

**CITY OF JACKSON,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2021**

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CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2021

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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, 2021

City Council

Robert Stimpson	Mayor
Connie Gonsalves	Vice Mayor
Steve McLean	Member
Chad Simmons	Member
Matt Riebe	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, 2021, 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, 2021, 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.

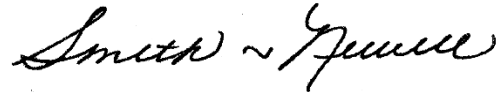
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
December 30, 2021

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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, 2021

This discussion and analysis of the City of Jackson's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. 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 \$55,379,281 as of June 30, 2021. Of this total, \$28,636,920 are governmental assets and \$26,742,361 were business-type assets.
- ❑ Entity-wide governmental revenues include program revenues of \$2,543,323 and general revenues and transfers of \$3,677,518 for a total of \$6,220,841.
- ❑ Entity-wide governmental expenses were \$5,175,212.
- ❑ Entity-wide business-type program, interest, other revenues and transfers were \$5,374,753 while business-type expenses were \$4,481,445.
- ❑ The City's total net pension liability was \$7,088,410 as of June 30, 2021. The total net OPEB obligation was \$1,846,363.

Fund Level:

- ❑ Governmental fund balance increased to \$14,874,430 in fiscal year 2021, up from \$5,469,607 in the prior year due to new rules to include Federal Home Grant funds. Of the total fund balance, \$11,489,280 were federal and grant funds which were restricted for specific federal and state programs.
- ❑ Governmental fund revenues increased to \$6,260,316 in fiscal year 2021 up by \$746,290 from the prior year.
- ❑ Governmental fund expenditures increased to \$5,013,026 in fiscal year 2021, up by \$102,312 from the prior year.
- ❑ Business-type activities - enterprise fund total revenues were \$5,331,340 and expenses were \$4,286,931. Resulting in an operating income of \$1,044,409, compared to last year's operating income of \$998,915, an increase of \$45,494.
- ❑ Total business-type – enterprise fund pension liability was \$1,918,784 as of June 30, 2021. Net OPEB obligation was \$416,512.

General Fund:

- ❑ General Fund revenues of \$4,245,552 were \$564,675 more than the prior year.
- ❑ General Fund expenditures of \$3,596,536 were \$35,507 less than the prior year.
- ❑ Other Financing Sources contributed \$164,841 in fiscal year 2021 compared with the prior year of \$690,209.
- ❑ General Fund balance of \$1,634,380 as of June 30, 2020 increased to \$2,448,237 by June 30, 2021. Of this total, \$1,479,010 were either restricted or committed funds, and \$969,227 were unassigned and were not restricted for any specific purpose or program.
- ❑ The City's governmental net pension liability was \$5,169,626 as of June 30, 2021. The Governmental net OPEB obligation was \$1,429,851.

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

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

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

Government-Wide Financial Statements

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

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

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

The two statements can be generally described as follows:

- **The Statement of Net Position** presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- **The Statement of Activities** presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

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

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

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 the reconciliations on pages 16 and 18.

The City's major governmental funds are the General Fund, Home Grant Fund, and Measure M fund. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 65 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 a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Position

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total	
	2021	2020	2021	2020	2021	2020	Dollar Change	% Change
Assets:								
Current and other assets	\$ 15,563,558	\$ 14,572,147	\$ 6,020,247	\$ 4,780,776	\$ 21,583,805	\$ 19,352,923	\$ 2,230,882	11.53%
Capital assets	13,073,362	12,896,901	20,722,114	21,486,878	33,795,476	34,383,779	(588,303)	-1.71%
Total Assets	28,636,920	27,469,048	26,742,361	26,267,654	55,379,281	53,736,702	1,642,579	3.06%
Deferred Outflows of Resources:								
Deferred Charge on Refunding	-	-	43,688	58,250	43,688	58,250	(14,562)	-25.00%
Deferred Pension Adjustments	983,538	1,067,141	450,355	474,197	1,433,893	1,541,338	(107,445)	-6.97%
Deferred OPEB Adjustments	116,752	53,327	40,470	16,615	157,222	69,942	87,280	124.79%
Total Deferred Outflows of Resources	1,100,290	1,120,468	534,513	549,062	1,634,803	1,669,530	(34,727)	-2.08%
Liabilities:								
Current	292,296	447,573	90,671	139,436	382,967	587,009	(204,042)	-34.76%
Noncurrent	7,083,008	6,603,796	14,405,563	14,721,485	21,488,571	21,325,281	163,290	0.77%
Total Liabilities	7,375,304	7,051,369	14,496,234	14,860,921	21,871,538	21,912,290	(40,752)	-0.19%
Deferred Inflows of Resources:								
Deferred Pension Adjustments	156,622	326,609	113,677	162,625	270,299	489,234	(218,935)	-44.75%
Deferred OPEB Adjustments	371,821	423,704	110,114	129,629	481,935	553,333	(71,398)	-12.90%
Deferred Housing Loan Payments	-	8,284,698	-	-	-	8,284,698	(8,284,698)	-100.00%
Total Deferred Inflows of Resources	528,443	9,035,011	223,791	292,254	752,234	9,327,265	(8,575,031)	-91.94%
Net Position:								
Net investment in capital assets	13,073,362	12,896,901	9,148,731	9,516,349	22,222,093	22,413,250	(191,157)	-0.85%
Restricted	13,133,874	4,562,275	2,151,777	2,132,538	15,285,651	6,694,813	8,590,838	128.32%
Unrestricted	(4,373,773)	(4,956,040)	1,256,341	14,654	(3,117,432)	(4,941,386)	1,823,954	-36.91%
Total Net Position	\$ 21,833,463	\$ 12,503,136	\$ 12,556,849	\$ 11,663,541	\$ 34,390,312	\$ 24,166,677	\$ 10,223,635	42.30%

CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

Statement of Activities

	Governmental Activities		Business-Type Activities		Total		Total	
	2021	2020	2021	2020	2021	2020	Dollar Change	% Change
Revenues:								
Program Revenues:								
Charges for services	\$ 1,211,661	\$ 1,309,321	\$ 5,309,536	\$ 4,911,482	\$ 6,521,197	\$ 6,220,803	\$ 300,394	4.83%
Operating grants and contribution	911,477	667,846	-	-	911,477	667,846	243,631	36.48%
Capital grants and contributions	420,185	475,392	-	-	420,185	475,392	(55,207)	-11.61%
General Revenues:								
Property taxes	1,146,225	937,245	-	-	1,146,225	937,245	208,980	22.30%
Sales and use taxes	962,965	976,007	-	-	962,965	976,007	(13,042)	-1.34%
Franchise taxes	176,505	172,379	-	-	176,505	172,379	4,126	2.39%
Property transfer taxes	32,004	16,652	-	-	32,004	16,652	15,352	92.19%
Transient occupancy taxes	502,547	546,078	-	-	502,547	546,078	(43,531)	-7.97%
Grants and contributions	422,004	406,933	-	-	422,004	406,933	15,071	3.70%
Interest and investment earnings	337,309	67,189	13,575	44,246	350,884	111,435	239,449	214.88%
Miscellaneous	123,972	25,543	21,804	8,768	145,776	34,311	111,465	324.87%
Gain on sale of capital asset	-	-	3,825	-	3,825	-	3,825	100.00%
Total revenues	6,246,854	5,600,585	5,348,740	4,964,496	11,595,594	10,565,081	1,030,513	9.75%
Expenses:								
General government	881,476	1,192,574	-	-	881,476	1,192,574	(311,098)	-26.09%
Public protection	2,633,367	2,287,625	-	-	2,633,367	2,287,625	345,742	15.11%
Public ways and facilities	754,175	1,150,953	-	-	754,175	1,150,953	(396,778)	-34.47%
Community development	597,135	571,302	-	-	597,135	571,302	25,833	4.52%
Culture and recreation	309,059	290,077	-	-	309,059	290,077	18,982	6.54%
Sewer facilities	-	-	2,479,630	2,338,022	2,479,630	2,338,022	141,608	6.06%
Treated water	-	-	1,992,673	1,836,657	1,992,673	1,836,657	156,016	8.49%
Parking	-	-	9,142	11,971	9,142	11,971	(2,829)	-23.63%
Total Expenses	5,175,212	5,492,531	4,481,445	4,186,650	9,656,657	9,679,181	(22,524)	-0.23%
Excess before transfers	1,071,642	108,054	867,295	777,846	1,938,937	885,900	1,053,037	118.87%
Transfers	(26,013)	(83,264)	26,013	83,264	-	-	-	0.00%
Change in Net Position	1,045,629	24,790	893,308	861,110	1,938,937	885,900	1,053,037	118.87%
Net Position, Beginning	12,503,136	12,478,346	11,663,541	10,802,431	24,166,677	23,280,777	885,900	3.81%
Prior period adjustment	8,284,698	-	-	-	8,284,698	-	8,284,698	100.00%
Net Position, Beginning, Restated	20,787,834	12,478,346	11,663,541	10,802,431	32,451,375	23,280,777	9,170,598	39.39%
Net Position, Ending	\$ 21,833,463	\$ 12,503,136	\$ 12,556,849	\$ 11,663,541	\$ 34,390,312	\$ 24,166,677	\$ 10,223,635	42.30%

Revenue

The City's total revenue was \$11.6 million for the fiscal year ended June 30, 2021. Revenue from governmental activities totaled \$6.2 million and revenue from business-type activities total \$5.4 million. Property taxes provided 10 percent of the total revenue of the City, while charges for services provided 56 percent. Operating and Capital Grants and Sales and Use Taxes both provided 11.0 and 8.0 percent respectively of the total revenue received during the 2020/21 fiscal year.

Expenses

Expenses of the City for the year totaled \$9.7 million. Governmental activity expenses totaled \$5.2 million or 54 percent of total expenses. Business-type activity expenses total \$4.5 million or 46 percent of total expenses.

