

**CITY OF JACKSON,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

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CITY OF JACKSON
Annual Financial Report
For the Year Ended June 30, 2022

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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, 2022

City Council

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

City Officers

Yvonne Kimball	City Manager
Joshua Nelson	City Attorney
John Georgette	City Clerk
Peyton Pushies	Building Inspector
Matt Ospital	City Engineer
Farhad Mortazari	City Planner
Chris Mynderup	Police Chief
Dale Fishback	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 Audit of the Financial Statements**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

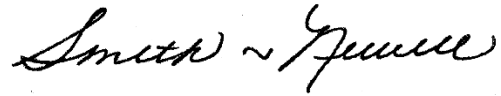
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2023, 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
May 15, 2023

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

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CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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, 2022. 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 \$58,028,943 as of June 30, 2022. Of this total, \$30,847,398 were governmental assets and \$27,181,545 were business-type assets.
- ❑ Entity-wide governmental revenues include program revenues of \$3,101,814 and general revenues and transfers of \$3,843,289 for a total of \$6,945,103.
- ❑ Entity-wide governmental expenses were \$6,450,305.
- ❑ Entity-wide business-type program, interest, other revenues and transfers were \$5,657,999 while business-type expenses were \$5,082,656.
- ❑ The City's total net pension liability was \$4,796,024 as of June 30, 2022. The total net OPEB obligation was \$1,432,521.

Fund Level:

- ❑ Governmental fund balance increased to \$15,772,795 in fiscal year 2022, up from \$14,874,430 the prior year. 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 \$6,529,706 in fiscal year 2022 up by \$269,390 from the prior year.
- ❑ Governmental fund expenditures increased to \$5,705,930 in fiscal year 2022, up by \$692,904 from the prior year.
- ❑ Proprietary fund total revenues were \$5,775,382 and expenses were \$4,772,497. Resulting in an operating income of \$1,002,885, compared to last year's operating income of \$1,044,409, a decrease of \$41,524.
- ❑ Total business-type (Proprietary Fund) pension liability was \$1,436,668 as of June 30, 2022. Net OPEB obligation was \$301,542.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

General Fund:

- ❑ General fund revenues of \$4,259,421 were \$13,869 more than the prior year.
- ❑ General fund expenditures of \$3,833,510 were \$236,974 more than the prior year.
- ❑ Other financing sources contributed \$210,576 in fiscal year 2022 compared with the prior year of \$164,841.
- ❑ General fund balance of \$2,448,237 as of June 30, 2021, increased to \$3,084,724 by June 30, 2022. Of this total, \$1,606,176 were either restricted or committed funds, and \$1,478,548 were unassigned and were not restricted for any specific purpose or program.
- ❑ The City's governmental net pension liability was \$3,359,356 as of June 30, 2022. The governmental net OPEB obligation was \$1,130,979.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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 17 and 19 of this report.

Fund Financial Statements

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

- **Governmental Funds** - most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.
- The City's major governmental funds are the General Fund, the Home Grant fund, and Measure M. 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 66 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.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

- **Fiduciary Funds** - the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

NOTES TO BASIC FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Total	
	2022	2021	2022	2021	2022	2021	Dollar Change	% Change
Assets:								
Current and other assets	\$ 17,297,447	\$ 15,563,558	\$ 6,855,435	\$ 6,020,247	\$ 24,152,882	\$ 21,583,805	\$ 2,569,077	11.90%
Capital assets	13,549,951	13,073,362	20,326,110	20,722,114	33,876,061	33,795,476	80,585	0.24%
Total Assets	30,847,398	28,636,920	27,181,545	26,742,361	58,028,943	55,379,281	2,649,662	4.78%
Deferred Outflows of Resources:								
Deferred Charge on Refunding	-	-	29,125	43,688	29,125	43,688	(14,563)	-33.33%
Deferred Pension Adjustments	1,031,349	983,538	463,088	450,355	1,494,437	1,433,893	60,544	4.22%
Deferred OPEB Adjustments	97,497	116,752	33,063	40,470	130,560	157,222	(26,662)	-16.96%
Total Deferred Outflows of Resources	1,128,846	1,100,290	525,276	534,513	1,654,122	1,634,803	19,319	1.18%
Liabilities:								
Current	941,322	292,296	79,137	90,671	1,020,459	382,967	637,492	166.46%
Noncurrent	4,863,813	7,083,008	13,359,759	14,405,563	18,223,572	21,488,571	(3,264,999)	-15.19%
Total Liabilities	5,805,135	7,375,304	13,438,896	14,496,234	19,244,031	21,871,538	(2,627,507)	-12.01%
Deferred Inflows of Resources:								
Deferred Pension Adjustments	3,223,965	156,622	930,579	113,677	4,154,544	270,299	3,884,245	1437.02%
Deferred OPEB Adjustments	618,883	371,821	205,154	110,114	824,037	481,935	342,102	70.99%
Total Deferred Inflows of Resources	3,842,848	528,443	1,135,733	223,791	4,978,581	752,234	4,226,347	561.84%
Net Position:								
Net investment in capital assets	13,549,951	13,073,362	9,160,192	9,148,731	22,710,143	22,222,093	488,050	2.20%
Restricted	14,178,870	13,133,874	2,216,653	2,151,777	16,395,523	15,285,651	1,109,872	7.26%
Unrestricted	(5,400,560)	(4,373,773)	1,755,347	1,256,341	(3,645,213)	(3,117,432)	(527,781)	16.93%
Total Net Position	\$ 22,328,261	\$ 21,833,463	\$ 13,132,192	\$ 12,556,849	\$ 35,460,453	\$ 34,390,312	\$ 1,070,141	3.11%

