

**CITY OF JACKSON,  
CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2019**

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**CITY OF JACKSON**  
**Annual Financial Report**  
**For the Year Ended June 30, 2019**

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**For the Year Ended June 30, 2019**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**CITY OF JACKSON**  
**List of Officials**  
**For the Year Ended June 30, 2019**

**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

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## **FINANCIAL SECTION**

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

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the 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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

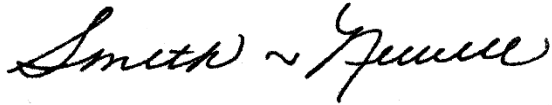
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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.

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.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 13, 2020, 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 13, 2020

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

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**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

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, 2019. 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 \$51,798,232 as of June 30, 2019. Of this total, \$26,608,912 are governmental assets and \$25,189,320 were business-type assets.
- ❑ Entity-wide governmental revenues include program revenues of \$3,565,760 and general revenues and transfers of \$3,177,831 for a total of \$6,743,591.
- ❑ Entity-wide governmental expenses were \$4,862,204.
- ❑ Entity-wide business-type program, interest, other revenues and transfers were \$4,576,684 while business-type expenses were \$3,935,491.
- ❑ The City's total net pension liability was \$6,284,619 as of June 30, 2019. The total net OPEB liability was \$2,243,751.

**Fund Level:**

- ❑ Governmental fund balance increased to \$4,848,407 in fiscal year 2019, up from \$4,021,292 the prior year. Of the total fund balance, \$3,693,775 were federal and grant funds which were restricted for specific federal and state programs.
- ❑ Governmental fund revenues increased to \$6,672,066 in fiscal year 2019 up \$1,016,702 from the prior year.
- ❑ Governmental fund expenditures increased to \$5,807,264 in fiscal year 2019, up \$335,186 from the prior year.
- ❑ Business-type activities total operating revenues were \$4,522,435 and operating expenses were \$3,681,995. Resulting in an operating income of \$840,440, compared to last year's operating loss of \$156,063.
- ❑ Total business-type (proprietary fund) pension liability was \$1,758,700 as of June 30, 2019. Net OPEB liability was \$504,013.

**General Fund:**

- ❑ General fund revenues of \$3,690,803 were \$318,930 less than the prior year.
- ❑ General fund expenditures of \$3,607,651 were \$1,027,999 less than the prior year.
- ❑ Other financing sources contributed \$182,819 in fiscal year 2019 down by \$33,417 compared with the prior year.
- ❑ General fund balance of \$629,366 as of June 30, 2018 increased to \$895,337 by June 30, 2019. Of this total, \$553,621 were either restricted or committed funds, and \$341,716 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. 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, 2019**

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.

- **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

**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

fund financial statements.

The City's major governmental funds are the General fund, HOME Grant fund and New York Ranch Road 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 60 of this report.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

**Analysis of Net Position**

**Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	% Change
<b>Assets:</b>								
Current and other assets	\$ 13,783,675	\$ 10,370,218	\$ 2,977,374	\$ 1,344,473	\$ 16,761,049	\$ 11,714,691	\$ 5,046,358	43.08%
Capital assets	12,825,237	11,841,737	22,211,946	20,253,381	35,037,183	32,095,118	2,942,065	9.17%
<b>Total Assets</b>	<b>26,608,912</b>	<b>22,211,955</b>	<b>25,189,320</b>	<b>21,597,854</b>	<b>51,798,232</b>	<b>43,809,809</b>	<b>7,988,423</b>	<b>18.23%</b>
<b>Deferred Outflows of Resources:</b>								
Deferred Charge on Refunding	-	-	72,813	87,375	72,813	87,375	(14,562)	-16.67%
Deferred Pension Adjustments	1,119,944	1,013,970	519,943	371,058	1,639,887	1,385,028	254,859	18.40%
Deferred OPEB Adjustments	63,772	42,218	19,811	12,066	83,583	54,284	29,299	53.97%
<b>Total Deferred Outflows of Resources</b>	<b>1,183,716</b>	<b>1,056,188</b>	<b>612,567</b>	<b>470,499</b>	<b>1,796,283</b>	<b>1,526,687</b>	<b>269,596</b>	<b>17.66%</b>
<b>Liabilities:</b>								
Current	239,799	242,174	185,378	1,213,485	425,177	1,455,659	(1,030,482)	-70.79%
Noncurrent	6,515,598	6,361,532	14,636,048	10,638,228	21,151,646	16,999,760	4,151,886	24.42%
<b>Total Liabilities</b>	<b>6,755,397</b>	<b>6,603,706</b>	<b>14,821,426</b>	<b>11,851,713</b>	<b>21,576,823</b>	<b>18,455,419</b>	<b>3,121,404</b>	<b>16.91%</b>
<b>Deferred Inflows of Resources:</b>								
Deferred Pension Adjustments	319,735	110,990	178,030	55,402	497,765	166,392	331,373	199.15%
Deferred Housing Loan Payments	8,239,150	5,956,488	-	-	8,239,150	5,956,488	2,282,662	38.32%
<b>Total Deferred Inflows of Resources</b>	<b>8,558,885</b>	<b>6,067,478</b>	<b>178,030</b>	<b>55,402</b>	<b>8,736,915</b>	<b>6,122,880</b>	<b>2,614,035</b>	<b>42.69%</b>
<b>Net Position:</b>								
Net investment in capital assets	12,825,237	11,841,737	10,427,405	12,355,363	23,252,642	24,197,100	(944,458)	-3.90%
Restricted	4,364,238	10,653,504	1,922,372	1,862,195	6,286,610	12,515,699	(6,229,089)	-49.77%
Unrestricted	(4,711,129)	(11,898,282)	(1,547,346)	(4,056,320)	(6,258,475)	(15,954,602)	9,696,127	-60.77%
<b>Total Net Position</b>	<b>\$ 12,478,346</b>	<b>\$ 10,596,959</b>	<b>\$ 10,802,431</b>	<b>\$ 10,161,238</b>	<b>\$ 23,280,777</b>	<b>\$ 20,758,197</b>	<b>\$ 2,522,580</b>	<b>12.15%</b>

Net position represents the difference between the City's resources and its obligations. At June 30, 2019, the largest portion of the City's total net position, 99 percent, reflects the investment in capital assets, less related debt outstanding used to acquire the capital assets. These capital assets are used by the City to provide services to the citizens. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this MD&A. Restricted net position represents amounts that may be used in accordance with external restrictions. The unrestricted balance of net position may be used at the City's discretion.

**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

**Statement of Activities**

	Governmental Activities		Business-Type Activities		Total		Total	
	2019	2018	2019	2018	2019	2017	Dollar Change	% Change
<b>Revenues:</b>								
<b>Program Revenues:</b>								
Charges for services	\$ 1,329,763	\$ 1,599,221	\$ 4,497,105	\$ 3,260,218	\$ 5,826,868	\$ 4,859,439	\$ 967,429	19.91%
Operating grants and contribution	459,381	1,130,247	-	-	459,381	1,130,247	(670,866)	-59.36%
Capital grants and contributions	1,776,616	122,366	-	555,519	1,776,616	677,885	1,098,731	162.08%
<b>General Revenues:</b>								
Property taxes	890,630	801,565	-	-	890,630	801,565	89,065	11.11%
Sales and use taxes	1,074,714	923,437	-	-	1,074,714	923,437	151,277	16.38%
Franchise taxes	164,826	163,572	-	-	164,826	163,572	1,254	0.77%
Property transfer taxes	22,913	23,075	-	-	22,913	23,075	(162)	-0.70%
Transient occupancy taxes	594,112	469,780	-	-	594,112	469,780	124,332	26.47%
Grants and contributions	389,131	371,115	-	-	389,131	371,115	18,016	4.85%
Interest and investment earnings	32,907	16,905	16,562	2,497	49,469	19,402	30,067	154.97%
Miscellaneous	46,285	3,924	25,330	22,365	71,615	26,289	45,326	172.41%
<b>Total revenues</b>	<b>6,781,278</b>	<b>5,625,207</b>	<b>4,538,997</b>	<b>3,840,599</b>	<b>11,320,275</b>	<b>9,465,806</b>	<b>1,854,469</b>	<b>19.59%</b>
<b>Expenses:</b>								
General government	771,646	866,455	-	-	771,646	866,455	(94,809)	-10.94%
Public protection	2,134,020	2,266,871	-	-	2,134,020	2,266,871	(132,851)	-5.86%
Public ways and facilities	1,021,597	1,098,890	-	-	1,021,597	1,098,890	(77,293)	-7.03%
Community development	627,234	706,012	-	-	627,234	706,012	(78,778)	-11.16%
Culture and recreation	307,707	305,022	-	-	307,707	305,022	2,685	0.88%
Sewer facilities	-	-	2,191,498	1,714,431	2,191,498	1,714,431	477,067	27.83%
Treated water	-	-	1,692,232	1,644,786	1,692,232	1,644,786	47,446	2.88%
Parking	-	-	50,136	44,443	50,136	44,443	5,693	12.81%
Utility deposits	-	-	1,625	-	1,625	-	1,625	n/a
<b>Total Expenses</b>	<b>4,862,204</b>	<b>5,243,250</b>	<b>3,935,491</b>	<b>3,403,660</b>	<b>8,797,695</b>	<b>8,646,910</b>	<b>150,785</b>	<b>1.74%</b>
Excess before transfers	1,919,074	381,957	603,506	436,939	2,522,580	818,896	1,703,684	18.21%
Transfers	(37,687)	(32,561)	37,687	32,561	-	-	-	0.00%
Change in Net Position	1,881,387	349,396	641,193	469,500	2,522,580	818,896	1,703,684	18.21%
Prior period adjustment	-	(6,106,355)	-	-	-	(6,106,355)	6,106,355	n/a
Cumulative effect of a change in accounting principle	-	(691,617)	-	(197,667)	-	(889,284)	889,284	n/a
Net Position, Beginning	10,596,959	17,045,535	10,161,238	9,889,405	20,758,197	26,934,940	(6,176,743)	-29.76%
Net Position, Ending	\$ 12,478,346	\$ 10,596,959	\$ 10,802,431	\$ 10,161,238	\$ 23,280,777	\$ 20,758,197	\$ 2,522,580	10.84%

**Revenue**

The City's total revenue was \$11.3 million for the fiscal year ended June 30, 2019. Revenue from governmental activities totaled \$6.78 million and revenue from business-type activities total \$4.5 million. Property taxes provided 7.9 percent of the total revenue of the City, while charges for services provided 51 percent. Operating and Capital Grants and Sales and Use Taxes both provided 19.8 and 9.5 percent respectively of the total revenue received during the 2018/19 fiscal year.