**CITY OF JACKSON
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

Governmental Activities

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

	Net (Expense) Revenue of Services		Total	
	2021	2020	Dollar Change	% Change
General government	\$ (361,731)	\$ (1,003,739)	\$ 642,008	64.0%
Public protection	(1,919,443)	(1,792,599)	(126,844)	-7.1%
Public ways and facilities	(277,530)	10,957	(288,487)	-2632.9%
Community development	197,764	21,751	176,013	809.2%
Culture and recreation	(270,949)	(276,342)	5,393	2.0%
Total	<u>\$ (2,631,889)</u>	<u>\$ (3,039,972)</u>	<u>\$ 408,083</u>	<u>13.4%</u>

The cost of all governmental activities for fiscal year 2020-2021 was \$2.6 million. The City’s taxpayers paid for these costs, partially, through property and sales and use taxes. Again, this year some grants were obtained related to the COVID pandemic, along with various other funding sources. The cost of capital assets is not presented as a cost in determining the net cost of governmental activities, but is reflected as an asset in the Statement of Net Position.

Business-type Activities

Program revenue of the City’s business-type activities totaled \$5.3 million. Expenses of business-type activities were \$4.5 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, 2021 of \$14.9 million, which is an increase of \$9.4 million from the previous fiscal year, most of that resulting from the returned inclusion of the HOME Grant at \$6 million. The General Fund’s net increase was \$814,000 and other Governmental Funds increased by \$2.6 million. The General Fund increase was due to increases in property taxes, sales and use taxes and other grant monies received.

**CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

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, 2021, was \$33,795,476, (net of accumulated depreciation). This investment in capital assets includes police and fire equipment, buildings, park facilities, roads and water and sewer lines and treatment facilities. The City's net investment in capital assets decreased \$588,303 since June 30, 2020. This decrease was caused by the increase in depreciation from projects recently completed and the expiration and disposal of some capital assets.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$21,488,571. The pension and OPEB liability make up \$8,934,773. The majority of the remaining 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

Financially, FY 2020/21 concluded on a very positive note. When the year started, the City was in the dark days of the pandemic. The City has aptly prepared itself for a pandemic-induced economic downturn. The City's diligence has paid off. With a few exceptions, the City's revenues grew in FY 2020/21. Hotel tax revenues were hit the hardest by pandemic shut-down measures. Permit income was lower, partially due to completion of large one-time projects. On the expenditure side, the City continued to be frugal. Overall, by the time the fiscal year ended on June 30, 2021, major funds saw increased fund balances.

Continued efforts to enhance revenues has played a significant role in positive fund balances. For several years, the City has been focusing on grants, gradually adjusting fees, and reducing revenue leakage. As of June 30, 2021, the City has about \$2 million from grant programs, which have enabled many large or costly projects to be paid for by grants. Also in FY 2020/21, the City implemented a cost allocation plan which enabled the General Fund to receive a fund transfer from the utility funds to cover cost burdens. Grants and the cost allocation transfer are the two major factors in FY2020/21 that caused the General Fund to end with the largest fund balance in the last decade.

Looking ahead to the coming year, the economy remains uncertain. Pandemic fatigue, a rising housing market, labor shortage, and high inflation rates are just a few challenges that we are all experiencing. In Jackson, due to a low growth rate, revenue growth in routine categories have been flat (although steady) over the years. On the expenditure side, inflation rates will drive costs higher. Recruitment and retention of employees has become ever challenging. Team Jackson will continue to embrace the challenge of providing affordable services in an innovative way.

In 2022, the City needs to and will find strength and solace in the challenges we have overcome and cherish the accomplishments we have achieved. We may have to adapt to more new ways of working, ramp up our emergency response protocols, and, above all, convey a sense of stability and hope to our communities. Team Jackson is expected to rise to any occasion.

**CITY OF JACKSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Department, 33 Broadway, Jackson, CA 95642, (209) 223-1646.

Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF JACKSON
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 6,275,218	\$ 5,361,447	\$ 11,636,665
Cash with fiscal agent	-	125,999	125,999
Receivables:			
Accounts	8,366	543,520	551,886
Taxes	565,082	-	565,082
Interest	1,195	934	2,129
Intergovernmental	289,085	-	289,085
Internal balances	11,653	(11,653)	-
Prepaid insurance	262,936	-	262,936
Loans receivable	8,150,023	-	8,150,023
Capital assets:			
Non-depreciable	4,116,689	181,689	4,298,378
Depreciable, net	8,956,673	20,540,425	29,497,098
Total capital assets	<u>13,073,362</u>	<u>20,722,114</u>	<u>33,795,476</u>
Total Assets	<u>28,636,920</u>	<u>26,742,361</u>	<u>55,379,281</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	43,688	43,688
Deferred pension adjustments	983,538	450,355	1,433,893
Deferred OPEB adjustments	116,752	40,470	157,222
Total Deferred Outflows of Resources	<u>1,100,290</u>	<u>534,513</u>	<u>1,634,803</u>
LIABILITIES			
Accounts payable	126,339	47,535	173,874
Salaries and benefits payable	8,366	-	8,366
Retentions payable	2,616	-	2,616
Deposits payable	7,410	43,136	50,546
Unearned revenue	147,565	-	147,565
Long-term liabilities:			
Due within one year	241,766	486,120	727,886
Due in more than one year	241,765	11,584,147	11,825,912
Net pension liability	5,169,626	1,918,784	7,088,410
Net OPEB liability	1,429,851	416,512	1,846,363
Total Liabilities	<u>7,375,304</u>	<u>14,496,234</u>	<u>21,871,538</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	156,622	113,677	270,299
Deferred OPEB adjustments	371,821	110,114	481,935
Total Deferred Inflows of Resources	<u>528,443</u>	<u>223,791</u>	<u>752,234</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, 2021

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	13,073,362	9,148,731	22,222,093
Restricted for:			
General government	532,919	-	532,919
Public ways and facilities	1,870,819	-	1,870,819
Community development	9,689,642	-	9,689,642
Culture and recreation	1,025,093	-	1,025,093
Capital projects	15,401	2,151,777	2,167,178
Unrestricted	(4,373,773)	1,256,341	(3,117,432)
 Total Net Position	 \$ 21,833,463	 \$ 12,556,849	 \$ 34,390,312

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, 2021

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 881,476	\$ 22,709	\$ 76,851	\$ 420,185
Public protection	2,633,367	191,233	522,691	-
Public ways and facilities	754,175	176,588	300,057	-
Community development	597,135	788,392	6,507	-
Culture and recreation	309,059	32,739	5,371	-
Total Governmental Activities	5,175,212	1,211,661	911,477	420,185
Business-type activities:				
Sewer Facilities	2,479,630	3,173,139	-	-
Treated Water	1,992,673	2,136,397	-	-
Parking	9,142	-	-	-
Total Business-Type Activities	4,481,445	5,309,536	-	-
Total	\$ 9,656,657	\$ 6,521,197	\$ 911,477	\$ 420,185

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Property transfer taxes

 Transient occupancy taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior period adjustment

Net Position - Beginning, Restated

Net Position - Ending

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

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

Governmental Activities	Business-Type Activities	Totals
\$ (361,731)	\$ -	\$ (361,731)
(1,919,443)	-	(1,919,443)
(277,530)	-	(277,530)
197,764	-	197,764
(270,949)	-	(270,949)
(2,631,889)	-	(2,631,889)
-	693,509	693,509
-	143,724	143,724
-	(9,142)	(9,142)
-	828,091	828,091
(2,631,889)	828,091	(1,803,798)
1,146,225	-	1,146,225
962,965	-	962,965
176,505	-	176,505
32,004	-	32,004
502,547	-	502,547
422,004	-	422,004
337,309	13,575	350,884
123,972	21,804	145,776
-	3,825	3,825
(26,013)	26,013	-
3,677,518	65,217	3,742,735
1,045,629	893,308	1,938,937
12,503,136	11,663,541	24,166,677
8,284,698	-	8,284,698
20,787,834	11,663,541	32,451,375
<u>\$ 21,833,463</u>	<u>\$ 12,556,849</u>	<u>\$ 34,390,312</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF JACKSON
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 2,116,066	\$ -	\$ 830,229	\$ 3,328,923	\$ 6,275,218
Receivables:					
Accounts	8,366	-	-	-	8,366
Taxes	449,756	-	106,543	8,783	565,082
Interest	358	-	141	696	1,195
Intergovernmental	26,380	-	-	262,705	289,085
Due from other funds	-	-	-	343,868	343,868
Loans receivable	-	6,014,394	-	2,135,629	8,150,023
Total Assets	\$ 2,600,926	\$ 6,014,394	\$ 936,913	\$ 6,080,604	\$ 15,632,837
LIABILITIES					
Accounts payable	\$ 102,477	\$ -	\$ -	\$ 23,862	\$ 126,339
Salaries and benefits payable	8,366	-	-	-	8,366
Retentions payable	-	-	-	2,616	2,616
Due to other funds	-	-	-	216,535	216,535
Deposits payable	7,410	-	-	-	7,410
Unearned revenue	8,056	-	-	139,509	147,565
Total Liabilities	126,309	-	-	382,522	508,831
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	26,380	-	-	223,196	249,576
Total Deferred Inflows of Resources	26,380	-	-	223,196	249,576
FUND BALANCES					
Restricted	532,804	6,014,394	936,913	5,663,224	13,147,335
Committed	946,206	-	-	-	946,206
Assigned	-	-	-	49,140	49,140
Unassigned	969,227	-	-	(237,478)	731,749
Total Fund Balances	2,448,237	6,014,394	936,913	5,474,886	14,874,430
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,600,926	\$ 6,014,394	\$ 936,913	\$ 6,080,604	\$ 15,632,837

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, 2021

Total Fund Balance - Total Governmental Funds	\$14,874,430
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.	13,073,362
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	249,576
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,100,290
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(528,443)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(483,531)
Net pension liability	(5,169,626)
Net OPEB liability	(1,429,851)
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.	147,256
Net Position of Governmental Activities	\$21,833,463