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Statement of Activities

	Governmental Activities		Business-Type Activities		Total		Total	
	2022	2021	2022	2021	2022	2021	Dollar Change	% Change
Revenues:								
Program Revenues:								
Charges for services	\$ 1,443,483	\$ 1,211,661	\$ 5,762,572	\$ 5,309,536	\$ 7,206,055	\$ 6,521,197	\$ 684,858	10.50%
Operating grants and contribution	1,432,438	911,477	-	-	1,432,438	911,477	520,961	57.16%
Capital grants and contributions	225,893	420,185	-	-	225,893	420,185	(194,292)	-46.24%
General Revenues:								
Property taxes	1,005,915	1,146,225	-	-	1,005,915	1,146,225	(140,310)	-12.24%
Sales and use taxes	1,284,179	962,965	-	-	1,284,179	962,965	321,214	33.36%
Franchise taxes	195,411	176,505	-	-	195,411	176,505	18,906	10.71%
Property transfer taxes	33,101	32,004	-	-	33,101	32,004	1,097	3.43%
Transient occupancy taxes	572,583	502,547	-	-	572,583	502,547	70,036	13.94%
Grants and contributions	443,960	422,004	-	-	443,960	422,004	21,956	5.20%
Interest and investment earnings	194,479	337,309	(49,844)	13,575	144,635	350,884	(206,249)	-58.78%
Miscellaneous	39,072	123,972	12,810	21,804	51,882	145,776	(93,894)	-64.41%
Gain on sale of capital asset	7,050	-	-	3,825	7,050	3,825	3,225	100.00%
Total revenues	6,877,564	6,246,854	5,725,538	5,348,740	12,603,102	11,595,594	1,007,508	8.69%
Expenses:								
General government	1,280,107	881,476	-	-	1,280,107	881,476	398,631	45.22%
Public protection	2,968,833	2,633,367	-	-	2,968,833	2,633,367	335,466	12.74%
Public ways and facilities	1,109,041	754,175	-	-	1,109,041	754,175	354,866	47.05%
Community development	620,922	597,135	-	-	620,922	597,135	23,787	3.98%
Culture and recreation	471,402	309,059	-	-	471,402	309,059	162,343	52.53%
Sewer facilities	-	-	2,756,907	2,479,630	2,756,907	2,479,630	277,277	11.18%
Treated water	-	-	2,315,774	1,992,673	2,315,774	1,992,673	323,101	16.21%
Parking	-	-	9,975	9,142	9,975	9,142	833	9.11%
Total Expenses	6,450,305	5,175,212	5,082,656	4,481,445	11,532,961	9,656,657	1,876,304	19.43%
Excess before transfers	427,259	1,071,642	642,882	867,295	1,070,141	1,938,937	(868,796)	-44.81%
Transfers	67,539	(26,013)	(67,539)	26,013	-	-	-	0.00%
Change in Net Position	494,798	1,045,629	575,343	893,308	1,070,141	1,938,937	(868,796)	-44.81%
Net Position, Beginning	21,833,463	12,503,136	12,556,849	11,663,541	34,390,312	24,166,677	10,223,635	42.30%
Prior period adjustment	-	8,284,698	-	-	-	8,284,698	(8,284,698)	100.00%
Net Position, Beginning, Restated	21,833,463	20,787,834	12,556,849	11,663,541	34,390,312	32,451,375	1,938,937	5.97%
Net Position, Ending	\$ 22,328,261	\$ 21,833,463	\$ 13,132,192	\$ 12,556,849	\$ 35,460,453	\$ 34,390,312	\$ 1,070,141	3.11%

Revenue

The City's total revenue was \$12.6 million for the fiscal year ended June 30, 2022. Revenue from governmental activities totaled \$6.9 million and revenue from business-type activities total \$5.7 million. Property taxes provided 8 percent of the total revenue of the City, while charges for services provided 57 percent. Operating and Capital Grants and Sales and Use Taxes both provided 13.2 and 10.2 percent respectively of the total revenue received during the 2021/2022 fiscal year.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Expenses

Expenses of the City for the year totaled \$11.5 million. Governmental activity expenses totaled \$6.5 million or 56 percent of total expenses. Business-type activity expenses total \$5 million or 44 percent of total expenses.

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	
	2022	2021	Dollar Change	% Change
General government	\$ (810,703)	\$ (361,731)	\$ (448,972)	-124.1%
Public protection	(2,374,746)	(1,919,443)	(455,303)	-23.7%
Public ways and facilities	128,407	(277,530)	405,937	-146.3%
Community development	124,872	197,764	(72,892)	-36.9%
Culture and recreation	(416,321)	(270,949)	(145,372)	-53.7%
Total	<u>\$ (3,348,491)</u>	<u>\$ (2,631,889)</u>	<u>\$ (716,602)</u>	<u>-27.2%</u>

The cost of all governmental activities for fiscal year 2021-2022 was \$3.3 million. The City's taxpayers paid for these costs, partially, through property and sales and use taxes. Again, this year some grants were obtained related to the COVID pandemic, along with various other funding sources. The cost of capital assets is not presented as a cost in determining the net cost of governmental activities, but is reflected as an asset in the Statement of Net Position.

Business-Type Activities

Program revenue of the City's business-type activities totaled \$5.8 million. Expenses of business-type activities were \$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.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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, 2022 of \$15.77 million, which is an increase of \$898 thousand from the previous fiscal year. The General Fund's net increase was \$636 thousand, however, other Governmental Funds decreased by \$86,677. The General Fund increase was due to increases in property taxes, sales and use taxes and other miscellaneous monies received.