**Expenses**

Expenses of the City for the year totaled \$8.8 million. Governmental activity expenses totaled \$4.86 million or 55.3 percent of total expenses. Business-type activity expenses total \$3.9 million or 44.7 percent of total expenses.

**CITY OF JACKSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

**Governmental Activities**

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

	Net Cost of	Net Cost of	Total	
	Services	Services	Dollar Change	% Change
	2019	2018		
General government	\$ (691,110)	\$ 1,574	\$ (692,684)	32.4%
Public protection	(1,686,920)	(1,895,899)	208,979	24.6%
Public ways and facilities	1,262,062	(251,216)	1,513,278	-51.0%
Community development	81,535	(1,695)	83,230	74.5%
Culture and recreation	(262,011)	(244,180)	(17,831)	18.9%
Total	<u>\$ (1,296,444)</u>	<u>\$ (2,391,416)</u>	<u>\$ 1,094,972</u>	<u>99.4%</u>

The cost of all governmental activities for fiscal year 2018-2019 was \$1.3 million. The City's taxpayers paid for these costs, through property and sales and use taxes. The cost of capital assets is not presented as a cost in determining the net cost of governmental activities, but is reflected as an asset in the Statement of Net Position.

**Business-Type Activities**

Program revenue of the City's business-type activities totaled \$4.5 million. Expenses of business-type activities were \$3.9 million. The cost of capital improvements is reported as capital assets in the Statement of Net Position, rather than as expenses in the Statement of Activities.

**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements. The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported combined fund balances at June 30, 2019 of \$4.8 million, which is an increase of \$.8 million from the previous fiscal year. The General fund increased by \$265,971 and other governmental funds increased by \$561,144. The General fund increase was due to increases in property taxes, sales and use tax and transient occupancy tax.

**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, 2019, was \$35,037,183 (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 increased \$2,942,065 since June 30, 2018. This increase is created by the completion of construction of the Waste Water Treatment Plant improvements and New York Ranch Road improvements, also various other capital improvement projects in the sewer collection system and roadways.

**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

**Long-Term Debt**

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$21,151,646. Net pension liability and net OPEB liability make up \$8,528,370. 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**

The FY 18-19 finished on a positive note. In the FY 18-19, both the General fund revenues and expenditures were higher than the prior year. The fund balance ended up higher than last year, but still not where it needs to be. The Water fund and the Sewer fund are improving as a result of the rate increases.

FY 18-19 was a productive year. Here is a list of Team Jackson accomplishments:

1. Updated the sewer rates for FY18-19 to FY22-23.
2. Updated the water rates including a drought component. The last update was ten years ago.
3. Updated the Development Impact fees and Participation fees for a five-year period in the categories of essential services, water and sewer.
4. Updating accounting and billing practices to implement all new fees, including City's local fees and the park regional fees.
5. Began to respond to sewer capacity reduction matters upon identifying its purported deficiency.
6. Researched for audit services. Renewed a service contract for three years.
7. Revisited and diversified investment strategies (began to invest in CDs).
8. Cleared the CDBG and HOME Grants' reporting and accounting findings in order to continue utilizing funds. These were accumulated deficiencies.
9. Established purchasing procedures following the California Uniform Public Construction Cost Accounting Act in order to clarify and streamline procurement process.
10. Completed the transition of the Police Chief position.
11. Training, development and recruitment of WWTP operators. Made the CPO transition.
12. Completed the \$12 million SRF funded WWTP improvements.
13. Implemented operation changes as the result of the project with no significant violations.
14. Conducted a Council and a Staff mini retreats to review strategic initiatives.
15. Recruited a Jackson Business Promotion Specialist.
16. Protecting Measure M funding to sustain Fire protection services.
17. Obtained a \$450,000 SAFER grant for volunteer firefighter recruitment and retention.
18. Strengthening volunteer firefighter pool and police reserve officer resource.
19. Addressing the homeless crisis: participation in regional discussions, intervention and enforcement, outreach, seeking funding, policy updates.
20. Identified impacts of the county jail expansion.
21. Updated the accessory dwelling ordinance, adopted a short-term rental ordinance.
22. Searched for and secured insurance coverages for City properties, workers' compensation, cyber security, etc.
23. Applied for a variety of grants and obtained a few including a street lighting grant (transportation), a City Hall/PD roof grant.
24. Replaced City Hall/PD phone systems (old system became obsolete and out of commission).
25. Implemented new software for operation to promote efficiency, including HDL (sales tax), iWorqs (building), etc.
26. Performed "sidewalk safety hazard" review and some deferred maintenance work.

**CITY OF JACKSON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2019**

27. Made progress on federal/state funded bridge projects (South Ave., Pitt St.) and Kennedy Mine Walking Trail, Jackson Gate Culvert.
28. Continuing to focus on reducing sewer inflow and infiltration issues: implementing a variety of projects, including smoke testing, camera sewer lines, replacing sewer lines, securing a falling manhole.
29. Designed and implementing a Sewer Lateral repair program in conjunction with the CDBG program funding.
30. Partnered with the Jackson Rancheria for two large capital projects: New York Ranch Rd improvement and a (proposed) sewer slip-lining project.
31. Began to make 5-year capital improvement plans in all aspects of operation.

Despite what we have accomplished, we are still facing grave challenges: a very limited number of revenue sources to handle the ever-increasing costs. Property insurance costs have gone up significantly in light of the devastating fires in recent years. A long list of overdue infrastructure improvement still exists. Pension, health care and workers' compensation insurance costs continue to increase. Public safety costs always go up. Unfunded state and federal mandates will also continue to impact our bottom line. The homeless crisis began to add noticeable burdens to the City's finance and budget. Lastly, we need to be prepared for another economy downturn.

The future of the City's finances continues to depend upon a multitude of factors. Thriving business and some growth would certainly help improve the City's financial picture. The county-wide road sale's tax initiative is expected to appear in the ballot in 2020. Its outcome will impact the City's operation and financial bottom-line.

**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.



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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**CITY OF JACKSON**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 4,104,320	\$ 2,886,772	\$ 6,991,092
Cash with fiscal agent	-	124,472	124,472
Receivables:			
Accounts	28,914	441,493	470,407
Taxes	506,002	-	506,002
Interest	1,065	727	1,792
Intergovernmental	207,331	-	207,331
Internal balances	476,090	(476,090)	-
Prepaid insurance	220,803	-	220,803
Loans receivable	8,239,150	-	8,239,150
Capital assets:			
Non-depreciable	5,568,127	181,689	5,749,816
Depreciable, net	7,257,110	22,030,257	29,287,367
Total capital assets	<u>12,825,237</u>	<u>22,211,946</u>	<u>35,037,183</u>
<b>Total Assets</b>	<u>26,608,912</u>	<u>25,189,320</u>	<u>51,798,232</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	72,813	72,813
Deferred pension adjustments	1,119,944	519,943	1,639,887
Deferred OPEB adjustments	63,772	19,811	83,583
<b>Total Deferred Outflows of Resources</b>	<u>1,183,716</u>	<u>612,567</u>	<u>1,796,283</u>
<b>LIABILITIES</b>			
Accounts payable	225,519	155,516	381,035
Salaries and benefits payable	5,012	-	5,012
Deposits payable	7,275	29,862	37,137
Unearned revenue	1,993	-	1,993
Long-term liabilities:			
Due within one year	124,970	488,651	613,621
Due in more than one year	124,971	11,884,684	12,009,655
Net pension liability	4,525,919	1,758,700	6,284,619
Net OPEB liability	1,739,738	504,013	2,243,751
<b>Total Liabilities</b>	<u>6,755,397</u>	<u>14,821,426</u>	<u>21,576,823</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred housing loan payments	8,239,150	-	8,239,150
Deferred pension adjustments	319,735	178,030	497,765
<b>Total Deferred Inflows of Resources</b>	<u>8,558,885</u>	<u>178,030</u>	<u>8,736,915</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, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>NET POSITION</b>			
Net investment in capital assets	12,825,237	10,427,405	23,252,642
Restricted for:			
General government	453,868	-	453,868
Public ways and facilities	1,776,912	-	1,776,912
Community development	982,065	-	982,065
Culture and recreation	874,793	-	874,793
Capital projects	276,600	1,922,372	2,198,972
Unrestricted	(4,711,129)	(1,547,346)	(6,258,475)
<b>Total Net Position</b>	<b>\$ 12,478,346</b>	<b>\$ 10,802,431</b>	<b>\$ 23,280,777</b>

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

Continued (Page 2 of 2)

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**CITY OF JACKSON**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs:</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 771,646	\$ 42,227	\$ 38,309	\$ -
Public protection	2,134,020	277,148	169,952	-
Public ways and facilities	1,021,597	255,923	251,120	1,776,616
Community development	627,234	708,769	-	-
Culture and recreation	307,707	45,696	-	-
<b>Total Governmental Activities</b>	<b>4,862,204</b>	<b>1,329,763</b>	<b>459,381</b>	<b>1,776,616</b>
Business-type activities:				
Sewer Facilities	2,191,498	2,871,654	-	-
Treated Water	1,692,232	1,624,916	-	-
Utility Deposits	1,625	-	-	-
Parking	50,136	535	-	-
<b>Total Business-Type Activities</b>	<b>3,935,491</b>	<b>4,497,105</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ 8,797,695</b>	<b>\$ 5,826,868</b>	<b>\$ 459,381</b>	<b>\$ 1,776,616</b>

**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**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (691,110)	\$ -	\$ (691,110)
(1,686,920)	-	(1,686,920)
1,262,062	-	1,262,062
81,535	-	81,535
(262,011)	-	(262,011)
<u>(1,296,444)</u>	<u>-</u>	<u>(1,296,444)</u>
-	680,156	680,156
-	(67,316)	(67,316)
-	(1,625)	(1,625)
-	(49,601)	(49,601)
<u>-</u>	<u>561,614</u>	<u>561,614</u>
<u>(1,296,444)</u>	<u>561,614</u>	<u>(734,830)</u>
890,630	-	890,630
1,074,714	-	1,074,714
164,826	-	164,826
22,913	-	22,913
594,112	-	594,112
389,131	-	389,131
32,907	16,562	49,469
46,285	25,330	71,615
(37,687)	37,687	-
<u>3,177,831</u>	<u>79,579</u>	<u>3,257,410</u>
1,881,387	641,193	2,522,580
<u>10,596,959</u>	<u>10,161,238</u>	<u>20,758,197</u>
<u>\$ 12,478,346</u>	<u>\$ 10,802,431</u>	<u>\$ 23,280,777</u>