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, 2021

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 2,869,525	\$ -	\$ 788,392	\$ -	\$ 3,657,917
Licenses and permits	246,116	-	-	43,506	289,622
Fines and forfeitures	15,802	-	-	-	15,802
Use of money and property	112,116	161,432	1,851	61,912	337,311
Intergovernmental	817,798	-	-	949,354	1,767,152
Charges for services	60,223	-	-	8,317	68,540
Other revenues	123,972	-	-	-	123,972
Total Revenues	<u>4,245,552</u>	<u>161,432</u>	<u>790,243</u>	<u>1,063,089</u>	<u>6,260,316</u>
EXPENDITURES					
Current:					
General government	450,205	-	-	281,380	731,585
Public protection	2,224,554	-	-	-	2,224,554
Public ways and facilities	574,297	-	-	17,636	591,933
Community development	-	-	439,737	157,398	597,135
Culture and recreation	214,275	-	-	-	214,275
Capital outlay	133,205	-	-	520,339	653,544
Total Expenditures	<u>3,596,536</u>	<u>-</u>	<u>439,737</u>	<u>976,753</u>	<u>5,013,026</u>
Excess of Revenues Over (Under) Expenditures	<u>649,016</u>	<u>161,432</u>	<u>350,506</u>	<u>86,336</u>	<u>1,247,290</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	320,140	-	-	357,069	677,209
Transfers out	(155,299)	-	-	(649,075)	(804,374)
Total Other Financing Sources (Uses)	<u>164,841</u>	<u>-</u>	<u>-</u>	<u>(292,006)</u>	<u>(127,165)</u>
Net Change in Fund Balances	<u>813,857</u>	<u>161,432</u>	<u>350,506</u>	<u>(205,670)</u>	<u>1,120,125</u>
Fund Balances - Beginning	1,634,380	-	586,407	3,248,820	5,469,607
Prior period adjustment	-	5,852,962	-	2,431,736	8,284,698
Fund Balances - Beginning, Restated	<u>1,634,380</u>	<u>5,852,962</u>	<u>586,407</u>	<u>5,680,556</u>	<u>13,754,305</u>
Fund Balances - Ending	<u>\$ 2,448,237</u>	<u>\$ 6,014,394</u>	<u>\$ 936,913</u>	<u>\$ 5,474,886</u>	<u>\$ 14,874,430</u>

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

CITY OF JACKSON
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 1,120,125
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	653,544
Less current year depreciation	(477,083)
Some revenues reported in the Statement of Activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
Change in unavailable revenues	(13,461)
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	(83,603)
Change in deferred outflows of resources related to OPEB	63,425
Change in deferred inflows of resources related to pension	169,987
Change in deferred inflows of resources related to OPEB	51,883
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	(54,776)
Change in net pension liability	(320,292)
Change in net OPEB liability	(104,144)
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.	
	40,024
Change in Net Position of Governmental Activities	\$ 1,045,629

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Internal Service Fund
ASSETS					
Current Assets:					
Cash and investments	\$ 4,410,565	\$ 919,089	\$ 31,793	\$ 5,361,447	\$ -
Cash with fiscal agent	-	125,999	-	125,999	-
Receivables:					
Accounts	318,864	224,656	-	543,520	-
Interest	770	164	-	934	-
Prepaid insurance	-	-	-	-	262,936
Total Current Assets	4,730,199	1,269,908	31,793	6,031,900	262,936
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,285	8,818	155,586	181,689	-
Depreciable, net	15,265,056	4,988,778	286,591	20,540,425	-
Total capital assets	15,282,341	4,997,596	442,177	20,722,114	-
Total Noncurrent Assets	15,282,341	4,997,596	442,177	20,722,114	-
Total Assets	20,012,540	6,267,504	473,970	26,754,014	262,936
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	43,688	-	43,688	-
Deferred pension adjustments	314,201	136,154	-	450,355	-
Deferred OPEB adjustments	26,930	13,540	-	40,470	-
Total Deferred Outflows of Resources	341,131	193,382	-	534,513	-
LIABILITIES					
Current Liabilities:					
Accounts payable	45,762	1,773	-	47,535	-
Deposits payable	-	-	43,136	43,136	-
Due to other funds	-	-	-	-	127,333
Compensated absences payable	6,789	15,082	-	21,871	-
Customer advances	-	42,220	-	42,220	-
Loans payable	318,359	-	-	318,359	-
Bonds payable	-	103,670	-	103,670	-
Total Current Liabilities	370,910	162,745	43,136	576,791	127,333

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Internal Service Fund
Noncurrent Liabilities:					
Compensated absences payable	6,789	15,082	-	21,871	-
Customer advances	-	367,234	-	367,234	-
Loans payable	10,977,704	-	-	10,977,704	-
Bonds payable	-	217,338	-	217,338	-
Net pension liability	1,280,282	638,502	-	1,918,784	-
Net OPEB liability	263,575	152,937	-	416,512	-
Total Noncurrent Liabilities	12,528,350	1,391,093	-	13,919,443	-
Total Liabilities	12,899,260	1,553,838	43,136	14,496,234	127,333
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	91,211	22,466	-	113,677	-
Deferred OPEB adjustments	84,964	25,150	-	110,114	-
Total Deferred Inflows of Resources	176,175	47,616	-	223,791	-
NET POSITION					
Net investment in capital assets	3,986,278	4,720,276	442,177	9,148,731	-
Restricted for capital projects	1,550,800	600,977	-	2,151,777	-
Unrestricted	1,741,158	(461,821)	(11,343)	1,267,994	135,603
Total Net Position	\$ 7,278,236	\$ 4,859,432	\$ 430,834	12,568,502	\$ 135,603
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(11,653)	
Net Position of Business-Type Activities				\$12,556,849	

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, 2021

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Sewer Facilities</u>	<u>Treated Water</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>
OPERATING REVENUES					
Licenses and permits	\$ 10,024	\$ 2,900	\$ -	\$ 12,924	\$ -
Charges for services	3,163,115	2,133,497	-	5,296,612	101,920
Other revenues	1,660	20,144	-	21,804	-
Total Operating Revenues	<u>3,174,799</u>	<u>2,156,541</u>	<u>-</u>	<u>5,331,340</u>	<u>101,920</u>
OPERATING EXPENSES					
Salaries and benefits	601,413	294,789	(1,313)	894,889	-
Contract services	196,968	35,623	-	232,591	-
Utilities	188,897	10,119	-	199,016	-
Insurance	86,056	34,066	-	120,122	-
Maintenance	94,746	75,461	-	170,207	-
Supplies	94,186	13,388	-	107,574	-
Write offs	-	-	(4)	(4)	-
Administration	-	15,843	-	15,843	-
Water purchase	-	984,642	-	984,642	-
Other	352,748	308,910	-	661,658	-
Insurance and claims	-	-	-	-	129,724
Depreciation	690,839	198,673	10,881	900,393	-
Total Operating Expenses	<u>2,305,853</u>	<u>1,971,514</u>	<u>9,564</u>	<u>4,286,931</u>	<u>129,724</u>
Operating Income (Loss)	<u>868,946</u>	<u>185,027</u>	<u>(9,564)</u>	<u>1,044,409</u>	<u>(27,804)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	11,246	2,329	-	13,575	25
Interest expense	(197,355)	(30,508)	-	(227,863)	-
Gain (loss) on sale of capital assets	3,825	-	-	3,825	-
Total Non-Operating Revenues (Expenses)	<u>(182,284)</u>	<u>(28,179)</u>	<u>-</u>	<u>(210,463)</u>	<u>25</u>
Income (Loss) Before Transfers	<u>686,662</u>	<u>156,848</u>	<u>(9,564)</u>	<u>833,946</u>	<u>(27,779)</u>
Transfers in	26,013	-	-	26,013	101,152
Change in Net Position	712,675	156,848	(9,564)	859,959	73,373
Total Net Position - Beginning	<u>6,565,561</u>	<u>4,702,584</u>	<u>440,398</u>		<u>62,230</u>
Total Net Position - Ending	<u>\$ 7,278,236</u>	<u>\$ 4,859,432</u>	<u>\$ 430,834</u>		<u>\$ 135,603</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				33,349	
Change in Net Position of Business-Type Activities				<u>\$ 893,308</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, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,157,699	\$ 2,126,845	\$ -	\$ 5,284,544	\$ 101,920
Payments to suppliers	(996,619)	(1,554,332)	11,163	(2,539,788)	(171,857)
Payments to employees	(558,938)	(266,422)	-	(825,360)	-
Net Cash Provided (Used) by Operating Activities	<u>1,602,142</u>	<u>306,091</u>	<u>11,163</u>	<u>1,919,396</u>	<u>(69,937)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loans received	-	-	-	-	127,333
Interfund loans repaid	-	-	-	-	(158,573)
Transfers from other funds	26,013	-	-	26,013	101,152
Net Cash Provided (Used) by Noncapital Financing Activities	<u>26,013</u>	<u>-</u>	<u>-</u>	<u>26,013</u>	<u>69,912</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(55,965)	(79,664)	-	(135,629)	-
Proceeds from the sale of capital asset	3,825	-	-	3,825	-
Principal paid on debt	(313,038)	(142,219)	-	(455,257)	-
Interest paid on debt	(197,355)	(14,616)	-	(211,971)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(562,533)</u>	<u>(236,499)</u>	<u>-</u>	<u>(799,032)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	13,763	3,002	-	16,765	25
Net Cash Provided (Used) by Investing Activities	<u>13,763</u>	<u>3,002</u>	<u>-</u>	<u>16,765</u>	<u>25</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,079,385	72,594	11,163	1,163,142	-
Balances - Beginning	<u>3,331,180</u>	<u>972,494</u>	<u>20,630</u>	<u>4,324,304</u>	<u>-</u>
Balances - Ending	<u>\$ 4,410,565</u>	<u>\$ 1,045,088</u>	<u>\$ 31,793</u>	<u>\$ 5,487,446</u>	<u>\$ -</u>