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, 2022, was \$22,710,143 (net of accumulated depreciation and related debt). This investment in capital assets includes police and fire equipment, buildings, park facilities, roads and water and sewer lines and treatment facilities. The City's net investment in capital assets increased \$488,050 since June 30, 2021. This increase was caused by the projects recently completed toward the end of the fiscal year.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$18,223,572. Pension and OPEB liability make up \$6,228,545. The majority of the balance is made up of the State Revolving Fund Loan for the WWTP improvements. Also included in the figure is the balance of the 2010 Water Refunding Bonds and Compensated Absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For a few years in a row, the City's financial health has continued to improve. This is evidenced by the significant growth in all fund balance categories and available cash from just half a dozen years ago. Along with other measures that have boosted the City's financial health, Team Jackson has done an outstanding job in securing grants and special funds to deliver capital improvement projects. In 2022, there was a running total of \$17 million worth of grant and special fund projects. Programs included City Hall renovation efforts, design of a roundabout, fleet enhancement, homeless street outreach programs, efforts to recycle contaminated land, park projects, bridge replacement projects. Those projects will serve the City well for many years to come. Since they are paid for by grants, the City's local funding sources are significantly preserved. Consequently, the City has accumulated substantial fund reserves.

As a result, the City is in a good position to respond to an economic downturn should it occur as suggested by many forecasts in the near future. Now is also a good time to focus on long-term plans for systematic maintenance efforts, preparing for large fleet replacement cycles, ramping up emergency response plans, and addressing rising pension costs and evolving labor needs.

Looking ahead into the coming year, the economy continues to remain uncertain nationwide. In Jackson, growth rates remain slow; however, revenues in routine categories will continue to rise at a steady pace. On the expenditure side, higher operation costs will remain the norm. Training and retention of employees need to be a priority. Team Jackson will continue to be challenged with providing affordable services in innovative ways. As the Team strives to sustain what we have achieved and adapt to new ways of working and living, we will look forward to the future with hope and gratitude for continued improvement.

CITY OF JACKSON
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 7,802,217	\$ 6,251,111	\$ 14,053,328
Cash with fiscal agent	-	126,041	126,041
Receivables:			
Accounts	345,684	575,269	920,953
Taxes	560,138	-	560,138
Interest	8,553	6,105	14,658
Intergovernmental	575,341	-	575,341
Internal balances	103,091	(103,091)	-
Prepaid insurance	169,876	-	169,876
Loans receivable	7,732,547	-	7,732,547
Capital assets:			
Non-depreciable	4,878,307	246,006	5,124,313
Depreciable, net	8,671,644	20,080,104	28,751,748
Total capital assets	<u>13,549,951</u>	<u>20,326,110</u>	<u>33,876,061</u>
Total Assets	<u>30,847,398</u>	<u>27,181,545</u>	<u>58,028,943</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	29,125	29,125
Deferred pension adjustments	1,031,349	463,088	1,494,437
Deferred OPEB adjustments	97,497	33,063	130,560
Total Deferred Outflows of Resources	<u>1,128,846</u>	<u>525,276</u>	<u>1,654,122</u>
LIABILITIES			
Accounts payable	346,185	41,342	387,527
Salaries and benefits payable	3,691	-	3,691
Retentions payable	2,616	-	2,616
Deposits payable	7,635	37,795	45,430
Unearned revenue	581,195	-	581,195
Long-term liabilities:			
Due within one year	186,739	499,297	686,036
Due in more than one year	186,739	11,122,252	11,308,991
Net pension liability	3,359,356	1,436,668	4,796,024
Net OPEB liability	1,130,979	301,542	1,432,521
Total Liabilities	<u>5,805,135</u>	<u>13,438,896</u>	<u>19,244,031</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	3,223,965	930,579	4,154,544
Deferred OPEB adjustments	618,883	205,154	824,037
Total Deferred Inflows of Resources	<u>3,842,848</u>	<u>1,135,733</u>	<u>4,978,581</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, 2022

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	13,549,951	9,160,192	22,710,143
Restricted for:			
General government	609,970	-	609,970
Public ways and facilities	2,526,904	-	2,526,904
Community development	9,984,295	-	9,984,295
Culture and recreation	1,038,750	-	1,038,750
Capital projects	18,951	2,216,653	2,235,604
Unrestricted	(5,400,560)	1,755,347	(3,645,213)
 Total Net Position	 \$ 22,328,261	 \$ 13,132,192	 \$ 35,460,453

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

Continued (Page 2 of 2)

CITY OF JACKSON
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,280,107	\$ 173,669	\$ 69,842	\$ 225,893
Public protection	2,968,833	262,468	331,619	-
Public ways and facilities	1,109,041	206,471	1,030,977	-
Community development	620,922	745,794	-	-
Culture and recreation	471,402	55,081	-	-
Total Governmental Activities	6,450,305	1,443,483	1,432,438	225,893
Business-type activities:				
Sewer Facilities	2,756,907	3,306,757	-	-
Treated Water	2,315,774	2,455,815	-	-
Parking	9,975	-	-	-
Total Business-Type Activities	5,082,656	5,762,572	-	-
Total	\$ 11,532,961	\$ 7,206,055	\$ 1,432,438	\$ 225,893

General revenues:

Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Property transfer taxes

 Transient occupancy taxes

Grants and contributions - unrestricted

Interest and investment earnings

Miscellaneous

Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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

Governmental Activities	Business-Type Activities	Totals
\$ (810,703)	\$ -	\$ (810,703)
(2,374,746)	-	(2,374,746)
128,407	-	128,407
124,872	-	124,872
(416,321)	-	(416,321)
(3,348,491)	-	(3,348,491)
-	549,850	549,850
-	140,041	140,041
-	(9,975)	(9,975)
-	679,916	679,916
(3,348,491)	679,916	(2,668,575)
1,005,915	-	1,005,915
1,284,179	-	1,284,179
195,411	-	195,411
33,101	-	33,101
572,583	-	572,583
443,960	-	443,960
194,479	(49,844)	144,635
39,072	12,810	51,882
7,050	-	7,050
67,539	(67,539)	-
3,843,289	(104,573)	3,738,716
494,798	575,343	1,070,141
21,833,463	12,556,849	34,390,312
\$ 22,328,261	\$ 13,132,192	\$ 35,460,453