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**CITY OF JACKSON**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>General Fund</u>	<u>HOME Grant</u>	<u>New York Ranch Road</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and investments	\$ 573,274	\$ -	\$ 282,079	\$ 3,199,112	\$ 4,054,465
Receivables:					
Accounts	12,237	-	-	16,677	28,914
Taxes	411,959	-	-	94,043	506,002
Interest	201	-	-	864	1,065
Intergovernmental	-	-	-	207,331	207,331
Due from other funds	-	-	-	553,819	553,819
Loans receivable	-	5,691,530	-	2,547,620	8,239,150
<b>Total Assets</b>	<u>\$ 997,671</u>	<u>\$ 5,691,530</u>	<u>\$ 282,079</u>	<u>\$ 6,619,466</u>	<u>\$13,590,746</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 88,054	\$ -	\$ 22,784	\$ 114,681	\$ 225,519
Salaries and benefits payable	5,012	-	-	-	5,012
Unearned revenue	1,993	-	-	-	1,993
Due to other funds	-	-	-	86,912	86,912
Deposits payable	7,275	-	-	-	7,275
<b>Total Liabilities</b>	<u>102,334</u>	<u>-</u>	<u>22,784</u>	<u>201,593</u>	<u>326,711</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	176,478	176,478
Deferred housing loan payments	-	5,691,530	-	2,547,620	8,239,150
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>5,691,530</u>	<u>-</u>	<u>2,724,098</u>	<u>8,415,628</u>
<b>FUND BALANCES</b>					
Restricted	444,621	-	259,295	3,660,322	4,364,238
Committed	109,000	-	-	-	109,000
Assigned	-	-	-	162,489	162,489
Unassigned	341,716	-	-	(129,036)	212,680
<b>Total Fund Balances</b>	<u>895,337</u>	<u>-</u>	<u>259,295</u>	<u>3,693,775</u>	<u>4,848,407</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 997,671</u>	<u>\$ 5,691,530</u>	<u>\$ 282,079</u>	<u>\$ 6,619,466</u>	<u>\$13,590,746</u>

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, 2019**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 4,848,407</b>
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.	12,825,237
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	176,478
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,183,716
Deferred inflows of resources related to pension are not reported in the governmental funds.	(319,735)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated absences	(249,941)
Net pension liability	(4,525,919)
Net OPEB liability	(1,739,738)
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>279,841</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$12,478,346</u></u></b>

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, 2019**

	<b>General Fund</b>	<b>HOME Grant</b>	<b>New York Ranch Road</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
<b>REVENUES</b>					
Taxes and assessments	\$ 2,790,975	\$ -	\$ -	590,261	\$ 3,381,236
Licenses and permits	326,185	-	-	128,231	454,416
Fines and forfeitures	10,216	-	-	-	10,216
Use of money and property	13,335	-	-	19,572	32,907
Intergovernmental	441,103	-	1,327,601	749,670	2,518,374
Charges for services	82,524	-	-	146,108	228,632
Other revenues	26,465	-	-	19,820	46,285
<b>Total Revenues</b>	<b>3,690,803</b>	<b>-</b>	<b>1,327,601</b>	<b>1,653,662</b>	<b>6,672,066</b>
<b>EXPENDITURES</b>					
Current:					
General government	726,759	-	-	13,379	740,138
Public protection	2,009,994	-	-	-	2,009,994
Public ways and facilities	625,193	-	-	79,101	704,294
Community development	-	-	-	627,234	627,234
Culture and recreation	245,705	-	-	-	245,705
Capital outlay	-	-	1,068,306	411,593	1,479,899
<b>Total Expenditures</b>	<b>3,607,651</b>	<b>-</b>	<b>1,068,306</b>	<b>1,131,307</b>	<b>5,807,264</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>83,152</b>	<b>-</b>	<b>259,295</b>	<b>522,355</b>	<b>864,802</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	351,022	-	-	216,083	567,105
Transfers out	(168,203)	(1,435)	-	(435,154)	(604,792)
<b>Total Other Financing Sources (Uses)</b>	<b>182,819</b>	<b>(1,435)</b>	<b>-</b>	<b>(219,071)</b>	<b>(37,687)</b>
<b>Net Change in Fund Balances</b>	<b>265,971</b>	<b>(1,435)</b>	<b>259,295</b>	<b>303,284</b>	<b>827,115</b>
<b>Fund Balances - Beginning</b>	<b>629,366</b>	<b>1,435</b>	<b>-</b>	<b>3,390,491</b>	<b>4,021,292</b>
<b>Fund Balances - Ending</b>	<b>\$ 895,337</b>	<b>\$ -</b>	<b>\$ 259,295</b>	<b>\$ 3,693,775</b>	<b>\$ 4,848,407</b>

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, 2019**

**Net Change in Fund Balances - Total Governmental Funds** \$ 827,115

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

Governmental funds report capital outlays 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	1,479,899
Less current year depreciation	(496,399)

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	109,212
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Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pension	105,974
Change in deferred outflows of resources related to OPEB	21,554
Change in deferred inflows of resources related to pension	(208,745)

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	37,653
Change in net pension liability	44,187
Change in net OPEB liability	(92,109)

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.

53,046
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**Change in Net Position of Governmental Activities** \$ 1,881,387

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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Facilities</b>	<b>Treated Water</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 2,193,394	\$ 673,690	\$ 19,688	\$ 2,886,772	\$ 49,855
Cash with fiscal agent	-	124,472	-	124,472	-
Receivables:					
Accounts	278,883	162,610	-	441,493	-
Interest	538	184	5	727	-
Prepaid insurance	-	-	-	-	220,803
<b>Total Current Assets</b>	<b>2,472,815</b>	<b>960,956</b>	<b>19,693</b>	<b>3,453,464</b>	<b>270,658</b>
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,285	8,818	155,586	181,689	-
Depreciable, net	16,474,219	5,247,685	308,353	22,030,257	-
Total capital assets	<u>16,491,504</u>	<u>5,256,503</u>	<u>463,939</u>	<u>22,211,946</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<b>16,491,504</b>	<b>5,256,503</b>	<b>463,939</b>	<b>22,211,946</b>	<b>-</b>
<b>Total Assets</b>	<b>18,964,319</b>	<b>6,217,459</b>	<b>483,632</b>	<b>25,665,410</b>	<b>270,658</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	-	72,813	-	72,813	-
Deferred pension adjustments	360,037	160,082	(176)	519,943	-
Deferred OPEB adjustments	14,862	4,949	-	19,811	-
<b>Total Deferred Outflows of Resources</b>	<b>374,899</b>	<b>237,844</b>	<b>(176)</b>	<b>612,567</b>	<b>-</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	151,798	2,433	1,285	155,516	-
Deposits payable	-	-	29,862	29,862	-
Due to other funds	466,907	-	-	466,907	-
Compensated absences payable	5,858	5,186	-	11,044	-
Loans payable	294,499	-	-	294,499	-
Customer advances	-	84,439	-	84,439	-
Bonds payable	-	98,669	-	98,669	-
<b>Total Current Liabilities</b>	<b>919,062</b>	<b>190,727</b>	<b>31,147</b>	<b>1,140,936</b>	<b>-</b>

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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Facilities</b>	<b>Treated Water</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
Noncurrent Liabilities:					
Compensated absences payable	5,858	5,186	-	11,044	-
Customer advances	-	409,454	-	409,454	-
Loans payable	11,044,507	-	-	11,044,507	-
Bonds payable	-	419,679	-	419,679	-
Net pension liability	1,173,719	583,852	1,129	1,758,700	-
Net OPEB liability	334,421	169,592	-	504,013	-
<b>Total Noncurrent Liabilities</b>	<b>12,558,505</b>	<b>1,587,763</b>	<b>1,129</b>	<b>14,147,397</b>	<b>-</b>
<b>Total Liabilities</b>	<b>13,477,567</b>	<b>1,778,490</b>	<b>32,276</b>	<b>15,288,333</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension adjustments	133,961	44,061	8	178,030	-
<b>Total Deferred Inflows of Resources</b>	<b>133,961</b>	<b>44,061</b>	<b>8</b>	<b>178,030</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	5,152,498	4,810,968	463,939	10,427,405	-
Restricted for capital projects	1,376,362	546,010	-	1,922,372	-
Unrestricted	(801,170)	(724,226)	(12,767)	(1,538,163)	270,658
<b>Total Net Position</b>	<b>\$ 5,727,690</b>	<b>\$ 4,632,752</b>	<b>\$ 451,172</b>	<b>10,811,614</b>	<b>\$ 270,658</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(9,183)	
<b>Net Position of Business-Type Activities</b>				<b>\$ 10,802,431</b>	