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

CITY OF JACKSON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Sewer</u>	<u>Treated</u>	<u>Other</u>	<u>Totals</u>	<u>Internal</u>
	<u>Facilities</u>	<u>Water</u>	<u>Enterprise</u>		<u>Service</u>
			<u>Funds</u>		<u>Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 868,946	\$ 185,027	\$ (9,564)	\$ 1,044,409	\$ (27,804)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	690,839	198,673	10,881	900,393	-
Decrease (increase) in:					
Accounts receivable	(17,100)	(29,696)	-	(46,796)	-
Prepaid insurance	627	-	-	627	(42,133)
Pension adjustments - deferred outflows	16,059	7,959	(176)	23,842	-
OPEB adjustments - deferred outflows	(14,454)	(9,401)	-	(23,855)	-
Increase (decrease) in:					
Accounts payable	16,355	(76,280)	-	(59,925)	-
Deposits payable	-	-	11,159	11,159	-
Compensated absences payable	246	7,834	-	8,080	-
Net pension liability	61,437	30,447	(1,129)	90,755	-
Net OPEB liability	23,735	15,435	-	39,170	-
Pension adjustments - deferred inflows	(32,723)	(16,217)	(8)	(48,948)	-
OPEB adjustments - deferred inflows	(11,825)	(7,690)	-	(19,515)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,602,142</u>	<u>\$ 306,091</u>	<u>\$ 11,163</u>	<u>\$ 1,919,396</u>	<u>\$ (69,937)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Amortization of deferred charge on refunding	\$ -	\$ (14,563)	\$ -	\$ (14,563)	\$ -
Amortization of premium	-	(1,849)	-	(1,849)	-
Amortization of discount	-	3,179	-	3,179	-

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

CITY OF JACKSON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds
ASSETS	
Cash and investments	\$ 16,807
Total Assets	16,807
NET POSITION	
Restricted for individuals, organizations, and other governments	16,807
Total Net Position	\$ 16,807

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

CITY OF JACKSON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Net investment earnings	\$ 3
Total Additions	3
DEDUCTIONS	
Distributions from pooled investments	-
Total Deductions	-
Net Increase (decrease) in Fiduciary Net Position	3
Total Net Position - Beginning	16,804
Total Net Position - Ending	\$ 16,807

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, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Component Units

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

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

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Measure M fund is a special revenue fund used to account for Measure M revenues and expenditures.

The City reports the following major proprietary funds:

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

The City reports the following additional fund types:

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

C. Basis of Accounting and Measurement Focus

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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

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

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Cash Equivalents

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

F. Investments

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

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

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

G. Receivables

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets

Inventory

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

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2021, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City records prepaid insurance for the net investment in a joint powers self-insurance agency.

I. Loans Receivable

The City has received funding over the years from the California Department of Housing and Community Development as part of the Federal Community Development Block Grant Program (CDBG) for FHA Title 1 and other revolving loans and as part of the Federal First Time Homebuyers Program (HOME), which is an owner-occupied housing program. Notes were issued to borrowers for homebuyers, construction and housing rehabilitation and for the Kennedy Meadows Project. The notes are secured by first deeds of trust. The notes have various monthly installment amounts and due dates. Interest rates vary depending on the term of the loan. The balance at June 30, 2021, including accrued interest, was \$8,150,023.

J. Capital Assets

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

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

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

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

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

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

L. Interfund Transactions

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

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

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

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

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

M. Unearned Revenue

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

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

O. Pensions

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

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

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

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, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

Q. Deferred Outflows/Inflows of Resources

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows/Inflows of Resources (Continued)

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

R. Estimates

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

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

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

Statement No. 84, Fiduciary Activities. This statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Statement No. 90, Majority Equity Interests. This statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

T. Future Accounting Pronouncements

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

Statement No. 87 “Leases”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period”	The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Future Accounting Pronouncements (Continued)

Statement No. 91 “Conduit Debt Obligations”	The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
Statement No. 92 “Omnibus 2020”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 93 “Replacement of Interbank Offered Rates”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96 “Subscription-Based Information Technology Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

Adjustments resulting from errors or a change to comply with provision of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position/fund balance. During the current year the City reported prior period adjustments to correct a prior year overstatement of deferred inflows of resources related to deferred housing loan payments.

	Governmental Activities
Net Position, June 30, 2020 as previously reported	\$ 12,503,136
Adjustment associated with:	
Correction of deferred housing loan payments	8,284,698
Total Adjustments	8,284,698
Net Position, July 1, 2020 as restated	\$ 20,787,834

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

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

A. Restatement of Net Position/Fund Balance (Continued)

The impact of the restatement on the fund balance of the fund financial statements as previously reported is presented below:

	HOME Grant	Other Governmental Funds
Fund Balance, June 30, 2020 as previous reported	\$ -	\$ 3,248,820
Adjustment associated with:		
Correction of deferred housing loan payments	5,852,962	2,431,736
Total Adjustments	5,852,962	2,431,736
Fund Balance, July 1, 2020 as restated	\$ 5,852,962	\$ 5,680,556

B. Deficit Fund Balance/Net Position

The following nonmajor special revenue funds had deficit fund balances:

The Gen Plan Grant fund had a fund balance deficit of \$37,420, which is expected to be eliminated in future years through grant revenues.

The Regional Traffic fund had a fund balance deficit of \$16,545, which is expected to be eliminated in future years through license and permit revenues.

The ESG-CV ATCAA fund had a fund balance deficit of \$6,117, which is expected to be eliminated in future years through grant revenues.

The following nonmajor capital projects funds had deficit fund balances:

The South Avenue Bridge fund had a fund balance deficit of \$2,321, which is expected to be eliminated in future years through grant revenues.

The Pitt Street Bridge fund had a fund balance deficit of \$28,375, which is expected to be eliminated in future years through grant revenues.

The French Bar Bridge fund had a fund balance deficit of \$128,748, 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 \$4,248, which is expected to be eliminated in the future through grant revenues.

The Sutter Street fund had a fund balance deficit of \$10,825, 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, 2021

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

B. Deficit Fund Balance/Net Position (Continued)

The Jackson GT Culvert fund had a fund balance deficit of \$2,616, which is expected to be eliminated in the future through grant revenues.

The following nonmajor enterprise fund had a deficit net position:

The Utility Deposits fund had a net position deficit of \$11,343, 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, 2021, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 6,275,218
Business-type activities	5,487,446
Custodial funds	<u>16,807</u>
Total Cash and Investments	<u>\$ 11,779,471</u>

As of June 30, 2021, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 460
Deposits (less outstanding checks)	7,941,325
Deposits with fiscal agents	<u>125,999</u>
Total Cash	<u>8,067,974</u>
Investments:	
In City's pool	<u>3,711,687</u>
Total Investments	<u>3,711,687</u>
Total Cash and Investments	<u>\$ 11,779,471</u>

B. Cash

At year end, the carrying amount of the City's cash deposits (including amounts in checking accounts, savings accounts, and deposits with fiscal agents) was \$8,067,324 and the bank balance was \$8,643,715. 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 \$460.

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, 2021

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, 2021, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Certificates of Deposit	\$ 240,000	\$ 240,000	\$ -	\$ -
Total Investments Measured at Fair Value	240,000	<u>\$ 240,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
CalTRUST	862,757			
LAIF	<u>2,608,930</u>			
Total Investments	<u>\$ 3,711,687</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, 2021

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2021, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Certificates of Deposit	2.550%	\$ 240,000	\$ -	\$ 240,000	0.18
CalTRUST	Variable	862,757	-	862,757	-
LAIF	Variable	<u>2,608,930</u>	-	<u>2,608,930</u>	-
Total Investments		<u>\$ 3,711,687</u>	<u>\$ -</u>	<u>\$ 3,711,687</u>	<u>0.18</u>

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

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Certificates of Deposit	N/A	Unrated	Unrated	6.47%
CalTRUST	N/A	Unrated	Unrated	23.24%
LAIF	N/A	Unrated	Unrated	<u>70.29%</u>
Total				<u>100.00%</u>

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) at June 30, 2021, that represent 5 percent or more of total City investments are as follows:

Investment Type	Amount Invested	Percentage of Investments
Certificates of Deposit	\$ 240,000	6.47%

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

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, 2021, the City's investment in CalTRUST was \$862,757, 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, 2021, the City's investment in LAIF valued at amortized cost was \$2,608,930 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 \$193.3 billion. Of that amount, 97.69 percent is invested in non-derivative financial products and 2.31 percent in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2021</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,472,252	\$ -	\$ -	\$ 1,472,252
Construction in progress	<u>2,317,231</u>	<u>327,206</u>	<u>-</u>	<u>2,644,437</u>
Total Capital Assets, Not Being Depreciated	<u>3,789,483</u>	<u>327,206</u>	<u>-</u>	<u>4,116,689</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	6,502,824	18,881	-	6,521,705
Equipment	2,922,047	114,324	(80,854)	2,955,517
Infrastructure	<u>14,527,197</u>	<u>193,133</u>	<u>-</u>	<u>14,720,330</u>
Total Capital Assets, Being Depreciated	<u>23,952,068</u>	<u>326,338</u>	<u>(80,854)</u>	<u>24,197,552</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,461,973)	(155,179)	-	(2,617,152)
Equipment	(2,738,868)	(57,653)	80,854	(2,715,667)
Infrastructure	<u>(9,643,809)</u>	<u>(264,251)</u>	<u>-</u>	<u>(9,908,060)</u>
Total Accumulated Depreciation	<u>(14,844,650)</u>	<u>(477,083)</u>	<u>80,854</u>	<u>(15,240,879)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,107,418</u>	<u>(150,745)</u>	<u>-</u>	<u>8,956,673</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,896,901</u>	<u>\$ 176,461</u>	<u>\$ -</u>	<u>\$ 13,073,362</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 4: CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 181,689	\$ -	\$ -	\$ 181,689
Construction in progress	<u>79,719</u>	<u>-</u>	<u>(79,719)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated:	<u>261,408</u>	<u>-</u>	<u>(79,719)</u>	<u>181,689</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	3,698,902	20,000	-	3,718,902
Equipment	1,921,934	36,614	72,969	2,031,517
Infrastructure	<u>27,050,731</u>	<u>79,015</u>	<u>6,750</u>	<u>27,136,496</u>
Total Capital Assets, Being Depreciated:	<u>32,671,567</u>	<u>135,629</u>	<u>79,719</u>	<u>32,886,915</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(2,520,063)	(76,526)	-	(2,596,589)
Equipment	(1,732,167)	(33,115)	-	(1,765,282)
Infrastructure	<u>(7,193,867)</u>	<u>(790,752)</u>	<u>-</u>	<u>(7,984,619)</u>
Total Accumulated Depreciation	<u>(11,446,097)</u>	<u>(900,393)</u>	<u>-</u>	<u>(12,346,490)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,225,470</u>	<u>(764,764)</u>	<u>79,719</u>	<u>20,540,425</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,486,878</u>	<u>(\$ 764,764)</u>	<u>\$ -</u>	<u>\$ 20,722,114</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 30,384
Public protection	202,179
Public ways and facilities	171,590
Culture and recreation	<u>72,930</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 477,083</u>