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF JACKSON
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 2,547,906	\$ -	\$ 1,062,841	\$ 4,191,470	\$ 7,802,217
Receivables:					
Accounts	237,312	-	-	108,372	345,684
Taxes	480,701	-	60,176	19,261	560,138
Interest	2,640	-	1,019	4,894	8,553
Intergovernmental	31,545	-	-	543,796	575,341
Due from other funds	-	-	-	940,810	940,810
Loans receivable	-	6,175,826	-	1,556,721	7,732,547
Total Assets	\$ 3,300,104	\$ 6,175,826	\$ 1,124,036	\$ 7,365,324	\$17,965,290
LIABILITIES					
Accounts payable	\$ 157,466	\$ -	\$ -	\$ 88,719	\$ 246,185
Salaries and benefits payable	3,691	-	-	-	3,691
Retentions payable	-	-	-	2,616	2,616
Due to other funds	-	-	-	760,789	760,789
Deposits payable	7,635	-	-	-	7,635
Unearned revenue	-	-	-	581,195	581,195
Total Liabilities	168,792	-	-	1,433,319	1,602,111
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	46,588	-	-	543,796	590,384
Total Deferred Inflows of Resources	46,588	-	-	543,796	590,384
FUND BALANCES					
Restricted	609,970	6,175,826	1,124,036	5,948,438	13,858,270
Committed	996,206	-	-	-	996,206
Assigned	-	-	-	121,229	121,229
Unassigned	1,478,548	-	-	(681,458)	797,090
Total Fund Balances	3,084,724	6,175,826	1,124,036	5,388,209	15,772,795
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,300,104	\$ 6,175,826	\$ 1,124,036	\$ 7,365,324	\$17,965,290

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, 2022

Total Fund Balance - Total Governmental Funds	\$15,772,795
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.	13,549,951
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	590,384
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,128,846
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(3,842,848)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(373,478)
Net pension liability	(3,359,356)
Net OPEB liability	(1,130,979)
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.	(7,054)
Net Position of Governmental Activities	\$22,328,261

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, 2022

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 3,135,741	\$ -	\$ 745,794	\$ -	\$ 3,881,535
Licenses and permits	307,226	-	-	110,781	418,007
Fines and forfeitures	9,896	-	-	135,719	145,615
Use of money and property	39,524	161,432	(7,933)	1,456	194,479
Intergovernmental	663,961	-	-	1,097,540	1,761,501
Charges for services	64,001	-	-	25,496	89,497
Other revenues	39,072	-	-	-	39,072
Total Revenues	4,259,421	161,432	737,861	1,370,992	6,529,706
EXPENDITURES					
Current:					
General government	606,361	-	-	289,815	896,176
Public protection	2,272,893	-	-	-	2,272,893
Public ways and facilities	651,725	-	-	-	651,725
Community development	-	-	550,738	70,184	620,922
Culture and recreation	288,463	-	-	21,894	310,357
Capital outlay	14,068	-	-	939,789	953,857
Total Expenditures	3,833,510	-	550,738	1,321,682	5,705,930
Excess of Revenues Over (Under) Expenditures	425,911	161,432	187,123	49,310	823,776
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	7,050	-	-	-	7,050
Transfers in	230,543	-	-	649,818	880,361
Transfers out	(27,017)	-	-	(785,805)	(812,822)
Total Other Financing Sources (Uses)	210,576	-	-	(135,987)	74,589
Net Change in Fund Balances	636,487	161,432	187,123	(86,677)	898,365
Fund Balances - Beginning	2,448,237	6,014,394	936,913	5,474,886	14,874,430
Fund Balances - Ending	\$ 3,084,724	\$ 6,175,826	\$ 1,124,036	\$ 5,388,209	\$ 15,772,795

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 898,365

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	953,857
Less current year depreciation	(477,278)
Various adjustments	10

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	340,808
--------------------------------	---------

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	47,811
Change in deferred outflows of resources related to OPEB	(19,255)
Change in deferred inflows of resources related to pension	(3,067,343)
Change in deferred inflows of resources related to OPEB	(247,062)

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	110,053
Change in net pension liability	1,810,270
Change in net OPEB liability	298,872

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.

(154,310)

Change in Net Position of Governmental Activities \$ 494,798

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

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CITY OF JACKSON
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Internal Service Fund
ASSETS					
Current Assets:					
Cash and investments	\$ 5,227,131	\$ 996,123	\$ 27,857	\$ 6,251,111	\$ -
Cash with fiscal agent	-	126,041	-	126,041	-
Receivables:					
Accounts	316,315	258,954	-	575,269	-
Interest	5,030	1,075	-	6,105	-
Prepaid insurance	-	-	-	-	169,876
Total Current Assets	5,548,476	1,382,193	27,857	6,958,526	169,876
Noncurrent Assets:					
Capital assets:					
Non-depreciable	81,602	8,818	155,586	246,006	-
Depreciable, net	14,774,322	5,029,155	276,627	20,080,104	-
Total capital assets	14,855,924	5,037,973	432,213	20,326,110	-
Total Noncurrent Assets	14,855,924	5,037,973	432,213	20,326,110	-
Total Assets	20,404,400	6,420,166	460,070	27,284,636	169,876
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	29,125	-	29,125	-
Deferred pension adjustments	322,272	140,816	-	463,088	-
Deferred OPEB adjustments	22,536	10,527	-	33,063	-
Total Deferred Outflows of Resources	344,808	180,468	-	525,276	-
LIABILITIES					
Current Liabilities:					
Accounts payable	37,520	3,822	-	41,342	100,000
Deposits payable	-	-	37,795	37,795	-
Due to other funds	-	-	-	-	180,021
Compensated absences payable	15,018	14,618	-	29,636	-
Customer advances	-	42,220	-	42,220	-
Loans payable	323,771	-	-	323,771	-
Bonds payable	-	103,670	-	103,670	-
Total Current Liabilities	376,309	164,330	37,795	578,434	280,021

