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
696,503	208,078	470,973	-	-	-	-	-
<u>696,503</u>	<u>208,078</u>	<u>470,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	160,289	653,224	194	-	-	91,078
-	-	-	-	-	-	77,622	-
-	-	-	-	-	-	-	-
-	-	160,289	653,224	194	-	77,622	91,078
<u>\$ 696,503</u>	<u>\$ 208,078</u>	<u>\$ 631,262</u>	<u>\$ 653,224</u>	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 77,622</u>	<u>\$ 91,078</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	HES Signs	Gen Plan Grant	Parkland In Lieu	SLESF	Streets and Bridges
ASSETS					
Cash and investments	\$ 13,134	\$ -	\$ 1,017,665	\$ -	\$ 608,236
Receivables:					
Interest	13	-	1,049	-	1,050
Due from other funds	-	-	-	-	406,818
Loans receivable	-	-	-	-	-
Total Assets	\$ 13,147	\$ -	\$ 1,018,714	\$ -	\$ 1,016,104
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	825	-	-	-
Total Liabilities	-	825	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Deferred housing loan payments	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	1,018,714	-	1,016,104
Assigned	13,147	-	-	-	-
Unassigned	-	(825)	-	-	-
Total Fund Balances (Deficits)	13,147	(825)	1,018,714	-	1,016,104
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,147	\$ -	\$ 1,018,714	\$ -	\$ 1,016,104

Regional Traffic	FTHB 2011	PSPS Grant	Argonaut Lane Improvement	New York Ranch Road Forfeiture	Totals
\$ -	\$ -	\$ 235,727	\$ 36,809	\$ 2,472	\$ 3,327,090
-	-	-	38	2	3,539
-	-	-	-	-	406,818
-	322,425	-	-	-	2,431,736
<u>\$ -</u>	<u>\$ 322,425</u>	<u>\$ 235,727</u>	<u>\$ 36,847</u>	<u>\$ 2,474</u>	<u>\$ 6,169,183</u>
\$ -	\$ -	\$ 52,726	\$ -	\$ -	\$ 58,141
-	-	183,711	-	-	183,711
16,516	-	-	-	-	17,341
<u>16,516</u>	<u>-</u>	<u>236,437</u>	<u>-</u>	<u>-</u>	<u>259,193</u>
-	322,425	-	-	-	2,431,736
-	322,425	-	-	-	2,431,736
-	-	-	36,847	2,474	3,405,536
-	-	-	-	-	90,769
(16,516)	-	(710)	-	-	(18,051)
<u>(16,516)</u>	<u>-</u>	<u>(710)</u>	<u>36,847</u>	<u>2,474</u>	<u>3,478,254</u>
<u>\$ -</u>	<u>\$ 322,425</u>	<u>\$ 235,727</u>	<u>\$ 36,847</u>	<u>\$ 2,474</u>	<u>\$ 6,169,183</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	<u>Argonaut Heights</u>	<u>CDBG Revolving</u>	<u>CDBG Discretionary</u>	<u>Home PI</u>	<u>First Time Homebuyers</u>
REVENUES					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	65	2,741	1,038	2,080	-
Intergovernmental	-	-	-	-	-
Charges for services	-	6,250	-	-	-
Total Revenues	<u>65</u>	<u>8,991</u>	<u>1,038</u>	<u>2,080</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	-	1,426	5,780	-
Public ways and facilities	-	-	-	-	-
Community development	-	59,836	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>59,836</u>	<u>1,426</u>	<u>5,780</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>65</u>	<u>(50,845)</u>	<u>(388)</u>	<u>(3,700)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	6,250	-	-
Transfers out	-	(6,250)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,250)</u>	<u>6,250</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	65	(57,095)	5,862	(3,700)	-
Fund Balances (Deficits) - Beginning	<u>5,152</u>	<u>232,208</u>	<u>83,839</u>	<u>160,281</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,217</u>	<u>\$ 175,113</u>	<u>\$ 89,701</u>	<u>\$ 156,581</u>	<u>\$ -</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	RMRA RD-Maint	Local Transportation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	7,902	120	62	721	1,026
-	-	160,289	-	5,000	116,451	83,218	26,642
-	-	-	56,658	-	-	-	-
-	-	160,289	64,560	5,120	116,513	83,939	27,668
-	-	-	20,916	14,173	62	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	118,945	-
-	-	-	20,916	14,173	62	118,945	-
-	-	160,289	43,644	(9,053)	116,451	(35,006)	27,668
-	-	-	-	-	-	-	-
-	-	-	-	-	(116,451)	-	-
-	-	-	-	-	(116,451)	-	-
-	-	160,289	43,644	(9,053)	-	(35,006)	27,668
-	-	-	609,580	9,247	-	112,628	63,410
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,289</u>	<u>\$ 653,224</u>	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 77,622</u>	<u>\$ 91,078</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	HES Signs	Gen Plan Grant	Parkland In Lieu	SLESF	Streets and Bridges
REVENUES					
Licenses and permits	\$ -	\$ -	\$ 132,218	\$ -	\$ 31,520
Use of money and property	160	-	11,703	-	12,222
Intergovernmental	-	-	-	155,948	-
Charges for services	-	-	-	-	-
Total Revenues	<u>160</u>	<u>-</u>	<u>143,921</u>	<u>155,948</u>	<u>43,742</u>
EXPENDITURES					
Current:					
General government	-	825	-	-	-
Public ways and facilities	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>825</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>160</u>	<u>(825)</u>	<u>143,921</u>	<u>155,948</u>	<u>43,742</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(155,948)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,948)</u>	<u>-</u>
Net Change in Fund Balances	160	(825)	143,921	-	43,742
Fund Balances (Deficits) - Beginning	<u>12,987</u>	<u>-</u>	<u>874,793</u>	<u>-</u>	<u>972,362</u>
Fund Balances (Deficits) - Ending	<u>\$ 13,147</u>	<u>\$ (825)</u>	<u>\$ 1,018,714</u>	<u>\$ -</u>	<u>\$ 1,016,104</u>