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

Sewer Facilities	\$ 690,839
Treated Water	198,673
Parking	<u>10,881</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 900,393</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, 2021

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, 2021:

	<u>Due From Other funds</u>	<u>Due To Other funds</u>
Nonmajor governmental funds	\$ 343,868	\$ 216,535
Internal service funds	<u>-</u>	<u>127,333</u>
Total	<u>\$ 343,868</u>	<u>\$ 343,868</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, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 320,140	\$ 155,299
Sewer Facilities	26,013	-
Nonmajor governmental funds	357,069	649,075
Internal service funds	<u>101,152</u>	<u>-</u>
Total	<u>\$ 804,374</u>	<u>\$ 804,374</u>

NOTE 6: UNEARNED REVENUES

At June 30, 2021, components of unearned revenues were as follows:

General fund	
2021-2022 Business license revenue	\$ 8,056
PSPS Grant	
State grant advances received	<u>139,509</u>
Total	<u>\$ 147,565</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2020</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 428,755	\$ 253,985	(\$ 199,209)	\$ 483,531	\$ 241,766
Total Governmental Activities	<u>\$ 428,755</u>	<u>\$ 253,985</u>	<u>(\$ 199,209)</u>	<u>\$ 483,531</u>	<u>\$ 241,766</u>
Business-Type Activities					
Compensated absences	\$ 35,662	\$ 54,624	(46,544)	43,742	\$ 21,871
Customer advances	451,673	-	(42,219)	409,454	42,220
Loans	11,609,101	-	(313,038)	11,296,063	318,359
Bonds	425,000	-	(100,000)	325,000	105,000
Plus: Bonds Premium	7,393	-	(1,849)	5,544	1,849
Less: Unamortized Discount	(12,715)	-	3,179	(9,536)	(3,179)
Bonds (Net)	<u>419,678</u>	<u>-</u>	<u>(98,670)</u>	<u>321,008</u>	<u>103,670</u>
Total Business-Type Activities	<u>\$ 12,516,114</u>	<u>\$ 54,624</u>	<u>(\$ 500,471)</u>	<u>\$12,070,267</u>	<u>\$ 486,120</u>

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

Individual issues of debt payable outstanding at June 30, 2021, 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.

\$ 409,454

Total Customer Advances

409,454

Loans:

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

11,296,063

Total Loans

11,296,063

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.

325,000

Total Bonds

325,000

Total Business-Type Activities

\$ 12,030,517

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

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

Business-Type Activities

Year Ended June 30	Customer Advances		
	Principle	Interest	Totals
2022	\$ 42,220	\$ -	\$ 42,220
2023	42,219	-	42,219
2024	42,219	-	42,219
2025	40,630	-	40,630
2026	38,723	-	38,723
2027-2031	143,211	-	143,211
2032	60,232	-	60,232
Total	<u>\$ 409,454</u>	<u>\$ -</u>	<u>\$ 409,454</u>

Year Ended June 30	Loans		
	Principle	Interest	Totals
2022	\$ 318,359	\$ 192,033	\$ 510,392
2023	323,771	186,621	510,392
2024	329,275	181,117	510,392
2025	334,873	175,519	510,392
2026	340,566	169,826	510,392
2027-2031	1,791,668	760,294	2,551,962
2032-2036	1,949,226	602,735	2,551,961
2037-2041	2,120,641	431,321	2,551,962
2042-2046	2,307,129	244,833	2,551,962
2047-2049	1,480,555	50,622	1,531,177
Total	<u>\$ 11,296,063</u>	<u>\$ 2,994,921</u>	<u>\$ 14,290,984</u>

Year Ended June 30	Bonds		
	Principle	Interest	Totals
2022	\$ 105,000	\$ 10,795	\$ 115,795
2023	105,000	6,700	111,700
2024	115,000	2,300	117,300
Total	<u>\$ 325,000</u>	<u>\$ 19,795</u>	<u>\$ 344,795</u>

NOTE 8: 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, 2021, the defeased debt outstanding but not shown in these financial statements was \$380,000.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 9: 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.
- **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 \$15,285,651 of restricted net position, of which \$1,469,717 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 10: 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, 2021, 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 10: FUND BALANCES (CONTINUED)

- **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.

The fund balances for all major and nonmajor governmental funds as of June 30, 2021, were distributed as follows:

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
Restricted for:					
Measure E	\$ 532,804	\$ -	\$ -	\$ -	\$ 532,804
Argonaut Heights	-	-	-	5,232	5,232
Essential Services	-	-	-	659,067	659,067
Measure M	-	-	936,913	-	936,913
Recycling Promo	-	-	-	115	115
Local Transportation	-	-	-	104,557	104,557
Parkland	-	-	-	1,025,093	1,025,093
Streets and Bridges	-	-	-	1,036,325	1,036,325
PSPS Grants	-	-	-	153	153
HEAP-ATCAA Grant	-	-	-	39,509	39,509
Argonaut Lane Improvements	-	-	-	36,955	36,955
New York Ranch Rd Forfeiture	-	-	-	2,482	2,482
Community Development	-	6,014,394	-	2,738,335	8,752,729
Capital Projects	-	-	-	15,401	15,401
Subtotal	<u>532,804</u>	<u>6,014,394</u>	<u>936,913</u>	<u>5,663,224</u>	<u>13,147,335</u>
Committed:					
General Fund Reserve	916,206	-	-	-	916,206
Corporate Yard Sinking Fund	10,000	-	-	-	10,000
Computer Sinking Fund	20,000	-	-	-	20,000
Subtotal	<u>946,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>946,206</u>
Assigned:					
RMRA – RD Maint	-	-	-	13,563	13,563
HES Signs	-	-	-	13,187	13,187
Street Stripe	-	-	-	22,390	22,390
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,140</u>	<u>49,140</u>
Unassigned	<u>969,227</u>	<u>-</u>	<u>-</u>	<u>(237,478)</u>	<u>731,749</u>
Total	<u>\$ 2,448,237</u>	<u>\$ 6,014,394</u>	<u>\$ 936,913</u>	<u>\$ 5,474,886</u>	<u>\$ 14,874,430</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 10: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

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

Fund Balance Policy

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

NOTE 11: PENSION PLAN

A. General Information about the Pension Plan

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

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

Summary of Rate Tiers and Eligible Participants

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided

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

Each Rate Tier's specific provisions and benefits in effect at June 30, 2021, are summarized as follows:

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

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	12.361%	8.000%	0.000%
Miscellaneous PEPRA	7.732%	6.750%	0.000%
Safety Police	33.000%	6.500%	2.500%
Safety Police PEPRA	22.437%	12.000%	0.000%
Safety Fire	18.152%	9.000%	0.000%
Safety Fire PEPRA	13.044%	12.000%	0.000%

For the year ended June 30, 2021, the contributions recognized as part of pension expense were as follows:

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 11: PENSION PLAN (CONTINUED)

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

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<u>Proportion June 30, 2020</u>	<u>Proportion June 30, 2021</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.11032%	.10874%	(.00158%)
Safety	.03620%	.03755%	.00135%

As of June 30, 2021, 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	\$ 4,586,802
Safety	<u>2,501,608</u>
Total Net Pension Liability	<u>\$ 7,088,410</u>

For the year ended June 30, 2021, the City recognized pension expense of \$1,007,351. At June 30, 2021, 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	\$ 707,794	\$ -
Changes of assumptions	-	(41,048)
Difference between expected and actual experience	430,358	-
Difference between projected and actual earnings on pension plan investments	190,629	-
Differences between City contributions and proportionate share of contributions	405	(94,871)
Amortization due to differences in proportions	<u>104,707</u>	<u>(134,380)</u>
Total	<u>\$ 1,433,893</u>	<u>(\$ 270,299)</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 11: PENSION PLAN (CONTINUED)

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

\$707,794 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended		
<u>June 30</u>		
2022	\$	25,820
2023		188,131
2024		149,254
2025		92,595
Thereafter		<u>-</u>
Total	\$	<u>455,800</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 11: PENSION PLAN (CONTINUED)

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

Long-Term Expected Rate of Return

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

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

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

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

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

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

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

The following presents the City's proportionate share of the net pension liability for each rate tier as of the measurement date, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Miscellaneous	\$ 6,422,566	\$ 4,586,803	\$ 3,069,969
Safety	3,768,066	2,501,607	1,462,359

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 11: PENSION PLAN (CONTINUED)

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

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 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

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

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

Monthly contributions from the City may not be less than a required PEMHCA Minimum Employer Contribution (MEC), currently is \$139 per month and increasing by medical Consumer Price Index. If the \$350 per month benefit is not increased, as expected, the MEC will eventually exceed the \$350 benefit.