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities
					Self- Insurance Internal Service Fund
Noncurrent Liabilities:					
Compensated absences payable	15,018	14,618	-	29,636	-
Customer advances	-	325,014	-	325,014	-
Loans payable	10,653,933	-	-	10,653,933	-
Bonds payable	-	113,669	-	113,669	-
Net pension liability	974,672	461,996	-	1,436,668	-
Net OPEB liability	195,372	106,170	-	301,542	-
Total Noncurrent Liabilities	11,838,995	1,021,467	-	12,860,462	-
Total Liabilities	12,215,304	1,185,797	37,795	13,438,896	280,021
DEFERRED INFLOWS OF RESOURCES					
Deferred pension adjustments	609,039	321,540	-	930,579	-
Deferred OPEB adjustments	141,344	63,810	-	205,154	-
Total Deferred Inflows of Resources	750,383	385,350	-	1,135,733	-
NET POSITION					
Net investment in capital assets	3,878,220	4,849,759	432,213	9,160,192	-
Restricted for capital projects	1,602,477	614,176	-	2,216,653	-
Unrestricted	2,302,824	(434,448)	(9,938)	1,858,438	(110,145)
Total Net Position	\$ 7,783,521	\$ 5,029,487	\$ 422,275	13,235,283	\$ (110,145)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(103,091)	
Net Position of Business-Type Activities				\$13,132,192	

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Self- Insurance
					Internal Service Fund
OPERATING REVENUES					
Licenses and permits	\$ 65,073	\$ 18,539	\$ -	\$ 83,612	\$ -
Charges for services	3,241,684	2,437,276	-	5,678,960	109,923
Other revenues	39	12,771	-	12,810	-
Total Operating Revenues	<u>3,306,796</u>	<u>2,468,586</u>	<u>-</u>	<u>5,775,382</u>	<u>109,923</u>
OPERATING EXPENSES					
Salaries and benefits	794,430	395,093	187	1,189,710	-
Contract services	149,576	41,924	-	191,500	-
Utilities	194,674	10,389	-	205,063	-
Insurance	106,807	25,038	-	131,845	-
Maintenance	114,467	42,461	(1,330)	155,598	-
Supplies	98,078	29,410	-	127,488	-
Water purchase	-	1,211,238	-	1,211,238	-
Other	352,397	308,904	-	661,301	-
Insurance and claims	-	-	-	-	355,671
Depreciation	689,795	198,996	9,963	898,754	-
Total Operating Expenses	<u>2,500,224</u>	<u>2,263,453</u>	<u>8,820</u>	<u>4,772,497</u>	<u>355,671</u>
Operating Income (Loss)	<u>806,572</u>	<u>205,133</u>	<u>(8,820)</u>	<u>1,002,885</u>	<u>(245,748)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	(41,454)	(8,390)	-	(49,844)	-
Interest expense	(192,033)	(26,688)	-	(218,721)	-
Total Non-Operating Revenues (Expenses)	<u>(233,487)</u>	<u>(35,078)</u>	<u>-</u>	<u>(268,565)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>573,085</u>	<u>170,055</u>	<u>(8,820)</u>	<u>734,320</u>	<u>(245,748)</u>
Transfers in	-	-	281	281	-
Transfers out	(67,800)	-	(20)	(67,820)	-
Change in Net Position	<u>505,285</u>	<u>170,055</u>	<u>(8,559)</u>	<u>666,781</u>	<u>(245,748)</u>
Total Net Position - Beginning	<u>7,278,236</u>	<u>4,859,432</u>	<u>430,834</u>		<u>135,603</u>
Total Net Position - Ending	<u>\$ 7,783,521</u>	<u>\$ 5,029,487</u>	<u>\$ 422,275</u>		<u>\$ (110,145)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(91,438)</u>	
Change in Net Position of Business-Type Activities				<u>\$ 575,343</u>	

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

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CITY OF JACKSON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Facilities	Treated Water	Other Enterprise Funds	Totals	Activities Self- Insurance Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,309,345	\$ 2,434,288	\$ -	\$ 5,743,633	\$ 109,923
Payments to suppliers	(1,024,241)	(1,667,305)	(4,010)	(2,695,556)	(162,611)
Payments to employees	(581,254)	(283,209)	(187)	(864,650)	-
Net Cash Provided (Used) by Operating Activities	<u>1,703,850</u>	<u>483,774</u>	<u>(4,197)</u>	<u>2,183,427</u>	<u>(52,688)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loans received	-	-	-	-	180,021
Interfund loans repaid	-	-	-	-	(127,333)
Transfers from other funds	-	-	281	281	-
Transfers to other funds	(67,800)	-	(20)	(67,820)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(67,800)</u>	<u>-</u>	<u>261</u>	<u>(67,539)</u>	<u>52,688</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(263,378)	(239,382)	-	(502,760)	-
Principal paid on debt	(318,359)	(147,220)	-	(465,579)	-
Interest paid on debt	(192,033)	(10,795)	-	(202,828)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(773,770)</u>	<u>(397,397)</u>	<u>-</u>	<u>(1,171,167)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	(45,714)	(9,301)	-	(55,015)	-
Net Cash Provided (Used) by Investing Activities	<u>(45,714)</u>	<u>(9,301)</u>	<u>-</u>	<u>(55,015)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	816,566	77,076	(3,936)	889,706	-
Balances - Beginning	<u>4,410,565</u>	<u>1,045,088</u>	<u>31,793</u>	<u>5,487,446</u>	<u>-</u>
Balances - Ending	<u>\$ 5,227,131</u>	<u>\$ 1,122,164</u>	<u>\$ 27,857</u>	<u>\$ 6,377,152</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, 2022