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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Facilities</b>	<b>Treated Water</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>					
Licenses and permits	\$ 24,220	\$ 24,720	\$ 80	\$ 49,020	\$ -
Fines and forfeitures	78	-	311	389	-
Charges for services	2,847,356	1,600,196	144	4,447,696	101,021
Other revenues	13,503	11,817	10	25,330	-
<b>Total Operating Revenues</b>	<u>2,885,157</u>	<u>1,636,733</u>	<u>545</u>	<u>4,522,435</u>	<u>101,021</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	479,148	195,411	3,701	678,260	-
Contract services	522,528	37,903	1,080	561,511	-
Utilities	228,688	8,143	3,148	239,979	-
Insurance	46,933	24,213	847	71,993	-
Maintenance	232,335	47,985	-	280,320	-
Supplies	108,360	15,504	-	123,864	-
Write offs	-	-	1,646	1,646	-
Administration	-	9,113	-	9,113	-
Water purchase	-	901,537	-	901,537	-
Other	173,393	200,466	29,511	403,370	-
Insurance and claims	-	-	-	-	122,911
Depreciation	205,794	193,727	10,881	410,402	-
<b>Total Operating Expenses</b>	<u>1,997,179</u>	<u>1,634,002</u>	<u>50,814</u>	<u>3,681,995</u>	<u>122,911</u>
<b>Operating Income (Loss)</b>	<u>887,978</u>	<u>2,731</u>	<u>(50,269)</u>	<u>840,440</u>	<u>(21,890)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	10,142	6,304	116	16,562	-
Interest expense	(141,337)	(37,223)	-	(178,560)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(131,195)</u>	<u>(30,919)</u>	<u>116</u>	<u>(161,998)</u>	<u>-</u>
<b>Income (Loss) Before Transfers</b>	<u>756,783</u>	<u>(28,188)</u>	<u>(50,153)</u>	<u>678,442</u>	<u>(21,890)</u>
Transfers in	-	-	37,687	37,687	-
<b>Change in Net Position</b>	<u>756,783</u>	<u>(28,188)</u>	<u>(12,466)</u>	<u>716,129</u>	<u>(21,890)</u>
<b>Total Net Position - Beginning</b>	<u>4,970,907</u>	<u>4,660,940</u>	<u>463,638</u>		<u>292,548</u>
<b>Total Net Position - Ending</b>	<u>\$ 5,727,690</u>	<u>\$ 4,632,752</u>	<u>\$ 451,172</u>		<u>\$ 270,658</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(74,936)</u>	
<b>Change in Net Position of Business-Type Activities</b>				<u>\$ 641,193</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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Sewer Facilities</b>	<b>Treated Water</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,778,881	\$ 1,643,098	\$ 855	\$ 4,422,834	\$ 101,021
Payments to suppliers	(2,158,545)	(1,244,776)	(35,086)	(3,438,407)	(171,687)
Payments to employees	(510,263)	(213,562)	(3,704)	(727,529)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>110,073</u>	<u>184,760</u>	<u>(37,935)</u>	<u>256,898</u>	<u>(70,666)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund loans received	466,907	-	-	466,907	-
Transfers from other funds	-	-	37,687	37,687	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>466,907</u>	<u>-</u>	<u>37,687</u>	<u>504,594</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(2,368,967)	-	-	(2,368,967)	-
Proceeds from issuance of debt	3,819,295	-	-	3,819,295	-
Principal paid on debt	-	(132,220)	-	(132,220)	-
Interest paid on debt	-	(21,330)	-	(21,330)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>1,450,328</u>	<u>(153,550)</u>	<u>-</u>	<u>1,296,778</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	9,605	6,120	111	15,836	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>9,605</u>	<u>6,120</u>	<u>111</u>	<u>15,836</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,036,913	37,330	(137)	2,074,106	(70,666)
<b>Balances - Beginning</b>	<u>156,481</u>	<u>760,832</u>	<u>19,825</u>	<u>937,138</u>	<u>120,521</u>
<b>Balances - Ending</b>	<u>\$ 2,193,394</u>	<u>\$ 798,162</u>	<u>\$ 19,688</u>	<u>\$ 3,011,244</u>	<u>\$ 49,855</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, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Sewer Facilities</b>	<b>Treated Water</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>RECONCILIATION OF OPERATING INCOME</b>					
<b>(LOSS) TO NET CASH PROVIDED (USED)</b>					
<b>BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 887,978	\$ 2,731	\$ (50,269)	\$ 840,440	\$ (21,890)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	205,794	193,727	10,881	410,402	-
Decrease (increase) in:					
Accounts receivable	(106,276)	4,169	-	(102,107)	-
Deposits	-	2,196	-	2,196	-
Prepaid insurance	-	-	-	-	(48,776)
Pension adjustments - deferred outflows	(109,837)	(39,039)	(9)	(148,885)	-
OPEB adjustments - deferred outflows	(6,328)	(1,417)	-	(7,745)	-
Increase (decrease) in:					
Accounts payable	(507,944)	88	1,146	(506,710)	-
Retentions payable	(338,364)	-	-	(338,364)	-
Deposits payable	-	-	310	310	-
Compensated absences payable	8,642	(4,371)	-	4,271	-
Net pension liability	(35,522)	(12,626)	(3)	(48,151)	-
Net OPEB liability	21,465	7,148	-	28,613	-
Pension adjustments - deferred inflows	90,465	32,154	9	122,628	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 110,073</b>	<b>\$ 184,760</b>	<b>\$ (37,935)</b>	<b>\$ 256,898</b>	<b>\$ (70,666)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Amortization of deferred charge on refunding	\$ -	\$ 14,562	\$ -	\$ 14,562	\$ -
Amortization of premium	-	(1,848)	-	(1,848)	-
Amortization of discount	-	3,178	-	3,178	-

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

Continued (Page 2 of 2)

**CITY OF JACKSON**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	<u>\$ 45,585</u>
<b>Total Assets</b>	<u><u>\$ 45,585</u></u>
<b>LIABILITIES</b>	
Agency obligations	<u>\$ 45,585</u>
<b>Total Liabilities</b>	<u><u>\$ 45,585</u></u>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**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, 2019**

**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 New York Ranch Road fund is a capital projects fund used to account for activity related to construction on New York Ranch Road.

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, 2019**

**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, 2019**

**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, 2019, 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, 2019**

**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, 2019 including accrued interest was \$8,239,150.

**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, 2019**

**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, 2019**

**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, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

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

**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 is reportable on the Statement of Net Position.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**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) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 83**, Certain Asset Retirement Obligations (AROs). This statement enhances the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs including obligations that may not have been previously reported. This statement also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

**Statement No. 88**, Certain Disclosures Related to Debt, including Direct Borrowing, and Direct Placements. This statement improves financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risk associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balance/Net Position**

The following nonmajor capital projects funds had deficit fund balances:

The South Avenue Bridge fund had a fund balance deficit of \$24,060, which is expected to be eliminated in future years through grant revenues.

The Pitt Street Bridge fund had a fund balance deficit of \$12,075, which is expected to be eliminated in future years through grant revenues.

The French Bar Bridge fund had a fund balance deficit of \$23,399, 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 Highway 49 Lights fund had a fund balance deficit of \$730, which is expected to be eliminated in the future through grant revenues.

The Jackson GT Culvert fund had a fund balance deficit of \$68,509, 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, 2019**

**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, 2019, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 4,104,320
Business-type activities	3,011,244
Agency funds	45,585
Total Cash and Investments	\$ 7,161,149

As of June 30, 2019, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 520
Deposits (less outstanding checks)	5,684,382
Deposits with fiscal agents	124,472
Total Cash	5,809,374
Investments:	
In City's pool	1,351,775
Total Investments	1,351,775
Total Cash and Investments	\$ 7,161,149

**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 \$5,808,854 and the bank balance was \$6,133,157. 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, 2019**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments**

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

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

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

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

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

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

At June 30, 2019, 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>
<b>Investments by Fair Value Level</b>				
Certificates of deposit	\$ 480,000	\$ 480,000	\$ -	\$ -
Total Investments Measured at Fair Value	480,000	<u>\$ 480,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Investments in External Investment Pools</b>				
CalTRUST	825,400			
LAIF	<u>46,375</u>			
Total Investments	<u>\$ 1,351,775</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, 2019**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of June 30, 2019, the City had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
Certificates of deposit	2.450-2.550%	\$ -	\$ 480,000	\$ 480,000	1.88
CalTRUST	Variable	825,400	-	825,400	-
LAIF	Variable	46,375	-	46,375	-
Total Investments		<u>\$ 871,775</u>	<u>\$ 480,000</u>	<u>\$ 1,351,775</u>	<u>1.88</u>

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Rating</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	N/A	Unrated	Unrated	35.51%
CalTRUST	N/A	Unrated	Unrated	61.06%
LAIF	N/A	Unrated	Unrated	3.43%
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, 2019, that represent 5 percent or more of total City investments as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Certificates of Deposit	\$ 480,000	35.51%

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**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, 2019, the City's investment in CalTRUST was \$825,400, 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, 2019, the City's investment in LAIF valued at amortized cost was \$46,375 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 \$105.7 billion. Of that amount, 98.23 percent is invested in non-derivative financial products and 1.77 percent in structured notes and asset-backed securities.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,472,252	\$ -	\$ -	\$ 1,472,252
Construction in progress	<u>2,615,976</u>	<u>1,479,899</u>	<u>-</u>	<u>4,095,875</u>
Total Capital Assets, Not Being Depreciated	<u>4,088,228</u>	<u>1,479,899</u>	<u>-</u>	<u>5,568,127</u>
Capital Assets, Being Depreciated:				
Building and improvements	4,323,430	-	61,557	4,384,987
Equipment	2,881,096	-	( 65,178)	2,815,918
Infrastructure	<u>14,408,252</u>	<u>-</u>	<u>-</u>	<u>14,408,252</u>
Total Capital Assets, Being Depreciated	<u>21,612,778</u>	<u>-</u>	<u>( 3,621)</u>	<u>21,609,157</u>
Less Accumulated Depreciation For:				
Building and improvements	( 2,192,070)	( 113,836)	( 61,556)	( 2,367,462)
Equipment	( 2,543,425)	( 124,903)	65,177	( 2,603,151)
Infrastructure	<u>( 9,123,774)</u>	<u>( 257,660)</u>	<u>-</u>	<u>( 9,381,434)</u>
Total Accumulated Depreciation	<u>( 13,859,269)</u>	<u>( 496,399)</u>	<u>3,621</u>	<u>( 14,352,047)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,753,509</u>	<u>( 496,399)</u>	<u>-</u>	<u>7,257,110</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,841,737</u>	<u>\$ 983,500</u>	<u>\$ -</u>	<u>\$ 12,825,237</u>

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 181,689	\$ -	\$ -	\$ 181,689
Construction in progress	<u>9,787,710</u>	<u>2,264,624</u>	<u>( 12,052,334)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>9,969,399</u>	<u>2,264,624</u>	<u>( 12,052,334)</u>	<u>181,689</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	3,698,902	-	6,920	3,705,822
Equipment	1,882,477	51,334	672,233	2,606,044
Infrastructure	<u>14,842,427</u>	<u>53,009</u>	<u>11,373,181</u>	<u>26,268,617</u>
Total Capital Assets, Being Depreciated	<u>20,423,806</u>	<u>104,343</u>	<u>12,052,334</u>	<u>32,580,483</u>
Less Accumulated Depreciation For:				
Buildings and improvements	( 2,368,125)	( 77,757)	-	( 2,445,882)
Equipment	( 1,669,519)	( 64,438)	( 157,477)	( 1,891,434)
Infrastructure	<u>( 6,102,180)</u>	<u>( 268,207)</u>	<u>157,477</u>	<u>( 6,212,910)</u>
Total Accumulated Depreciation	<u>( 10,139,824)</u>	<u>( 410,402)</u>	<u>-</u>	<u>( 10,550,226)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,283,982</u>	<u>( 306,059)</u>	<u>12,052,334</u>	<u>22,030,257</u>
Business-Type Activities Capital Assets, Net	<u>\$ 20,253,381</u>	<u>\$ 1,958,565</u>	<u>\$ -</u>	<u>\$ 22,211,946</u>