The 2020 CalPERS monthly medical plan rates in the Region 1 rate group are shown in the table below. The CalPERS administration fee is assumed to be expensed each year and has not been projected as an OPEB liability.

Region 1 2020 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Kaiser HMO	\$ 768.49	\$ 1,536.98	\$ 1,998.07	\$ 339.43	\$ 678.86	\$ 1,139.95
PERS Choice PPO	861.18	1,722.36	2,239.70	351.39	702.78	1,219.49
PERS Select PPO	520.29	1,040.58	1,352.75	351.39	702.78	1,014.95
PERS Care PPO	1,133.14	2,266.28	2,946.16	384.78	769.56	1,449.44
PORAC	774.00	1,699.00	2,199.00	513.00	1,022.00	1,522.00

Employees Covered by Benefit Terms

At June 30, 2021 the following plan members were covered by the benefit terms:

Inactive plan members currently receiving benefits payments	17
Inactive plan members entitled to but not receiving benefits	21
Active plan members	<u>30</u>
Total	<u><u>68</u></u>

B. Net OPEB Liability

The City's net OPEB liability of \$1,846,363, was measured as of June 30, 2021, and was determined by the actuarial valuation as of June 30, 2020.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, level percent of pay
General Inflation	2.50% per year
Salary Increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years
Discount rate	2.66% as of June 30, 2020 2.18% as of June 30, 2021
Healthcare cost trend rates	6.5% in 2021, fluctuates to 4.0% in 2076
Mortality Improvement	MacLeod Watts Scale 2020 applied generationally from 2015

Demographic actuarial assumptions used in the June 30, 2020 valuation were based on the 2017 Experience Study of the California Public Employees Retirement System using data from 1997 to 2015.

C. Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Balance at June 30, 2020	\$ 1,703,049
Changes for the year:	
Service cost	95,036
Interest cost	46,339
Change in assumptions	113,943
Benefit payments	(112,004)
Net Changes	<u>143,314</u>
Balance at June 30, 2021	<u>\$ 1,846,363</u>

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

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

	<u>1% Decrease 1.66%</u>	<u>Current Rate 2.66%</u>	<u>1% Increase 3.66%</u>
Net OPEB liability	\$ 2,125,356	\$ 1,846,363	\$ 1,621,443

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

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

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

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,731,688	\$ 1,846,363	\$ 2,037,716

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$96,640. At June 30, 2021, 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	\$ 157,222	(\$ 293,444)
Differences between expected and actual experience	-	(188,491)
Total	\$ 157,222	(\$ 481,935)

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

Year Ended June 30	
2022	(\$ 44,735)
2023	(44,735)
2024	(44,735)
2025	(46,997)
2026	(54,370)
Thereafter	(89,141)
	(\$ 324,713)

NOTE 13: 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 13: RISK MANAGEMENT (CONTINUED)

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.

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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 13: RISK MANAGEMENT (CONTINUED)

The participants as of June 30, 2021 were as follows:

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

The City's investment in NCCSIF of \$262,936 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 14: 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, 2021 through December 30, 2021, 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, 2021
Last 10 Years*

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

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

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
0.11203%	0.11032%	0.10874%
\$ 4,222,192	\$ 4,417,696	\$ 4,586,802
748,079	815,790	865,050
564.40%	541.52%	530.24%
67.49%	67.15%	66.75%
0.03515%	0.03620%	0.03755%
\$ 2,062,427	\$ 2,259,667	\$ 2,501,608
808,492	862,973	902,243
255.10%	261.85%	277.27%
75.68%	74.16%	73.17%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2021
Last 10 Years*

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

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

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
\$ 375,058	\$ 395,687	\$ 406,587
<u>(375,058)</u>	<u>(395,687)</u>	<u>(406,587)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 815,790 45.97%	\$ 865,050 45.74%	\$ 846,681 48.02%
\$ 236,605	\$ 288,817	\$ 301,207
<u>(236,605)</u>	<u>(288,817)</u>	<u>(301,207)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 862,973 27.42%	\$ 902,243 32.01%	\$ 841,954 5.00%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2021

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

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2018
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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, 2021
Last 10 Years*

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

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

CITY OF JACKSON
Required Supplementary Information
City OPEB Plan
Note to City OPEB Plan
For the Year Ended June 30, 2021

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

Discount Rate:	The discount rate was changed from 2.66 percent as of June 30, 2020, to 2.18 percent as of June 30, 2021 based on the change in return for the applicable municipal bond index.
Demographic Assumptions:	Assumed mortality, termination, and service retirement rates are based on the 2017 experience study report of CalPERS.
Mortality Improvements:	The mortality improvement scale was update from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020 reflecting continued updates in available information.
Salary Scale:	3.0 percent per year
General Inflation Rate:	2.5 percent per year
Medical Trend:	Updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries.
PEMHCA MEC Increases:	Minimum employer contributions (MEC) is assumed to increase by 4.0 percent annually.
Participation Rate:	50 percent of those currently enrolled and 30 percent of those not currently enrolled are assumed to elect medical coverage through the City in retirement. Currently waiving active employees are assumed to elect coverage in the PERS Choice Region 1 plan. Existing medical plan elections are assumed to be continued until retirees' death.

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,465,800	\$ 2,465,800	\$ 2,869,525	\$ 403,725
Licenses and permits	269,500	269,500	246,116	(23,384)
Fines and forfeitures	8,200	8,200	15,802	7,602
Use of money and property	20,000	254,242	112,116	(142,126)
Intergovernmental	857,274	1,012,885	817,798	(195,087)
Charges for services	421,795	702,950	690,973	(11,977)
Other revenues	16,000	165,733	123,972	(41,761)
Total Revenues	<u>4,058,569</u>	<u>4,879,310</u>	<u>4,876,302</u>	<u>(3,008)</u>
EXPENDITURES				
Current:				
General government	1,129,987	1,267,877	1,080,955	186,922
Public protection	2,143,263	2,379,064	2,224,554	154,510
Public ways and facilities	589,403	623,403	574,297	49,106
Culture and recreation	264,400	264,400	214,275	50,125
Capital outlay	1,000	1,000	133,205	(132,205)
Total Expenditures	<u>4,128,053</u>	<u>4,535,744</u>	<u>4,227,286</u>	<u>308,458</u>
Excess of Revenues Over (Under) Expenditures	<u>(69,484)</u>	<u>343,566</u>	<u>649,016</u>	<u>305,450</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	320,140	320,140
Transfers out	-	-	(155,299)	(155,299)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>164,841</u>	<u>164,841</u>
Net Change in Fund Balances	<u>(69,484)</u>	<u>343,566</u>	<u>813,857</u>	<u>470,291</u>
Fund Balances - Beginning	<u>1,634,380</u>	<u>1,634,380</u>	<u>1,634,380</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,564,896</u>	<u>\$ 1,977,946</u>	<u>\$ 2,448,237</u>	<u>\$ 470,291</u>

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

Net Change in Fund Balance - Budgetary Basis	\$ 813,857
The amount reported in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances was different because:	
Expenditure reimbursements were included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.	
Charges for services	(630,750)
General government	630,750
Net Change in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 813,857</u>

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
Measure M
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 560,000	\$ 560,000	\$ 788,392	\$ 228,392
Use of money and property	-	-	1,851	1,851
Total Revenues	<u>560,000</u>	<u>560,000</u>	<u>790,243</u>	<u>230,243</u>
EXPENDITURES				
Current:				
Community development	<u>622,200</u>	<u>622,000</u>	<u>439,737</u>	<u>182,263</u>
Total Expenditures	<u>622,200</u>	<u>622,000</u>	<u>439,737</u>	<u>182,263</u>
Net Change in Fund Balances	(62,200)	(62,000)	350,506	412,506
Fund Balances - Beginning	<u>586,407</u>	<u>586,407</u>	<u>586,407</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 524,207</u>	<u>\$ 524,407</u>	<u>\$ 936,913</u>	<u>\$ 412,506</u>

CITY OF JACKSON
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2021

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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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, 2021

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and investments	\$ 3,291,139	\$ 37,784	\$ 3,328,923
Receivables:			
Taxes	8,783	-	8,783
Interest	689	7	696
Intergovernmental	91,533	171,172	262,705
Due from other funds	343,868		343,868
Loans receivable	2,135,629	-	2,135,629
	\$ 5,871,641	\$ 208,963	\$ 6,080,604
Total Assets	\$ 5,871,641	\$ 208,963	\$ 6,080,604
LIABILITIES			
Accounts payable	\$ 22,568	\$ 1,294	\$ 23,862
Retentions payable	-	2,616	2,616
Due to other funds	43,049	173,486	216,535
Unearned revenue	139,509	-	139,509
	205,126	177,396	382,522
Total Liabilities	205,126	177,396	382,522
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	52,024	171,172	223,196
	52,024	171,172	223,196
Total Deferred Inflows of Resources	52,024	171,172	223,196
FUND BALANCES			
Restricted	5,647,823	15,401	5,663,224
Assigned	26,750	22,390	49,140
Unassigned	(60,082)	(177,396)	(237,478)
	5,614,491	(139,605)	5,474,886
Total Fund Balances (Deficits)	5,614,491	(139,605)	5,474,886
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,871,641	\$ 208,963	\$ 6,080,604