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Sewer</u>	<u>Treated</u>	<u>Other</u>	<u>Totals</u>	<u>Activities</u>
					<u>Facilities</u>
					<u>Insurance</u>
					<u>Internal</u>
					<u>Service Fund</u>
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH PROVIDED (USED)					
BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 806,572	\$ 205,133	\$ (8,820)	\$ 1,002,885	\$ (245,748)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	689,795	198,996	9,963	898,754	-
Decrease (increase) in:					
Accounts receivable	2,549	(34,298)	-	(31,749)	-
Prepaid insurance	-	-	-	-	93,060
Pension adjustments - deferred outflows	(8,071)	(4,662)	-	(12,733)	-
OPEB adjustments - deferred outflows	4,394	3,013	-	7,407	-
Increase (decrease) in:					
Accounts payable	(8,242)	2,059	-	(6,183)	100,000
Deposits payable	-	-	(5,340)	(5,340)	-
Compensated absences payable	16,458	(928)	-	15,530	-
Net pension liability	(305,610)	(176,506)	-	(482,116)	-
Net OPEB liability	(68,203)	(46,767)	-	(114,970)	-
Pension adjustments - deferred inflows	517,828	299,074	-	816,902	-
OPEB adjustments - deferred inflows	56,380	38,660	-	95,040	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,703,850</u>	<u>\$ 483,774</u>	<u>\$ (4,197)</u>	<u>\$ 2,183,427</u>	<u>\$ (52,688)</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, 2022

	Custodial Funds
ASSETS	
Cash and investments	\$ 16,809
Receivables:	
Interest	1
Total Assets	16,810
NET POSITION	
Restricted for individuals, organizations, and other governments	16,810
Total Net Position	\$ 16,810

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, 2022

	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	16,807
Total Net Position - Ending	\$ 16,810

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022, 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, 2022, including accrued interest, was \$7,732,547.

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, 2022

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, 2022

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

P. Other Postemployment Benefits (OPEB)

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

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

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

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, 2022

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. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

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 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Future Accounting Pronouncements

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

Statement No. 91 “Conduit Debt Obligations” The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Position

The following nonmajor special revenue funds had deficit fund balances:

The Recycling Promo fund had a fund balance deficit of \$12, which is expected to be eliminated in future years through increased revenues.

The American Rescue Plan fund had a fund balance deficit of \$4,956, which is expected to be eliminated in future years through recognition of unearned revenues.

The HCD Lead fund had a fund balance deficit of \$18,388, which is expected to be eliminated in future years through license and permit revenues.

The Gen Plan Grant fund had a fund balance deficit of \$37,765, which is expected to be eliminated in future years through grant revenues.

The PSPS Grant fund had a fund balance deficit of \$983, which is expected to be eliminated in future years through grant revenues.

The ESG-CV ATCAA fund had a fund balance deficit of \$16,328, which is expected to be eliminated in future years through grant revenues.

The HHAP R2 Grant fund had a fund balance deficit of \$15,159, which is expected to be eliminated in future years through grant revenues.

The CV1 CC Roof fund had a fund balance deficit of \$69,217, which is expected to be eliminated in future years through grant revenues.

The CV2 Utilities fund had a fund balance deficit of \$1,420, which is expected to be eliminated in future years through grant revenues.

The Park per Capita fund had a fund balance deficit of \$26,989, which is expected to be eliminated in future years through grant revenues.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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

A. Deficit Fund Balance/Net Position (Continued)

The following nonmajor capital projects funds had deficit fund balances:

The South Avenue Bridge fund had a fund balance deficit of \$31,750, which is expected to be eliminated in future years through grant revenues.

The Pitt Street Bridge fund had a fund balance deficit of \$74,088, which is expected to be eliminated in future years through grant revenues.

The French Bar Bridge fund had a fund balance deficit of \$129,377, which is expected to be eliminated in future years through grant revenues.

The Sidewalk Improvement fund had a fund balance deficit of \$263, which is expected to be eliminated in future years through grant revenues.

The Highway 49 Lights fund had a fund balance deficit of \$6,998, which is expected to be eliminated in future years through grant revenues.

The Sutter Street fund had a fund balance deficit of \$245,149, which is expected to be eliminated in future years through grant revenues.

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

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2022, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 7,802,217
Business-type activities	6,377,152
Custodial funds	<u>16,809</u>
Total Cash and Investments	<u>\$ 14,196,178</u>

As of June 30, 2022, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 450
Deposits (less outstanding checks)	4,250,706
Deposits with fiscal agents	<u>126,041</u>
Total Cash	<u>4,377,197</u>
Investments:	
In City's pool	<u>9,818,981</u>
Total Investments	<u>9,818,981</u>
Total Cash and Investments	<u>\$ 14,196,178</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year-end, the carrying amount of the City's cash deposits (including amounts in checking accounts, savings accounts, and deposits with fiscal agents) was \$4,376,747 and the bank balance was \$5,794,915. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the City had cash on hand of \$450.

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

C. Investments

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

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

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

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

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2022, 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	\$ 476,249	\$ 476,249	\$ -	\$ -
Total Investments Measured at Fair Value	476,249	<u>\$ 476,249</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
CalTRUST	832,937			
LAIF	<u>8,509,795</u>			
Total Investments	<u>\$ 9,818,981</u>			

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

As of June 30, 2022, the City had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
Certificates of Deposit	2.550%	\$ -	\$ 476,249	\$ 476,249	2.41
CalTRUST	Variable	832,937	-	832,937	-
LAIF	Variable	<u>8,509,795</u>	-	<u>8,509,795</u>	-
Total Investments		<u>\$ 9,342,732</u>	<u>\$ 476,249</u>	<u>\$ 9,818,981</u>	<u>0.12</u>

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Certificates of Deposit	N/A	Unrated	Unrated	4.85%
CalTRUST	N/A	Unrated	Unrated	8.48%
LAIF	N/A	Unrated	Unrated	<u>86.67%</u>
Total				<u>100.00%</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) at June 30, 2022, did not exceed 5 percent or more of total City investments.