Regional Traffic	FTHB 2011	PSPS Grant	Argonaut Lane Improvement	New York Ranch Road Forfeiture	Totals
\$ 34,981	\$ -	\$ -	\$ -	\$ -	\$ 198,719
-	-	-	450	29	40,319
-	-	116,289	-	-	663,837
-	-	-	-	-	62,908
<u>34,981</u>	<u>-</u>	<u>116,289</u>	<u>450</u>	<u>29</u>	<u>965,783</u>
-	-	2,438	-	-	45,620
113,300	-	-	-	-	113,300
-	-	-	-	-	59,836
-	-	31,642	-	-	150,587
<u>113,300</u>	<u>-</u>	<u>34,080</u>	<u>-</u>	<u>-</u>	<u>369,343</u>
<u>(78,319)</u>	<u>-</u>	<u>82,209</u>	<u>450</u>	<u>29</u>	<u>596,440</u>
-	-	-	-	-	6,250
<u>(25,763)</u>	<u>-</u>	<u>(82,919)</u>	<u>-</u>	<u>-</u>	<u>(387,331)</u>
<u>(25,763)</u>	<u>-</u>	<u>(82,919)</u>	<u>-</u>	<u>-</u>	<u>(381,081)</u>
(104,082)	-	(710)	450	29	215,359
87,566	-	-	36,397	2,445	3,262,895
<u>\$ (16,516)</u>	<u>\$ -</u>	<u>\$ (710)</u>	<u>\$ 36,847</u>	<u>\$ 2,474</u>	<u>\$ 3,478,254</u>

THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Governmental Funds

- **Capital Projects Funds**

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	<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	20,819	26,552	142,080	-	-
Total Assets	<u>\$ 20,819</u>	<u>\$ 26,552</u>	<u>\$ 142,080</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 5,576	\$ 14,418	\$ 1,476	\$ -	\$ -
Retentions payable	-	-	-	-	-
Due to other funds	15,847	10,131	140,115	263	-
Total Liabilities	<u>21,423</u>	<u>24,549</u>	<u>141,591</u>	<u>263</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	20,819	26,552	141,810	-	-
Total Deferred Inflows of Resources	<u>20,819</u>	<u>26,552</u>	<u>141,810</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(21,423)	(24,549)	(141,321)	(263)	-
Total Fund Balances (Deficits)	<u>(21,423)</u>	<u>(24,549)</u>	<u>(141,321)</u>	<u>(263)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,819</u>	<u>\$ 26,552</u>	<u>\$ 142,080</u>	<u>\$ -</u>	<u>\$ -</u>