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue	Capital Projects	Totals
REVENUES			
Licenses and permits	\$ 43,506	\$ -	\$ 43,506
Use of money and property	61,797	115	61,912
Intergovernmental	521,015	428,339	949,354
Charges for services	8,317	-	8,317
Total Revenues	634,635	428,454	1,063,089
EXPENDITURES			
Current:			
General government	259,141	22,239	281,380
Public ways and facilities	17,636	-	17,636
Community development	157,398	-	157,398
Capital outlay	198,448	321,891	520,339
Total Expenditures	632,623	344,130	976,753
Excess of Revenues Over (Under) Expenditures	2,012	84,324	86,336
OTHER FINANCING SOURCES (USES)			
Transfers in	351,564	5,505	357,069
Transfers out	(649,075)	-	(649,075)
Total Other Financing Sources (Uses)	(297,511)	5,505	(292,006)
Net Change in Fund Balances	(295,499)	89,829	(205,670)
Fund Balances (Deficits) - Beginning	3,478,254	(229,434)	3,248,820
Prior period adjustment	2,431,736	-	2,431,736
Fund Balances (Deficits) - Beginning, Restated	5,909,990	(229,434)	5,680,556
Fund Balances (Deficits) - Ending	\$ 5,614,491	\$ (139,605)	\$ 5,474,886

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	<u>Argonaut Heights</u>	<u>CDBG Revolving</u>	<u>CDBG Discretionary</u>	<u>Home PI</u>	<u>First Time Homebuyers</u>
ASSETS					
Cash and investments	\$ 5,231	\$ 28,298	\$ 114,239	\$ 464,314	\$ -
Receivables:					
Taxes	-	-	-	-	-
Interest	1	11	16	103	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	112,782	-	-	604,752
Total Assets	<u>\$ 5,232</u>	<u>\$ 141,091</u>	<u>\$ 114,255</u>	<u>\$ 464,417</u>	<u>\$ 604,752</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3,705	\$ 570	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>3,705</u>	<u>570</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	5,232	137,386	113,685	464,417	604,752
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>5,232</u>	<u>137,386</u>	<u>113,685</u>	<u>464,417</u>	<u>604,752</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,232</u>	<u>\$ 141,091</u>	<u>\$ 114,255</u>	<u>\$ 464,417</u>	<u>\$ 604,752</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	RMRA RD-Maint	Local Transportation
\$ -	\$ -	\$ -	\$ 658,948	\$ 115	\$ -	\$ 4,771	\$ 104,535
-	-	-	-	-	-	8,783	-
-	-	-	119	-	-	9	22
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
393,278	212,608	481,632	-	-	-	-	-
<u>\$ 393,278</u>	<u>\$ 212,608</u>	<u>\$ 481,632</u>	<u>\$ 659,067</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 13,563</u>	<u>\$ 104,557</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
393,278	212,608	481,632	659,067	115	-	-	104,557
-	-	-	-	-	-	13,563	-
-	-	-	-	-	-	-	-
<u>393,278</u>	<u>212,608</u>	<u>481,632</u>	<u>659,067</u>	<u>115</u>	<u>-</u>	<u>13,563</u>	<u>104,557</u>
<u>\$ 393,278</u>	<u>\$ 212,608</u>	<u>\$ 481,632</u>	<u>\$ 659,067</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 13,563</u>	<u>\$ 104,557</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	HES Signs	Gen Plan Grant	Parkland In Lieu	SLESF	Streets and Bridges
ASSETS					
Cash and investments	\$ 13,185	\$ -	\$ 1,024,907	\$ -	\$ 692,270
Receivables:					
Taxes	-	-	-	-	-
Interest	2	-	186	-	187
Intergovernmental	-	37,419	-	-	-
Due from other funds	-	-	-	-	343,868
Loans receivable	-	-	-	-	-
Total Assets	\$ 13,187	\$ 37,419	\$ 1,025,093	\$ -	\$ 1,036,325
LIABILITIES					
Accounts payable	\$ -	\$ 298	\$ -	\$ -	\$ -
Due to other funds	-	37,122	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	37,420	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	37,419	-	-	-
Total Deferred Inflows of Resources	-	37,419	-	-	-
FUND BALANCES					
Restricted	-	-	1,025,093	-	1,036,325
Assigned	13,187	-	-	-	-
Unassigned	-	(37,420)	-	-	-
Total Fund Balances (Deficits)	13,187	(37,420)	1,025,093	-	1,036,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,187	\$ 37,419	\$ 1,025,093	\$ -	\$ 1,036,325

Regional Traffic	FTHB 2011	PSPS Grant	HEAP-ATCAA Grant	ESG-CV ATCAA	Argonaut Lane Improvement	New York Ranch Road Forfeiture	Totals
\$ 1,091	\$ -	\$ 139,636	\$ 169	\$ -	\$ 36,948	\$ 2,482	\$ 3,291,139
-	-	-	-	-	-	-	8,783
-	-	26	-	-	7	-	689
-	-	-	39,509	14,605	-	-	91,533
-	-	-	-	-	-	-	343,868
-	330,577	-	-	-	-	-	2,135,629
<u>\$ 1,091</u>	<u>\$ 330,577</u>	<u>\$ 139,662</u>	<u>\$ 39,678</u>	<u>\$ 14,605</u>	<u>\$ 36,955</u>	<u>\$ 2,482</u>	<u>\$ 5,871,641</u>
\$ 17,636	\$ -	\$ -	\$ 169	\$ 190	\$ -	\$ -	\$ 22,568
-	-	-	-	5,927	-	-	43,049
-	-	139,509	-	-	-	-	139,509
<u>17,636</u>	<u>-</u>	<u>139,509</u>	<u>169</u>	<u>6,117</u>	<u>-</u>	<u>-</u>	<u>205,126</u>
-	-	-	-	14,605	-	-	52,024
-	-	-	-	14,605	-	-	52,024
-	330,577	153	39,509	-	36,955	2,482	5,647,823
-	-	-	-	-	-	-	26,750
(16,545)	-	-	-	(6,117)	-	-	(60,082)
<u>(16,545)</u>	<u>330,577</u>	<u>153</u>	<u>39,509</u>	<u>(6,117)</u>	<u>36,955</u>	<u>2,482</u>	<u>5,614,491</u>
<u>\$ 1,091</u>	<u>\$ 330,577</u>	<u>\$ 139,662</u>	<u>\$ 39,678</u>	<u>\$ 14,605</u>	<u>\$ 36,955</u>	<u>\$ 2,482</u>	<u>\$ 5,871,641</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	<u>Argonaut Heights</u>	<u>CDBG Revolving</u>	<u>CDBG Discretionary</u>	<u>Home PI</u>	<u>First Time Homebuyers</u>
REVENUES					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	15	1,066	262	1,219	12,405
Intergovernmental	-	6,507	-	-	-
Charges for services	-	-	-	-	-
Total Revenues	<u>15</u>	<u>7,573</u>	<u>262</u>	<u>1,219</u>	<u>12,405</u>
EXPENDITURES					
Current:					
General government	-	-	5,590	3,690	-
Public ways and facilities	-	-	-	-	-
Community development	-	157,398	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>157,398</u>	<u>5,590</u>	<u>3,690</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>15</u>	<u>(149,825)</u>	<u>(5,328)</u>	<u>(2,471)</u>	<u>12,405</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	29,312	310,307	-
Transfers out	-	(29,312)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(29,312)</u>	<u>29,312</u>	<u>310,307</u>	<u>-</u>
Net Change in Fund Balances	<u>15</u>	<u>(179,137)</u>	<u>23,984</u>	<u>307,836</u>	<u>12,405</u>
Fund Balances (Deficits) - Beginning	5,217	175,113	89,701	156,581	-
Prior period adjustment	-	141,410	-	-	592,347
Fund Balances (Deficits) - Beginning, Restated	<u>5,217</u>	<u>316,523</u>	<u>89,701</u>	<u>156,581</u>	<u>592,347</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,232</u>	<u>\$ 137,386</u>	<u>\$ 113,685</u>	<u>\$ 464,417</u>	<u>\$ 604,752</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	RMRA RD-Maint	Local Transportation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,515	4,530	13,659	1,937	-	-	304	409
-	-	-	-	4,999	114,771	89,129	65,170
-	-	-	8,317	-	-	-	-
<u>11,515</u>	<u>4,530</u>	<u>13,659</u>	<u>10,254</u>	<u>4,999</u>	<u>114,771</u>	<u>89,433</u>	<u>65,579</u>
167,722	-	-	4,411	5,078	-	560	11,899
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	152,932	40,201
<u>167,722</u>	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>5,078</u>	<u>-</u>	<u>153,492</u>	<u>52,100</u>
<u>(156,207)</u>	<u>4,530</u>	<u>13,659</u>	<u>5,843</u>	<u>(79)</u>	<u>114,771</u>	<u>(64,059)</u>	<u>13,479</u>
-	-	-	-	-	-	-	-
<u>(147,018)</u>	<u>-</u>	<u>(163,289)</u>	<u>-</u>	<u>-</u>	<u>(114,771)</u>	<u>-</u>	<u>-</u>
<u>(147,018)</u>	<u>-</u>	<u>(163,289)</u>	<u>-</u>	<u>-</u>	<u>(114,771)</u>	<u>-</u>	<u>-</u>
<u>(303,225)</u>	<u>4,530</u>	<u>(149,630)</u>	<u>5,843</u>	<u>(79)</u>	<u>-</u>	<u>(64,059)</u>	<u>13,479</u>
-	-	160,289	653,224	194	-	77,622	91,078
696,503	208,078	470,973	-	-	-	-	-
<u>696,503</u>	<u>208,078</u>	<u>631,262</u>	<u>653,224</u>	<u>194</u>	<u>-</u>	<u>77,622</u>	<u>91,078</u>
<u>\$ 393,278</u>	<u>\$ 212,608</u>	<u>\$ 481,632</u>	<u>\$ 659,067</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 13,563</u>	<u>\$ 104,557</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	HES Signs	Gen Plan Grant	Parkland In Lieu	SLESF	Streets and Bridges
REVENUES					
Licenses and permits	\$ -	\$ -	\$ 8,670	\$ -	\$ 17,200
Use of money and property	40	-	3,024	-	3,021
Intergovernmental	-	-	-	156,727	-
Charges for services	-	-	-	-	-
Total Revenues	40	-	11,694	156,727	20,221
EXPENDITURES					
Current:					
General government	-	36,595	-	-	-
Public ways and facilities	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	5,315	-	-
Total Expenditures	-	36,595	5,315	-	-
Excess of Revenues Over (Under) Expenditures	40	(36,595)	6,379	156,727	20,221
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	11,945	-
Transfers out	-	-	-	(168,672)	-
Total Other Financing Sources (Uses)	-	-	-	(156,727)	-
Net Change in Fund Balances	40	(36,595)	6,379	-	20,221
Fund Balances (Deficits) - Beginning	13,147	(825)	1,018,714	-	1,016,104
Prior period adjustment	-	-	-	-	-
Fund Balances (Deficits) - Beginning, Restated	13,147	(825)	1,018,714	-	1,016,104
Fund Balances (Deficits) - Ending	\$ 13,187	\$ (37,420)	\$ 1,025,093	\$ -	\$ 1,036,325