D. Investment in External Investment Pools

The City of Jackson maintains an investment in the Investment Trust of California (CalTRUST), administered by the California State Association of Counties (CSAC) Finance Corporation. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. At June 30, 2022, the City's investment in CalTRUST was \$832,937, 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, 2022, the City's investment in LAIF valued at amortized cost was \$8,509,795 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 \$231.6 billion. Of that amount, 98.12 percent is invested in non-derivative financial products and 1.88 percent in structured notes and asset-backed securities.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Adjustments/ Retirements	Balance June 30, 2022
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,472,252	\$ -	\$ -	\$ 1,472,252
Construction in progress	2,644,437	761,618	-	3,406,055
Total Capital Assets, Not Being Depreciated	4,116,689	761,618	-	4,878,307
Capital Assets, Being Depreciated:				
Buildings and improvements	6,521,705	26,989	-	6,548,694
Equipment	2,955,517	165,250	10	3,120,777
Infrastructure	14,720,330	-	-	14,720,330
Total Capital Assets, Being Depreciated	24,197,552	192,239	10	24,389,801
Less Accumulated Depreciation For:				
Buildings and improvements	(2,617,152)	(147,155)	-	(2,764,307)
Equipment	(2,715,667)	(62,653)	-	(2,778,320)
Infrastructure	(9,908,060)	(267,470)	-	(10,175,530)
Total Accumulated Depreciation	(15,240,879)	(477,278)	-	(15,718,157)
Total Capital Assets, Being Depreciated, Net	8,956,673	(285,039)	10	8,671,644
Governmental Activities Capital Assets, Net	<u>\$ 13,073,362</u>	<u>\$ 476,579</u>	<u>\$ 10</u>	<u>\$ 13,549,951</u>
	Balance July 1, 2021	Additions	Adjustments/ Retirements	Balance June 30, 2022
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 181,689	\$ -	\$ -	\$ 181,689
Construction in progress	-	64,317	-	64,317
Total Capital Assets, Not Being Depreciated:	181,689	64,317	-	246,006
Capital Assets, Being Depreciated:				
Buildings and improvements	3,718,902	-	-	3,718,902
Equipment	2,031,517	199,061	(10)	2,230,568
Infrastructure	27,136,496	239,382	-	27,375,878
Total Capital Assets, Being Depreciated:	32,886,915	438,443	(10)	33,325,348
Less Accumulated Depreciation For:				
Buildings and improvements	(2,596,589)	(74,209)	-	(2,670,798)
Equipment	(1,765,282)	(31,208)	-	(1,796,490)
Infrastructure	(7,984,619)	(793,337)	-	(8,777,956)
Total Accumulated Depreciation	(12,346,490)	(898,754)	-	(13,245,244)
Total Capital Assets, Being Depreciated, Net	20,540,425	(460,311)	(10)	20,080,104
Business-Type Activities Capital Assets, Net	<u>\$ 20,722,114</u>	<u>(\$ 395,994)</u>	<u>(\$ 10)</u>	<u>\$ 20,326,110</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 40,879
Public protection	49,897
Public ways and facilities	342,029
Culture and recreation	<u>44,473</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 477,278</u>

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

Sewer Facilities	\$ 689,795
Treated Water	198,996
Parking	<u>9,963</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 898,754</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on street and bridge projects. Construction in progress for business-type activities relates to a launder cover for the sewer facilities.

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, 2022:

	Due From Other funds	Due To Other funds
Nonmajor governmental funds	\$ 940,810	\$ 760,789
Internal service funds	<u>-</u>	<u>180,021</u>
Total	<u>\$ 940,810</u>	<u>\$ 940,810</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, 2022:

	Transfers In	Transfers Out
General fund	\$ 230,543	\$ 27,017
Nonmajor governmental funds	649,818	785,805
Sewer Facilities	-	67,800
Nonmajor enterprise funds	<u>281</u>	<u>20</u>
Total	<u>\$ 880,642</u>	<u>\$ 880,642</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 6: UNEARNED REVENUES

At June 30, 2022, components of unearned revenues were as follows:

Nonmajor governmental funds	\$ 578,915
ARPA funds received in advance	2,280
State grant advances received	<u>581,195</u>
Total	<u>\$ 581,195</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Type of Indebtedness	Balance July 1, 2021	Adjustments/ Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities					
Compensated absences	\$ 483,531	\$ 308,558	(\$ 418,611)	\$ 373,478	\$ 186,739
Total Governmental Activities	<u>\$ 483,531</u>	<u>\$ 308,558</u>	<u>(\$ 418,611)</u>	<u>\$ 373,478</u>	<u>\$ 186,739</u>
Business-Type Activities					
Compensated absences	\$ 43,742	\$ 58,772	(43,242)	59,272	\$ 29,636
Customer advances	409,454	-	(42,220)	367,234	42,220
Loans	11,296,063	-	(318,359)	10,977,704	323,771
Bonds	325,000	-	(105,000)	220,000	105,000
Plus: Bonds Premium	5,544	-	(1,848)	3,696	1,849
Less: Unamortized Discount	(9,536)	-	3,179	(6,357)	(3,179)
Bonds (Net)	<u>321,008</u>	<u>-</u>	<u>(103,669)</u>	<u>217,339</u>	<u>103,670</u>
Total Business-Type Activities	<u>\$ 12,070,267</u>	<u>\$ 58,772</u>	<u>(\$ 507,490)</u>	<u>\$11,621,549</u>	<u>\$ 499,297</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, 2022, 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.