Sutter Street	Street Stripe	New York Ranch Road	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 22,301	\$ -	\$ 16,809	\$ -	\$ 39,110
-	23	-	17	-	40
21,300	-	-	-	52,556	263,307
<u>\$ 21,300</u>	<u>\$ 22,324</u>	<u>\$ -</u>	<u>\$ 16,826</u>	<u>\$ 52,556</u>	<u>\$ 302,457</u>
\$ 13,864	\$ -	\$ -	\$ -	\$ -	\$ 35,334
-	-	-	-	2,616	2,616
6,487	-	-	-	58,061	230,904
20,351	-	-	-	60,677	268,854
21,300	-	-	-	52,556	263,037
21,300	-	-	-	52,556	263,037
-	-	-	16,826	-	16,826
-	22,324	-	-	-	22,324
(20,351)	-	-	-	(60,677)	(268,584)
(20,351)	22,324	-	16,826	(60,677)	(229,434)
<u>\$ 21,300</u>	<u>\$ 22,324</u>	<u>\$ -</u>	<u>\$ 16,826</u>	<u>\$ 52,556</u>	<u>\$ 302,457</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2020

	<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	\$ -	\$ -	\$ (1)	\$ -	\$ (1)
Intergovernmental	80,041	36,099	93,816	-	-
Other revenues	-	-	-	-	2,282
Total Revenues	<u>80,041</u>	<u>36,099</u>	<u>93,815</u>	<u>-</u>	<u>2,281</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	(169)
Capital outlay	77,404	48,573	211,737	-	1,720
Total Expenditures	<u>77,404</u>	<u>48,573</u>	<u>211,737</u>	<u>-</u>	<u>1,551</u>
Excess of Revenues Over (Under) Expenditures	<u>2,637</u>	<u>(12,474)</u>	<u>(117,922)</u>	<u>-</u>	<u>730</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,637	(12,474)	(117,922)	-	730
Fund Balances (Deficits) - Beginning	<u>(24,060)</u>	<u>(12,075)</u>	<u>(23,399)</u>	<u>(263)</u>	<u>(730)</u>
Fund Balances (Deficits) - Ending	<u>\$ (21,423)</u>	<u>\$ (24,549)</u>	<u>\$ (141,321)</u>	<u>\$ (263)</u>	<u>\$ -</u>

Sutter Street	Street Stripe	New York Ranch Road	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 291	\$ -	\$ 114	\$ -	\$ 403
-	-	47,963	-	14,626	272,545
-	-	-	-	-	2,282
-	291	47,963	114	14,626	275,230
-	14,841	-	-	-	14,672
20,944	-	16,018	-	6,794	383,190
20,944	14,841	16,018	-	6,794	397,862
(20,944)	(14,550)	31,945	114	7,832	(122,632)
-	-	-	-	-	-
-	-	(291,240)	-	-	(291,240)
-	-	(291,240)	-	-	(291,240)
(20,944)	(14,550)	(259,295)	114	7,832	(413,872)
593	36,874	259,295	16,712	(68,509)	184,438
\$ (20,351)	\$ 22,324	\$ -	\$ 16,826	\$ (60,677)	\$ (229,434)

THIS PAGE INTENTIONALLY LEFT BLANK

Nonmajor Proprietary Funds

- **Enterprise Funds**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Parking	Utility Deposits	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 20,630	\$ 20,630
Total Current Assets	-	20,630	20,630
Noncurrent Assets:			
Capital assets:			
Non-depreciable	155,586	-	155,586
Depreciable, net	297,472	-	297,472
Total Noncurrent Assets	453,058	-	453,058
Total Assets	453,058	20,630	473,688
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	(176)	-	(176)
Total Deferred Outflows of Resources	(176)	-	(176)
LIABILITIES			
Current Liabilities:			
Deposits payable	-	31,977	31,977
Total Current Liabilities	-	31,977	31,977
Noncurrent Liabilities:			
Net pension liability	1,129	-	1,129
Total Noncurrent Liabilities	1,129	-	1,129
Total Liabilities	1,129	31,977	33,106
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	8	-	8
Total Deferred Inflows of Resources	8	-	8
NET POSITION			
Investment in capital assets	453,058	-	453,058
Unrestricted	(1,313)	(11,347)	(12,660)
Total Net Position	\$ 451,745	\$ (11,347)	\$ 440,398