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 25,812
Public protection	117,290
Public ways and facilities	301,932
Culture and recreation	<u>51,365</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 496,399</u>

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

Sewer Facilities	\$ 205,794
Treated Water	193,727
Parking	<u>10,881</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 410,402</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, 2019**

**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, 2019:

	<u>Due From Other funds</u>	<u>Due To Other funds</u>
Nonmajor Governmental funds	\$ 553,819	\$ 86,912
Sewer Facilities	-	466,907
Total	<u>\$ 553,819</u>	<u>\$ 553,819</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, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 351,022	\$ 168,203
HOME Grant	-	1,435
Nonmajor Governmental funds	216,083	435,154
Nonmajor Enterprise funds	37,687	-
Total	<u>\$ 604,792</u>	<u>\$ 604,792</u>

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2018</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Compensated Absences	\$ 287,594	\$ 258,677	(\$ 296,330)	\$ 249,941	\$ 124,970
Total Governmental Activities	<u>\$ 287,594</u>	<u>\$ 258,677</u>	<u>(\$ 296,330)</u>	<u>\$ 249,941</u>	<u>\$ 124,970</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 17,819	\$ 70,981	( 66,712)	22,088	\$ 11,044
Customer Advances	536,113	-	( 42,220)	493,893	84,439
Loans	7,378,375	3,960,630	-	11,339,005	294,499
Bonds	615,000	-	( 90,000)	525,000	100,000
Plus: Bond Premium	11,089	-	( 1,848)	9,241	1,848
Less Deferred Amounts:					
Unamortized Discount	( 19,071)	-	3,179	( 15,892)	( 3,179)
Bonds (Net)	<u>607,018</u>	<u>-</u>	<u>( 88,669)</u>	<u>518,349</u>	<u>98,669</u>
Total Business-Type Activities	<u>\$ 8,539,325</u>	<u>\$ 4,031,611</u>	<u>(\$ 197,601)</u>	<u>\$ 12,373,335</u>	<u>\$ 488,651</u>

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**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, 2019, 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>\$ 493,893</u>
Total Customer Advances	<u>493,893</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>11,339,005</u>
Total Loans	<u>11,339,005</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>525,000</u>
Total Loans	<u>525,000</u>
Total Business-Type Activities	<u>\$ 12,357,898</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**

Year Ended <u>June 30</u>	Customer Advances		
	Principal	Interest	Total
2020	\$ 84,439	\$ -	\$ 84,439
2021	42,220	-	42,220
2022	42,220	-	42,220
2023	42,220	-	42,220
2024	42,220	-	42,220
2025-2029	175,115	-	175,115
2030-2032	<u>65,459</u>	-	<u>65,459</u>
Total	<u>\$ 493,893</u>	<u>\$ -</u>	<u>\$ 493,893</u>

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities (Continued)**

Year Ended June 30	Loans		
	Principal	Interest	Total
2020	\$ 294,499	\$ 191,071	\$ 485,570
2021	297,813	187,757	485,570
2022	302,876	182,694	485,570
2023	308,025	177,545	485,570
2024	313,262	172,308	485,570
2025-2029	1,648,023	779,827	2,427,850
2030-2034	1,792,950	634,900	2,427,850
2035-2039	1,950,621	477,229	2,427,850
2040-2044	2,122,158	305,692	2,427,850
2045-2049	<u>2,308,778</u>	<u>119,071</u>	<u>2,427,849</u>
Total	<u>\$ 11,339,005</u>	<u>\$ 3,228,094</u>	<u>\$ 14,567,099</u>

Year Ended June 30	Bonds		
	Principal	Interest	Total
2020	\$ 100,000	\$ 18,165	\$ 118,165
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>\$ 525,000</u>	<u>\$ 52,575</u>	<u>\$ 577,575</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, 2019, the defeased debt outstanding but not shown in these financial statements was \$595,000.

**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, 2019**

**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 \$6,286,610 of restricted net position, of which \$947,389 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, 2019, 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, 2019**

**NOTE 9: FUND BALANCES (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2019, were distributed as follows:

	General Fund	HOME Grant	New York Ranch Road	Other Governmental Funds	Totals
<b>Restricted for:</b>					
Measure E	\$ 444,621	\$ -	\$ -	\$ -	\$ 444,621
Argonaut Heights	-	-	-	5,152	5,152
Essential Services	-	-	-	609,580	609,580
Measure M	-	-	-	505,737	505,737
Recycling Promo	-	-	-	9,247	9,247
Local Transportation	-	-	-	63,410	63,410
Parkland	-	-	-	874,793	874,793
Streets and Bridges	-	-	-	972,362	972,362
Regional Traffic	-	-	-	87,566	87,566
Argonaut Lane Improvements	-	-	-	36,397	36,397
New York Ranch Rd Forfeiture	-	-	-	2,445	2,445
Community Development	-	-	-	476,328	476,328
Capital Projects	-	-	259,295	17,305	276,600
Subtotal	<u>444,621</u>	<u>-</u>	<u>259,295</u>	<u>3,660,322</u>	<u>4,364,238</u>
<b>Committed:</b>					
Corporate Yard Sinking Fund	51,000	-	-	-	51,000
Computer Sinking Fund	49,000	-	-	-	49,000
Park Equipment Sinking Fund	9,000	-	-	-	9,000
Subtotal	<u>109,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,000</u>
<b>Assigned:</b>					
RMRA – RD Maint	-	-	-	112,628	112,628
HES Signs	-	-	-	12,987	12,987
Street Stripe	-	-	-	36,874	36,874
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,489</u>	<u>162,489</u>
<b>Unassigned</b>	<u>341,716</u>	<u>-</u>	<u>-</u>	<u>( 129,036)</u>	<u>212,680</u>
Total	<u>\$ 895,337</u>	<u>\$ -</u>	<u>\$ 259,295</u>	<u>\$ 3,693,775</u>	<u>\$ 4,848,407</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, 2019**

**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 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 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 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, 2019**

**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, 2019, 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	55	2.5%
Miscellaneous PEPRA	2.0% @ 62	62	2.0%
Safety Police	3.0% @ 50	50	3.0%
Safety Fire	2.0% @ 50	50	3.0%
Safety Fire PEPRA	2.7% @ 57	57	2.7%

**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	10.609%	8.000%	0.000%
Miscellaneous PEPRA	6.842%	6.250%	0.000%
Safety Police	19.416%	6.500%	2.500%
Safety Fire	15.719%	9.000%	0.000%
Safety PEPRA	12.141%	11.500%	0.000%

For the year ended June 30, 2019, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 332,037	\$ -
Safety	210,009	17,763

**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, 2018, 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, 2017 rolled forward to June 30, 2018 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.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 10: PENSION PLAN (CONTINUED)**

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

The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	<u>Proportion June 30, 2018</u>	<u>Proportion June 30, 2019</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.11008%	.11203%	.00195%
Safety	.03410%	.03515%	.00105%

As of June 30, 2019, 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	\$ 4,222,192
Safety	<u>2,062,427</u>
Total Net Pension Liability	<u>\$ 6,284,619</u>

For the year ended June 30, 2019, the City recognized pension expense of \$595,838. At June 30, 2019, 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	\$ 611,663	\$ -
Changes of assumptions	683,703	( 145,270)
Difference between expected and actual experience	206,313	( 55,295)
Difference between projected and actual earnings on pension plan investments	34,837	-
Difference between City contributions and proportionate share of contributions.	3,146	( 56,684)
Amortization due to differences in proportions	<u>100,225</u>	<u>( 240,516)</u>
Total	<u>\$ 1,639,887</u>	<u>(\$ 497,765)</u>

\$611,663 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:

<u>Year Ended June 30</u>	
2020	\$ 535,907
2021	281,854
2022	( 235,037)
2023	( 52,265)
Thereafter	<u>-</u>
Total	<u>\$ 530,459</u>

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 10: PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% 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.

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.

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.

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.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 10: PENSION PLAN (CONTINUED)**

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

**Discount Rate (Continued)**

<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 the Plan 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 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Miscellaneous	\$ 5,979,272	\$ 4,222,192	\$ 2,771,756
Safety	3,231,705	2,062,427	1,104,413

**Pension Plan Fiduciary Net Position**

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

**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.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided**

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

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: 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 benefits described below. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City's current PEMHCA resolutions define the City's contribution toward the medical plan premiums for active employees and retirees to be \$350 per month.

PEMHCA requires that monthly contributions from the City not be less than a required Minimum Employer Contribution (MEC). The MEC is \$136 per month in 2019 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 2018 CalPERS monthly medical plan rates in the Bay Area 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.

<b>Bay Area 2018 Health Plan Rates</b>						
	Activities and Pre-Med Retirees			Medicare Eligible Retirees		
Kaiser HMO	\$ 779.86	\$ 1,559.72	\$ 2,027.64	\$ 316.34	\$ 632.68	\$ 1,100.60
PERS Choice PPO	800.27	1,600.54	2,080.70	345.97	691.94	1,172.10
PERS Select PPO	717.50	1,435.00	1,865.50	345.97	691.94	1,122.44
PERS Care PPO	882.45	1,764.90	2,294.37	382.30	764.60	1,294.07
PORAC Association Plan	734.00	1,540.00	1,970.00	487.00	970.00	1,400.00

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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

**A. General Information about the OPEB Plan (Continued)**

**Employees Covered by Benefit Terms**

At June 30, 2019 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	4
Active employees	28
Total	49

**B. Net OPEB Liability**

The City's net OPEB liability of \$2,243,751, was measured as of June 30, 2019, and was determined by the actuarial valuation as of June 30, 2018.