Regional Traffic	FTHB 2011	PSPS Grant	HEAP-ATCAA Grant	ESG-CV ATCAA	Argonaut Lane Improvement	New York Ranch Road Forfeiture	Totals
\$ 17,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,506
(29)	8,152	152	-	-	108	8	61,797
-	-	44,203	39,509	-	-	-	521,015
-	-	-	-	-	-	-	8,317
<u>17,607</u>	<u>8,152</u>	<u>44,355</u>	<u>39,509</u>	<u>-</u>	<u>108</u>	<u>8</u>	<u>634,635</u>
-	-	17,479	-	6,117	-	-	259,141
17,636	-	-	-	-	-	-	17,636
-	-	-	-	-	-	-	157,398
-	-	-	-	-	-	-	198,448
<u>17,636</u>	<u>-</u>	<u>17,479</u>	<u>-</u>	<u>6,117</u>	<u>-</u>	<u>-</u>	<u>632,623</u>
(29)	8,152	26,876	39,509	(6,117)	108	8	2,012
-	-	-	-	-	-	-	351,564
-	-	(26,013)	-	-	-	-	(649,075)
-	-	(26,013)	-	-	-	-	(297,511)
(29)	8,152	863	39,509	(6,117)	108	8	(295,499)
(16,516)	-	(710)	-	-	36,847	2,474	3,478,254
-	322,425	-	-	-	-	-	2,431,736
(16,516)	322,425	(710)	-	-	36,847	2,474	5,909,990
<u>\$ (16,545)</u>	<u>\$ 330,577</u>	<u>\$ 153</u>	<u>\$ 39,509</u>	<u>\$ (6,117)</u>	<u>\$ 36,955</u>	<u>\$ 2,482</u>	<u>\$ 5,614,491</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, 2021

	<u>South Ave Bridge</u>	<u>Pitt Street Bridge</u>	<u>French Bar Bridge</u>	<u>Sidewalk Improvement</u>	<u>Hwy 49 Lights</u>
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Interest	-	-	-	-	-
Intergovernmental	1,717	25,722	129,237	-	2,804
Total Assets	<u>\$ 1,717</u>	<u>\$ 25,722</u>	<u>\$ 129,237</u>	<u>\$ -</u>	<u>\$ 2,804</u>
LIABILITIES					
Accounts payable	\$ 934	\$ 150	\$ -	\$ -	\$ 82
Retentions payable	-	-	-	-	-
Due to other funds	1,387	28,225	128,748	263	4,166
Total Liabilities	<u>2,321</u>	<u>28,375</u>	<u>128,748</u>	<u>263</u>	<u>4,248</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	1,717	25,722	129,237	-	2,804
Total Deferred Inflows of Resources	<u>1,717</u>	<u>25,722</u>	<u>129,237</u>	<u>-</u>	<u>2,804</u>
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(2,321)	(28,375)	(128,748)	(263)	(4,248)
Total Fund Balances (Deficits)	<u>(2,321)</u>	<u>(28,375)</u>	<u>(128,748)</u>	<u>(263)</u>	<u>(4,248)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,717</u>	<u>\$ 25,722</u>	<u>\$ 129,237</u>	<u>\$ -</u>	<u>\$ 2,804</u>

Sutter Street	Street Stripe	New York Ranch Road	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 22,386	\$ -	\$ 15,398	\$ -	\$ 37,784
-	4	-	3	-	7
11,692	-	-	-	-	171,172
<u>\$ 11,692</u>	<u>\$ 22,390</u>	<u>\$ -</u>	<u>\$ 15,401</u>	<u>\$ -</u>	<u>\$ 208,963</u>
\$ 128	\$ -	\$ -	\$ -	\$ -	\$ 1,294
-	-	-	-	2,616	2,616
10,697	-	-	-	-	173,486
10,825	-	-	-	2,616	177,396
11,692	-	-	-	-	171,172
11,692	-	-	-	-	171,172
-	-	-	15,401	-	15,401
-	22,390	-	-	-	22,390
(10,825)	-	-	-	(2,616)	(177,396)
(10,825)	22,390	-	15,401	(2,616)	(139,605)
<u>\$ 11,692</u>	<u>\$ 22,390</u>	<u>\$ -</u>	<u>\$ 15,401</u>	<u>\$ -</u>	<u>\$ 208,963</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

	<u>South Ave Bridge</u>	<u>Pitt Street Bridge</u>	<u>French Bar Bridge</u>	<u>Sidewalk Improvement</u>	<u>Hwy 49 Lights</u>
REVENUES					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	117,700	151,680	63,895	-	-
Total Revenues	<u>117,700</u>	<u>151,680</u>	<u>63,895</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	5,825	11,875	-	-	1,444
Capital outlay	92,773	143,631	51,322	-	2,804
Total Expenditures	<u>98,598</u>	<u>155,506</u>	<u>51,322</u>	<u>-</u>	<u>4,248</u>
Excess of Revenues Over (Under) Expenditures	<u>19,102</u>	<u>(3,826)</u>	<u>12,573</u>	<u>-</u>	<u>(4,248)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19,102	(3,826)	12,573	-	(4,248)
Fund Balances (Deficits) - Beginning	<u>(21,423)</u>	<u>(24,549)</u>	<u>(141,321)</u>	<u>(263)</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ (2,321)</u>	<u>\$ (28,375)</u>	<u>\$ (128,748)</u>	<u>\$ (263)</u>	<u>\$ (4,248)</u>

Sutter Street	Street Stripe	New York Ranch Road	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 66	\$ -	\$ 49	\$ -	\$ 115
42,508	-	-	-	52,556	428,339
42,508	66	-	49	52,556	428,454
1,621	-	-	1,474	-	22,239
31,361	-	-	-	-	321,891
32,982	-	-	1,474	-	344,130
9,526	66	-	(1,425)	52,556	84,324
-	-	-	-	5,505	5,505
-	-	-	-	5,505	5,505
9,526	66	-	(1,425)	58,061	89,829
(20,351)	22,324	-	16,826	(60,677)	(229,434)
<u>\$ (10,825)</u>	<u>\$ 22,390</u>	<u>\$ -</u>	<u>\$ 15,401</u>	<u>\$ (2,616)</u>	<u>\$ (139,605)</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, 2021

	Parking	Utility Deposits	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 31,793	\$ 31,793
Total Current Assets	-	31,793	31,793
Noncurrent Assets:			
Capital assets:			
Non-depreciable	155,586	-	155,586
Depreciable, net	286,591	-	286,591
Total Noncurrent Assets	442,177	-	442,177
Total Assets	442,177	31,793	473,970
LIABILITIES			
Current Liabilities:			
Deposits payable	-	43,136	43,136
Total Current Liabilities	-	43,136	43,136
Total Liabilities	-	43,136	43,136
NET POSITION			
Investment in capital assets	442,177	-	442,177
Unrestricted	-	(11,343)	(11,343)
Total Net Position	\$ 442,177	\$ (11,343)	\$ 430,834

CITY OF JACKSON
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Parking	Utility Deposits	Totals
OPERATING REVENUES			
Charges for services	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-
OPERATING EXPENSES			
Salaries and benefits	(1,313)	-	(1,313)
Maintenance	-	(4)	(4)
Depreciation	10,881	-	10,881
Total Operating Expenses	9,568	(4)	9,564
Change in Net Position	(9,568)	4	(9,564)
Total Net Position - Beginning	451,745	(11,347)	440,398
Total Net Position - Ending	\$ 442,177	\$ (11,343)	\$ 430,834

CITY OF JACKSON
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Parking	Utility Deposits	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ -	\$ 11,163	\$ 11,163
Net Cash Provided (Used) by Operating Activities	-	11,163	11,163
Net Increase (Decrease) in Cash and Cash Equivalents	-	11,163	11,163
Balances - Beginning	-	20,630	20,630
Balances - Ending	\$ -	\$ 31,793	\$ 31,793
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (9,568)	\$ 4	\$ (9,564)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,881	-	10,881
Increase (decrease) in:			
Salaries and benefits payable	(1,313)	-	(1,313)
Deposits payable	-	11,159	11,159
Net Cash Provided (Used) by Operating Activities	\$ -	\$ 11,163	\$ 11,163

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Fiduciary Funds

- **Custodial Funds**

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CITY OF JACKSON
Combining Statement of Assets and Liabilities
Custodial Funds
June 30, 2021

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 1,303	\$ 15,310	\$ 194	\$ 16,807
Total Assets	<u>\$ 1,303</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,807</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 1,303	\$ 15,310	\$ 194	\$ 16,807
Total Net Position	<u>\$ 1,303</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,807</u>

CITY OF JACKSON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ADDITIONS				
Net investment earnings	\$ 3	\$ -	\$ -	\$ 3
Total Additions	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
DEDUCTIONS				
Distributions from pooled investments	-	-	-	-
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in Fiduciary Net Position	3	-	-	3
Total Net Position - Beginning	<u>1,300</u>	<u>15,310</u>	<u>194</u>	<u>16,804</u>
Total Net Position - Ending	<u>\$ 1,303</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,807</u>