CITY OF JACKSON
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<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			
Salaries and benefits	440	-	440
Maintenance	197	-	197
Depreciation	10,881	-	10,881
Total Operating Expenses	<u>11,518</u>	<u>-</u>	<u>11,518</u>
Income (Loss) Before Transfers	(11,518)	-	(11,518)
Transfers in	744	-	744
Change in Net Position	(10,774)	-	(10,774)
Total Net Position - Beginning	<u>462,519</u>	<u>(11,347)</u>	<u>451,172</u>
Total Net Position - Ending	<u>\$ 451,745</u>	<u>\$ (11,347)</u>	<u>\$ 440,398</u>

CITY OF JACKSON
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<u>Parking</u>	<u>Utility Deposits</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (744)	\$ 937	\$ 193
Net Cash Provided (Used) by Operating Activities	<u>(744)</u>	<u>937</u>	<u>193</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	744	-	744
Net Cash Provided (Used) by Noncapital Financing Activities	<u>744</u>	<u>-</u>	<u>744</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	-	5	5
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>5</u>	<u>5</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	942	942
Balances - Beginning	-	19,688	19,688
Balances - Ending	<u>\$ -</u>	<u>\$ 20,630</u>	<u>\$ 20,630</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (11,518)	\$ -	\$ (11,518)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,881	-	10,881
Increase (decrease) in:			
Accounts payable	(107)	(1,178)	(1,285)
Deposits payable	-	2,115	2,115
Net Cash Provided (Used) by Operating Activities	<u>\$ (744)</u>	<u>\$ 937</u>	<u>\$ 193</u>

THIS PAGE INTENTIONALLY LEFT BLANK

Fiduciary Funds

- **Agency Funds**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF JACKSON
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

	Kennedy Wheels	Amador County Fees	Friends of the Cemetery	Totals
ASSETS				
Cash and investments	\$ 1,299	\$ 15,310	\$ 193	\$ 16,802
Total Assets	\$ 1,299	\$ 15,310	\$ 193	\$ 16,802
LIABILITIES				
Agency obligations	\$ 1,299	\$ 15,310	\$ 193	\$ 16,802
Total Liabilities	\$ 1,299	\$ 15,310	\$ 193	\$ 16,802

CITY OF JACKSON
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
KENNEDY WHEELS				
ASSETS				
Cash and investments	\$ 1,284	\$ 15	\$ -	\$ 1,299
Total Assets	<u>\$ 1,284</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 1,299</u>
LIABILITIES				
Agency obligations	\$ 1,284	\$ 15	\$ -	\$ 1,299
Total Liabilities	<u>\$ 1,284</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 1,299</u>
AMADOR COUNTY FEES				
ASSETS				
Cash and investments	\$ 44,110	\$ -	\$ (28,800)	\$ 15,310
Total Assets	<u>\$ 44,110</u>	<u>\$ -</u>	<u>\$ (28,800)</u>	<u>\$ 15,310</u>
LIABILITIES				
Agency obligations	\$ 44,110	\$ -	\$ (28,800)	\$ 15,310
Total Liabilities	<u>\$ 44,110</u>	<u>\$ -</u>	<u>\$ (28,800)</u>	<u>\$ 15,310</u>
FRIENDS OF THE CEMETERY				
ASSETS				
Cash and investments	\$ 191	\$ 2	\$ -	\$ 193
Total Assets	<u>\$ 191</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 193</u>
LIABILITIES				
Agency obligations	\$ 191	\$ 2	\$ -	\$ 193
Total Liabilities	<u>\$ 191</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 193</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 45,585	\$ 17	\$ (28,800)	\$ 16,802
Total Assets	<u>\$ 45,585</u>	<u>\$ 17</u>	<u>\$ (28,800)</u>	<u>\$ 16,802</u>
LIABILITIES				
Agency obligations	\$ 45,585	\$ 17	\$ (28,800)	\$ 16,802
Total Liabilities	<u>\$ 45,585</u>	<u>\$ 17</u>	<u>\$ (28,800)</u>	<u>\$ 16,802</u>