**Actuarial Assumptions and Other Inputs**

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Funding Method	Entry Age Normal Cost, level of percent of pay
Inflation	2.75%
Salary Increase	3.25% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Discount rate	2.92% as of June 30, 2018
	2.79% as of June 30, 2019
Healthcare cost trend rates	7.0% for 2020, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years

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

Mortality rates were based on the mortality rates published by CalPERS adjusted to back out 20 years of Scale BB to central year 2008 and then projected forward 6 years using MacLeod Watts Scale 2017 to year 2014.

All actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2014 Experience Study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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

**C. Changes in the Net OPEB Liability**

	Net OPEB Liability
Balance at June 30, 2018	\$ 2,123,029
Changes for the year:	
Service cost	127,443
Interest cost	64,054
Change in assumptions	42,939
Benefit payments	(113,714)
Net Changes	120,722
Balance at June 30, 2019	\$ 2,243,751

Changes of assumptions and other inputs reflect a change in the discount rate from 2.92 percent to 2.79 percent.

**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 (1.79 percent) or 1-percentage point higher (3.79 percent) than the current discount rate:

	1% Decrease 1.79%	Current Rate 2.79%	1% Increase 3.79%
Net OPEB liability	\$ 2,625,689	\$ 2,243,751	\$ 1,945,730

**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 (1.0 percent below current trend) or 1-percentage point higher (1.0 percent above current trend) than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,949,223	\$ 2,243,751	\$ 2,810,654

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$205,137. At June 30, 2019, 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	\$ 83,583	\$ -
Total	\$ 83,583	\$ -



**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

<u>Year Ended</u> <u>June 30</u>	
2020	\$ 13,640
2021	13,640
2022	13,640
2023	13,640
2024	13,640
Thereafter	<u>15,383</u>
	<u>\$ 83,583</u>

**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.

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.

**CITY OF JACKSON**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2019**

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

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, 2019 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.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2019 through January 13, 2020, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**CITY OF JACKSON**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Miscellaneous Plan</b>					
Proportion of the net pension liability	0.04429%	0.04840%	0.04520%	0.05015%	0.11203%
Proportionate share of the net pension liability	\$ 2,756,209	\$ 3,324,051	\$ 3,906,887	\$ 4,339,347	\$ 4,222,192
Covered payroll	786,634	902,696	754,110	788,960	748,079
Proportionate share of the net pension liability as a percentage of covered payroll	350.38%	368.24%	518.08%	550.01%	564.40%
Plan fiduciary net position as a percentage of the total pension liability	75.28%	70.84%	67.55%	66.54%	67.49%
<b>Safety Plan</b>					
Proportion of the net pension liability	0.02115%	0.01950%	0.02020%	0.02355%	0.03515%
Proportionate share of the net pension liability	\$ 1,315,913	\$ 1,337,332	\$ 1,745,019	\$ 2,037,610	\$ 2,062,427
Covered payroll	483,703	689,008	879,183	792,629	808,492
Proportionate share of the net pension liability as a percentage of covered payroll	272.05%	194.10%	198.48%	257.07%	255.10%
Plan fiduciary net position as a percentage of the total pension liability	79.12%	79.19%	74.81%	74.39%	75.68%

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

**CITY OF JACKSON**  
**Required Supplementary Information**  
**City Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
<b>Miscellaneous Plan</b>					
Contractually required contribution (actuarially determined)	\$ 205,182	\$ 71,607	\$ 69,674	\$ 332,037	\$ 375,058
Contributions in relation to the actuarially determined contributions	<u>(205,182)</u>	<u>(304,271)</u>	<u>(314,950)</u>	<u>(332,037)</u>	<u>(375,058)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (232,664)</u>	<u>\$ (245,276)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 902,696	\$ 754,110	\$ 788,960	\$ 748,079	\$ 815,790
Contributions as a percentage of covered payroll	22.73%	40.35%	39.92%	44.39%	45.97%
<b>Safety Plan</b>					
Contractually required contribution (actuarially determined)	\$ 243,946	\$ 137,721	\$ 128,370	\$ 210,009	\$ 236,605
Contributions in relation to the actuarially determined contributions	<u>(243,946)</u>	<u>(194,352)</u>	<u>(193,773)</u>	<u>(210,009)</u>	<u>(236,605)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (56,631)</u>	<u>\$ (65,403)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 689,008	\$ 879,183	\$ 792,629	\$ 808,492	\$ 862,973
Contributions as a percentage of covered payroll	35.41%	22.11%	24.45%	25.98%	27.42%

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

**CITY OF JACKSON**  
**Required Supplementary Information**  
**City Pension Plan**  
**Notes to City Pension Plan**  
**For the Year Ended June 30, 2019**

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

Change of assumptions: For the measurement date of June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

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

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2016 Funding Valuation Report
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Discount rate	7.375%
Retirement age	The probabilities of retirement are based on January 2014 CalPERS Experience Study and Review of Actuarial Assumptions

**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, 2019**  
**Last 10 Years\***

	<u>2017/18</u>	<u>2018/19</u>
<b>Net OPEB Liability</b>		
Service Cost	\$ 117,019	\$ 127,443
Interest	64,101	64,054
Changes of assumptions and other inputs	62,362	42,939
Benefit payments	<u>(102,766)</u>	<u>(113,714)</u>
<b>Net Change in Net OPEB Liability</b>	140,716	120,722
<b>Net OPEB Liability - Beginning</b>	<u>1,982,313</u>	<u>2,123,029</u>
<b>Net OPEB Liability - Ending (a)</b>	<u>\$ 2,123,029</u>	<u>\$ 2,243,751</u>
Covered payroll	\$ 1,743,954	\$ 1,960,074
Net OPEB liability as a percentage of covered payroll	121.74%	114.47%

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





**CITY OF JACKSON**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 2,616,000	\$ 2,616,000	\$ 2,790,975	\$ 174,975
Licenses and permits	240,000	240,000	326,185	86,185
Fines and forfeitures	10,000	10,000	10,216	216
Use of money and property	15,600	10,600	13,335	2,735
Intergovernmental	591,958	591,958	441,103	(150,855)
Charges for services	438,805	438,805	466,067	27,262
Other revenues	8,000	8,000	26,465	18,465
<b>Total Revenues</b>	<b>3,920,363</b>	<b>3,915,363</b>	<b>4,074,346</b>	<b>158,983</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,062,601	1,062,601	1,110,302	(47,701)
Public protection	1,951,924	1,951,924	2,009,994	(58,070)
Public ways and facilities	609,981	609,981	625,193	(15,212)
Culture and recreation	263,817	264,817	245,705	19,112
Capital outlay	172,000	171,000	-	171,000
<b>Total Expenditures</b>	<b>4,060,323</b>	<b>4,060,323</b>	<b>3,991,194</b>	<b>69,129</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(139,960)</b>	<b>(144,960)</b>	<b>83,152</b>	<b>228,112</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	180,788	180,788	351,022	170,234
Transfers out	(20,000)	(20,000)	(168,203)	(148,203)
<b>Total Other Financing Sources (Uses)</b>	<b>160,788</b>	<b>160,788</b>	<b>182,819</b>	<b>22,031</b>
<b>Net Change in Fund Balances</b>	<b>20,828</b>	<b>15,828</b>	<b>265,971</b>	<b>250,143</b>
<b>Fund Balances - Beginning</b>	<b>629,366</b>	<b>629,366</b>	<b>629,366</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 650,194</b>	<b>\$ 645,194</b>	<b>\$ 895,337</b>	<b>\$ 250,143</b>

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

**Net Change in Fund Balance - Budgetary Basis** \$ 265,971

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	(418,410)
General government	418,410

**Net Change in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balances** **\$ 265,971**

**CITY OF JACKSON**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

**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 City did not legally adopt a budget for the HOME Grant major special revenue fund.

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.

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## **Combining Nonmajor Fund Financial Statements**

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## **Nonmajor Governmental Funds**

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**CITY OF JACKSON**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,144,942	\$ 54,170	\$ 3,199,112
Receivables:			
Accounts	16,677	-	16,677
Taxes	94,043	-	94,043
Interest	855	9	864
Intergovernmental	55,948	151,383	207,331
Loans receivable	2,547,620	-	2,547,620
Due from other funds	553,819		553,819
	<b>\$ 6,413,904</b>	<b>\$ 205,562</b>	<b>\$ 6,619,466</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 41,704	\$ 72,977	\$ 114,681
Due to other funds	-	86,912	86,912
	<b>41,704</b>	<b>159,889</b>	<b>201,593</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	55,948	120,530	176,478
Deferred housing loan payments	2,547,620	-	2,547,620
	<b>2,603,568</b>	<b>120,530</b>	<b>2,724,098</b>
<b>FUND BALANCES</b>			
Restricted	3,643,017	17,305	3,660,322
Assigned	125,615	36,874	162,489
Unassigned	-	(129,036)	(129,036)
	<b>3,768,632</b>	<b>(74,857)</b>	<b>3,693,775</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,413,904</b>	<b>\$ 205,562</b>	<b>\$ 6,619,466</b>

**CITY OF JACKSON**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 590,261	\$ -	\$ 590,261
Licenses and permits	128,231	-	128,231
Use of money and property	19,355	217	19,572
Intergovernmental	409,867	339,803	749,670
Charges for services	146,108	-	146,108
Other revenues	-	19,820	19,820
<b>Total Revenues</b>	<u>1,293,822</u>	<u>359,840</u>	<u>1,653,662</u>
<b>EXPENDITURES</b>			
Current:			
General government	12,180	1,199	13,379
Public ways and facilities	79,101	-	79,101
Community development	627,234	-	627,234
Capital outlay	-	411,593	411,593
<b>Total Expenditures</b>	<u>718,515</u>	<u>412,792</u>	<u>1,131,307</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>575,307</u>	<u>(52,952)</u>	<u>522,355</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	216,083	-	216,083
Transfers out	(435,154)	-	(435,154)
<b>Total Other Financing Sources (Uses)</b>	<u>(219,071)</u>	<u>-</u>	<u>(219,071)</u>
<b>Net Change in Fund Balances</b>	356,236	(52,952)	303,284
<b>Fund Balances - Beginning</b>	<u>3,412,396</u>	<u>(21,905)</u>	<u>3,390,491</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,768,632</u>	<u>\$ (74,857)</u>	<u>\$ 3,693,775</u>

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**CITY OF JACKSON**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

	<b>Argonaut Heights</b>	<b>CDBG Revolving</b>	<b>CDBG Discretionary</b>	<b>1995 CDBG Grant</b>	<b>Home PI</b>
<b>ASSETS</b>					
Cash and investments	\$ 5,151	\$ 232,143	\$ 83,839	\$ -	\$ 160,281
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	1	65	-	-	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	146,976	-	-	-
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,152</b>	<b>\$ 379,184</b>	<b>\$ 83,839</b>	<b>\$ -</b>	<b>\$ 160,281</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	-
Deferred housing loan payments	-	146,976	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>146,976</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	5,152	232,208	83,839	-	160,281
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>5,152</b>	<b>232,208</b>	<b>83,839</b>	<b>-</b>	<b>160,281</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,152</b>	<b>\$ 379,184</b>	<b>\$ 83,839</b>	<b>\$ -</b>	<b>\$ 160,281</b>

<b>1999 CDBG Grant</b>	<b>First Time Homebuyers</b>	<b>First Time Homebuyers 2005</b>	<b>First Time Homebuyers 2006</b>	<b>First Time Homebuyers 08-HOME-4729</b>	<b>Essential Services</b>	<b>Measure M</b>	<b>Recycling Promo</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,425	\$ 402,957	\$ 9,242
-	-	-	-	-	-	16,677	-
-	-	-	-	-	-	85,999	-
-	-	-	-	-	155	104	5
-	-	-	-	-	-	-	-
-	579,942	685,765	203,548	617,116	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 579,942</u>	<u>\$ 685,765</u>	<u>\$ 203,548</u>	<u>\$ 617,116</u>	<u>\$ 609,580</u>	<u>\$ 505,737</u>	<u>\$ 9,247</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	579,942	685,765	203,548	617,116	-	-	-
-	579,942	685,765	203,548	617,116	-	-	-
-	-	-	-	-	609,580	505,737	9,247
-	-	-	-	-	-	-	-
-	-	-	-	-	609,580	505,737	9,247
<u>\$ -</u>	<u>\$ 579,942</u>	<u>\$ 685,765</u>	<u>\$ 203,548</u>	<u>\$ 617,116</u>	<u>\$ 609,580</u>	<u>\$ 505,737</u>	<u>\$ 9,247</u>

**CITY OF JACKSON**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

	<b>Gas Tax Streets</b>	<b>RMRA RD-Maint</b>	<b>Local Transportation</b>	<b>HES Signs</b>	<b>Parkland In Lieu</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 104,559	\$ 63,394	\$ 12,984	\$ 320,751
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	8,044	-	-	-
Interest	-	25	16	3	223
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Due from other funds	-	-	-	-	553,819
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 112,628</b>	<b>\$ 63,410</b>	<b>\$ 12,987</b>	<b>\$ 874,793</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	-
Deferred housing loan payments	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	-	-	63,410	-	874,793
Assigned	-	112,628	-	12,987	-
<b>Total Fund Balances</b>	<b>-</b>	<b>112,628</b>	<b>63,410</b>	<b>12,987</b>	<b>874,793</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 112,628</b>	<b>\$ 63,410</b>	<b>\$ 12,987</b>	<b>\$ 874,793</b>



<u>SLESF</u>	<u>Streets and Bridges</u>	<u>Regional Traffic</u>	<u>FTHB 2011</u>	<u>Argonaut Lane Improvement</u>	<u>New York Ranch Road Forfeiture</u>	<u>Totals</u>
\$ -	\$ 972,114	\$ 129,270	\$ -	\$ 36,388	\$ 2,444	\$ 3,144,942
-	-	-	-	-	-	16,677
-	-	-	-	-	-	94,043
-	248	-	-	9	1	855
55,948	-	-	-	-	-	55,948
-	-	-	314,273	-	-	2,547,620
-	-	-	-	-	-	553,819
<u>\$ 55,948</u>	<u>\$ 972,362</u>	<u>\$ 129,270</u>	<u>\$ 314,273</u>	<u>\$ 36,397</u>	<u>\$ 2,445</u>	<u>\$ 6,413,904</u>
\$ -	\$ -	\$ 41,704	\$ -	\$ -	\$ -	\$ 41,704
-	-	41,704	-	-	-	41,704
55,948	-	-	-	-	-	55,948
-	-	-	314,273	-	-	2,547,620
55,948	-	-	314,273	-	-	2,603,568
-	972,362	87,566	-	36,397	2,445	3,643,017
-	-	-	-	-	-	125,615
-	972,362	87,566	-	36,397	2,445	3,768,632
<u>\$ 55,948</u>	<u>\$ 972,362</u>	<u>\$ 129,270</u>	<u>\$ 314,273</u>	<u>\$ 36,397</u>	<u>\$ 2,445</u>	<u>\$ 6,413,904</u>

**CITY OF JACKSON**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2019**

	<b>Argonaut Heights</b>	<b>CDBG Revolving</b>	<b>CDBG Discretionary</b>	<b>1995 CDBG Grant</b>	<b>Home PI</b>
<b>REVENUES</b>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Use of money and property	45	1,534	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	25,193	-	-	-
<b>Total Revenues</b>	<b>45</b>	<b>26,727</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	951	-	-
Public ways and facilities	-	-	-	-	-
Community development	-	27,138	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>27,138</b>	<b>951</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>45</b>	<b>(411)</b>	<b>(951)</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	17	26,546	-	161,685
Transfers out	-	(26,546)	-	(9)	(1,404)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(26,529)</b>	<b>26,546</b>	<b>(9)</b>	<b>160,281</b>
<b>Net Change in Fund Balances</b>	<b>45</b>	<b>(26,940)</b>	<b>25,595</b>	<b>(9)</b>	<b>160,281</b>
<b>Fund Balances - Beginning</b>	<b>5,107</b>	<b>259,148</b>	<b>58,244</b>	<b>9</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 5,152</b>	<b>\$ 232,208</b>	<b>\$ 83,839</b>	<b>\$ -</b>	<b>\$ 160,281</b>

<b>1999 CDBG Grant</b>	<b>First Time Homebuyers</b>	<b>First Time Homebuyers 2005</b>	<b>First Time Homebuyers 2006</b>	<b>First Time Homebuyers 08-HOME-4729</b>	<b>Essential Services</b>	<b>Measure M</b>	<b>Recycling Promo</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,261	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	3,555	2,383	96
-	-	-	-	-	-	-	10,000
-	-	-	93,315	-	27,600	-	-
-	-	-	93,315	-	31,155	592,644	10,096
-	-	-	-	-	-	-	11,167
-	-	-	-	-	-	-	-
-	-	-	-	-	-	600,096	-
-	-	-	-	-	-	600,096	11,167
-	-	-	93,315	-	31,155	(7,452)	(1,071)
-	-	-	-	-	-	26,431	-
(8)	-	-	(93,315)	(66,935)	-	-	-
(8)	-	-	(93,315)	(66,935)	-	26,431	-
(8)	-	-	-	(66,935)	31,155	18,979	(1,071)
8	-	-	-	66,935	578,425	486,758	10,318
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,580</u>	<u>\$ 505,737</u>	<u>\$ 9,247</u>

**CITY OF JACKSON**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2019**

	<b>Gas Tax Streets</b>	<b>RMRA RD-Maint</b>	<b>Local Transportation</b>	<b>HES Signs</b>	<b>Parkland In Lieu</b>
<b>REVENUES</b>					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	82,365
Use of money and property	-	384	339	125	4,972
Intergovernmental	98,190	89,859	63,071	-	-
Charges for services	-	-	-	-	-
<b>Total Revenues</b>	<b>98,190</b>	<b>90,243</b>	<b>63,410</b>	<b>125</b>	<b>87,337</b>
<b>EXPENDITURES</b>					
Current:					
General government	62	-	-	-	-
Public ways and facilities	-	-	-	-	-
Community development	-	-	-	-	-
<b>Total Expenditures</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>98,128</b>	<b>90,243</b>	<b>63,410</b>	<b>125</b>	<b>87,337</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(98,190)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(98,190)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(62)</b>	<b>90,243</b>	<b>63,410</b>	<b>125</b>	<b>87,337</b>
<b>Fund Balances - Beginning</b>	<b>62</b>	<b>22,385</b>	<b>-</b>	<b>12,862</b>	<b>787,456</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ 112,628</b>	<b>\$ 63,410</b>	<b>\$ 12,987</b>	<b>\$ 874,793</b>

<u>SLESF</u>	<u>Streets and Bridges</u>	<u>Regional Traffic</u>	<u>FTHB 2011</u>	<u>Argonaut Lane Improvement</u>	<u>New York Ranch Road Forfeiture</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,261
-	21,740	24,126	-	-	-	128,231
-	5,692	-	-	215	15	19,355
148,747	-	-	-	-	-	409,867
-	-	-	-	-	-	146,108
<u>148,747</u>	<u>27,432</u>	<u>24,126</u>	<u>-</u>	<u>215</u>	<u>15</u>	<u>1,293,822</u>
-	-	-	-	-	-	12,180
-	-	79,101	-	-	-	79,101
-	-	-	-	-	-	627,234
-	-	79,101	-	-	-	718,515
<u>148,747</u>	<u>27,432</u>	<u>(54,975)</u>	<u>-</u>	<u>215</u>	<u>15</u>	<u>575,307</u>
-	-	-	1,404	-	-	216,083
(148,747)	-	-	-	-	-	(435,154)
<u>(148,747)</u>	<u>-</u>	<u>-</u>	<u>1,404</u>	<u>-</u>	<u>-</u>	<u>(219,071)</u>
-	27,432	(54,975)	1,404	215	15	356,236
-	944,930	142,541	(1,404)	36,182	2,430	3,412,396
<u>\$ -</u>	<u>\$ 972,362</u>	<u>\$ 87,566</u>	<u>\$ -</u>	<u>\$ 36,397</u>	<u>\$ 2,445</u>	<u>\$ 3,768,632</u>

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## **Nonmajor Governmental Funds**

- **Capital Projects Funds**

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**CITY OF JACKSON**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2019**

	<b>South Ave Bridge</b>	<b>Pitt Street Bridge</b>	<b>French Bar Bridge</b>	<b>Sidewalk Improvement</b>	<b>Hwy 49 Lights</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Interest	-	-	-	-	-
Intergovernmental	23,456	11,252	54,741	-	-
<b>Total Assets</b>	<b>\$ 23,456</b>	<b>\$ 11,252</b>	<b>\$ 54,741</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 7,263	\$ -	\$ 10,399	\$ -	\$ -
Due to other funds	16,797	12,075	43,853	263	730
<b>Total Liabilities</b>	<b>24,060</b>	<b>12,075</b>	<b>54,252</b>	<b>263</b>	<b>730</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	23,456	11,252	23,888	-	-
<b>Total Deferred Inflows of Resources</b>	<b>23,456</b>	<b>11,252</b>	<b>23,888</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(24,060)	(12,075)	(23,399)	(263)	(730)
<b>Total Fund Balances (Deficits)</b>	<b>(24,060)</b>	<b>(12,075)</b>	<b>(23,399)</b>	<b>(263)</b>	<b>(730)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 23,456</b>	<b>\$ 11,252</b>	<b>\$ 54,741</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Sutter Street</u>	<u>Street Stripe</u>	<u>Oro de Amador</u>	<u>Jackson GT Culvert</u>	<u>Totals</u>
\$ 593	\$ 36,865	\$ 16,712	\$ -	\$ 54,170
-	9	-	-	9
-	-	-	61,934	151,383
<u>\$ 593</u>	<u>\$ 36,874</u>	<u>\$ 16,712</u>	<u>\$ 61,934</u>	<u>\$ 205,562</u>
\$ -	\$ -	\$ -	\$ 55,315	\$ 72,977
-	-	-	13,194	86,912
-	-	-	68,509	159,889
-	-	-	61,934	120,530
-	-	-	61,934	120,530
593	-	16,712	-	17,305
-	36,874	-	-	36,874
-	-	-	(68,509)	(129,036)
<u>593</u>	<u>36,874</u>	<u>16,712</u>	<u>(68,509)</u>	<u>(74,857)</u>
<u>\$ 593</u>	<u>\$ 36,874</u>	<u>\$ 16,712</u>	<u>\$ 61,934</u>	<u>\$ 205,562</u>

**CITY OF JACKSON**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2019**

	<b>South Ave Bridge</b>	<b>Pitt Street Bridge</b>	<b>French Bar Bridge</b>	<b>Sidewalk Improvement</b>	<b>Hwy 49 Lights</b>
<b>REVENUES</b>					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	224,168	66,487	49,148	-	-
Other revenues	-	-	-	-	-
<b>Total Revenues</b>	<u>224,168</u>	<u>66,487</u>	<u>49,148</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	730
Capital outlay	241,484	34,465	67,135	-	-
<b>Total Expenditures</b>	<u>241,484</u>	<u>34,465</u>	<u>67,135</u>	<u>-</u>	<u>730</u>
<b>Net Change in Fund Balances</b>	(17,316)	32,022	(17,987)	-	(730)
<b>Fund Balances (Deficits) - Beginning</b>	<u>(6,744)</u>	<u>(44,097)</u>	<u>(5,412)</u>	<u>(263)</u>	<u>-</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ (24,060)</u>	<u>\$ (12,075)</u>	<u>\$ (23,399)</u>	<u>\$ (263)</u>	<u>\$ (730)</u>

<u>Sutter Street</u>	<u>Street Stripe</u>	<u>Oro de Amador</u>	<u>Jackson GT Culvert</u>	<u>Totals</u>
\$ -	\$ 217	\$ -	\$ -	\$ 217
-	-	-	-	339,803
-	-	19,820	-	19,820
-	217	19,820	-	359,840
469	-	-	-	1,199
-	-	-	68,509	411,593
469	-	-	68,509	412,792
(469)	217	19,820	(68,509)	(52,952)
1,062	36,657	(3,108)	-	(21,905)
<u>\$ 593</u>	<u>\$ 36,874</u>	<u>\$ 16,712</u>	<u>\$ (68,509)</u>	<u>\$ (74,857)</u>

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## **Nonmajor Proprietary Funds**

- **Enterprise Funds**

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**CITY OF JACKSON**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2019**

	<b>Parking</b>	<b>Utility Deposits</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ -	\$ 19,688	\$ 19,688
Receivables:			
Interest	-	5	5
	-	5	5
<b>Total Current Assets</b>	-	19,693	19,693
Noncurrent Assets:			
Capital assets:			
Non-depreciable	155,586	-	155,586
Depreciable, net	308,353	-	308,353
	463,939	-	463,939
<b>Total Noncurrent Assets</b>	463,939	-	463,939
<b>Total Assets</b>	463,939	19,693	483,632
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	(176)	-	(176)
	(176)	-	(176)
<b>Total Deferred Outflows of Resources</b>	(176)	-	(176)
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	107	1,178	1,285
Deposits payable	-	29,862	29,862
	107	31,040	31,147
<b>Total Current Liabilities</b>	107	31,040	31,147
Noncurrent Liabilities:			
Net pension liability	1,129	-	1,129
	1,129	-	1,129
<b>Total Noncurrent Liabilities</b>	1,129	-	1,129
<b>Total Liabilities</b>	1,236	31,040	32,276
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	8	-	8
	8	-	8
<b>Total Deferred Inflows of Resources</b>	8	-	8
<b>NET POSITION</b>			
Investment in capital assets	463,939	-	463,939
Unrestricted	(1,420)	(11,347)	(12,767)
	\$ 462,519	\$ (11,347)	\$ 451,172
<b>Total Net Position</b>	\$ 462,519	\$ (11,347)	\$ 451,172

**CITY OF JACKSON**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2019**

	<u>Parking</u>	<u>Utility Deposits</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Licenses and permits	\$ 80	\$ -	\$ 80
Fines and forfeitures	311	-	311
Charges for services	144	-	144
Other revenues	10	-	10
	<hr/>	<hr/>	<hr/>
<b>Total Operating Revenues</b>	545	-	545
	<hr/>	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	3,701	-	3,701
Contract services	1,080	-	1,080
Utilities	3,148	-	3,148
Insurance	847	-	847
Maintenance	21	1,625	1,646
Other	29,511	-	29,511
Depreciation	10,881	-	10,881
	<hr/>	<hr/>	<hr/>
<b>Total Operating Expenses</b>	49,189	1,625	50,814
	<hr/>	<hr/>	<hr/>
<b>Operating Income (Loss)</b>	(48,644)	(1,625)	(50,269)
	<hr/>	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest revenue	-	116	116
	<hr/>	<hr/>	<hr/>
<b>Total Non-Operating Revenues (Expenses)</b>	-	116	116
	<hr/>	<hr/>	<hr/>
<b>Income (Loss) Before Transfers</b>	(48,644)	(1,509)	(50,153)
	<hr/>	<hr/>	<hr/>
Transfers in	37,687	-	37,687
	<hr/>	<hr/>	<hr/>
<b>Change in Net Position</b>	(10,957)	(1,509)	(12,466)
	<hr/>	<hr/>	<hr/>
<b>Total Net Position - Beginning</b>	473,476	(9,838)	463,638
	<hr/>	<hr/>	<hr/>
<b>Total Net Position - Ending</b>	\$ 462,519	\$ (11,347)	\$ 451,172
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF JACKSON**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2019**

	<u>Parking</u>	<u>Utility Deposits</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 545	\$ 310	\$ 855
Payments to suppliers	(34,637)	(449)	(35,086)
Payments to employees	(3,704)		(3,704)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(37,796)</u>	<u>(139)</u>	<u>(37,935)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	<u>37,687</u>	-	<u>37,687</u>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>37,687</u>	-	<u>37,687</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	-	111	111
<b>Net Cash Provided (Used) by Investing Activities</b>	-	111	111
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(109)	(28)	(137)
<b>Balances - Beginning</b>	<u>109</u>	<u>19,716</u>	<u>19,825</u>
<b>Balances - Ending</b>	<u>\$ -</u>	<u>\$ 19,688</u>	<u>\$ 19,688</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (48,644)	\$ (1,625)	\$ (50,269)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,881	-	10,881
(Increase) decrease in:			
Pension adjustments - deferred outflows	(9)	-	(9)
Increase (decrease) in:			
Accounts payable	(30)	1,176	1,146
Deposits payable	-	310	310
Net pension liability	(3)	-	(3)
Pension adjustments - deferred inflows	9	-	9
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (37,796)</u>	<u>\$ (139)</u>	<u>\$ (37,935)</u>

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## **Fiduciary Funds**

- **Agency Funds**

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**CITY OF JACKSON**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2019**

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,284	\$ 44,110	\$ 191	\$ 45,585
<b>Total Assets</b>	<u>\$ 1,284</u>	<u>\$ 44,110</u>	<u>\$ 191</u>	<u>\$ 45,585</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 1,284	\$ 44,110	\$ 191	\$ 45,585
<b>Total Liabilities</b>	<u>\$ 1,284</u>	<u>\$ 44,110</u>	<u>\$ 191</u>	<u>\$ 45,585</u>

**CITY OF JACKSON**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b>KENNEDY WHEELS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,265	\$ 19	\$ -	\$ 1,284
<b>Total Assets</b>	<u>\$ 1,265</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 1,284</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 1,265	\$ 19	\$ -	\$ 1,284
<b>Total Liabilities</b>	<u>\$ 1,265</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 1,284</u>
<b>AMADOR COUNTY FEES</b>				
<b>ASSETS</b>				
Cash and investments	\$ 35,110	\$ 9,000	\$ -	\$ 44,110
<b>Total Assets</b>	<u>\$ 35,110</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 44,110</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 35,110	\$ 9,000	\$ -	\$ 44,110
<b>Total Liabilities</b>	<u>\$ 35,110</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 44,110</u>
<b>FRIENDS OF THE CEMETERY</b>				
<b>ASSETS</b>				
Cash and investments	\$ 190	\$ 1	\$ -	\$ 191
<b>Total Assets</b>	<u>\$ 190</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 191</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 190	\$ 1	\$ -	\$ 191
<b>Total Liabilities</b>	<u>\$ 190</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 191</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 36,565	\$ 9,020	\$ -	\$ 45,585
<b>Total Assets</b>	<u>\$ 36,565</u>	<u>\$ 9,020</u>	<u>\$ -</u>	<u>\$ 45,585</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 36,565	\$ 9,020	\$ -	\$ 45,585
<b>Total Liabilities</b>	<u>\$ 36,565</u>	<u>\$ 9,020</u>	<u>\$ -</u>	<u>\$ 45,585</u>