\$ 367,234

Total Customer Advances

367,234

Loans:

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

10,977,704

Total Loans

10,977,704

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Bonds:

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

	220,000
Total Bonds	220,000
Total Business-Type Activities	\$ 11,564,938

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

Business-Type Activities

Year Ended June 30	Customer Advances		
	Principal	Interest	Totals
2023	\$ 42,220	\$ -	\$ 42,220
2024	42,219	-	42,219
2025	40,630	-	40,630
2026	38,723	-	38,723
2027	34,688	-	34,688
2028-2032	168,754	-	168,754
Total	\$ 367,234	\$ -	\$ 367,234

Year Ended June 30	Loans		
	Principal	Interest	Totals
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	346,356	164,036	510,392
2028-2032	1,822,126	729,835	2,551,961
2033-2037	1,982,363	569,598	2,551,961
2038-2042	2,156,691	395,270	2,551,961
2043-2047	2,346,350	205,612	2,551,962
2048-2049	995,333	25,452	1,020,785
Total	\$ 10,977,704	\$ 2,802,886	\$ 13,780,590

Year Ended June 30	Bonds		
	Principal	Interest	Totals
2023	\$ 105,000	\$ 6,700	\$ 111,700
2024	115,000	2,300	117,300
Total	\$ 220,000	\$ 9,000	\$ 229,000

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022, the defeased debt outstanding but not shown in these financial statements was \$260,000.

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 \$16,395,523 of restricted net position, of which \$1,734,004 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. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: FUND BALANCES (CONTINUED)

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

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
Restricted for:					
Measure E	\$ 609,970	\$ -	\$ -	\$ -	\$ 609,970
Argonaut Heights	-	-	-	5,187	5,187
Essential Services	-	-	-	678,874	678,874
Home Grant	-	6,175,826	-	-	6,175,826
Measure M	-	-	1,124,036	-	1,124,036
Gas Tax Streets	-	-	-	10,091	10,091
CRWQCB	-	-	-	198,480	198,480
Local Transportation	-	-	-	197,321	197,321
Parkland	-	-	-	1,009,190	1,009,190
Regional Parks	-	-	-	29,560	29,560
Streets and Bridges	-	-	-	1,058,849	1,058,849
Regional Traffic	-	-	-	18,375	18,375
HEAP-ATCAA Grant	-	-	-	39,509	39,509
Argonaut Lane Improvements	-	-	-	36,638	36,638
New York Ranch Rd Forfeiture	-	-	-	2,489	2,489
Community Development	-	-	-	2,684,433	2,684,433
Capital Projects	-	-	-	18,951	18,951
Subtotal	<u>609,970</u>	<u>6,175,826</u>	<u>1,124,036</u>	<u>5,948,438</u>	<u>13,858,270</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 10: FUND BALANCES (CONTINUED)

	General Fund	HOME Grant	Measure M	Other Governmental Funds	Totals
Committed:					
General Fund Reserve	695,051	-	-	-	695,051
Corporate Yard Sinking Fund	281,155	-	-	-	281,155
Computer Sinking Fund	20,000	-	-	-	20,000
Subtotal	996,206	-	-	-	996,206
Assigned:					
Road Maintenance	-	-	-	108,155	108,155
HES Signs	-	-	-	13,074	13,074
Subtotal	-	-	-	121,229	121,229
Unassigned	1,478,548	-	-	(681,458)	797,090
Total	\$ 3,084,724	\$ 6,175,826	\$ 1,124,036	\$ 5,388,209	\$ 15,772,795

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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Summary of Rate Tiers and Eligible Participants

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

Benefits Provided

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

Each Rate Tier's specific provisions and benefits in effect at June 30, 2022, 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%

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

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	12.200%	8.000%	0.000%
Miscellaneous PEPRAs	7.590%	6.750%	0.000%
Safety Police	22.480%	9.000%	2.500%
Safety Police PEPRAs	13.130%	13.000%	0.000%
Safety Fire	18.190%	9.000%	0.000%
Safety Fire PEPRAs	13.130%	13.000%	0.000%

For the year ended June 30, 2022, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 406,587	\$ -
Safety	301,207	-

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2021 and 2022 was as follows:

	<u>Proportion June 30, 2021</u>	<u>Proportion June 30, 2022</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.10874%	.17370%	.06496%
Safety	.03755%	.04268%	.00513%

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: PENSION PLAN (CONTINUED)

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

As of June 30, 2022, 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	\$ 3,298,186
Safety	<u>1,497,838</u>
Total Net Pension Liability	<u>\$ 4,796,024</u>

For the year ended June 30, 2022, the City recognized pension expense of \$2,301,244. At June 30, 2022, 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	\$ 769,927	\$ -
Difference between expected and actual experience	625,761	-
Difference between projected and actual earnings on pension plan investments	-	(3,770,644)
Differences between City contributions and proportionate share of contributions	180	(143,462)
Amortization due to differences in proportions	<u>98,569</u>	<u>(240,438)</u>
Total	<u>\$ 1,494,437</u>	<u>(\$ 4,154,544)</u>

\$769,927 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2023	(\$ 726,792)
2024	(784,494)
2025	(877,774)
2026	(1,040,974)
Thereafter	<u>-</u>
Total	<u>(\$ 3,430,034)</u>

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 11: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

Discount Rate

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

Long-Term Expected Rate of Return

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

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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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 (Continued)

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	\$ 5,103,017	\$ 3,298,186	\$ 1,806,159
Safety	2,784,550	1,497,838	440,963

Pension Plan Fiduciary Net Position

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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 PEPRRA employee) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. 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.

Monthly contributions from the City may not be less than a required PEMHCA Minimum Employer Contribution (MEC), currently is \$151 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

Region 1 2022 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	EE Only	EE + 1	EE + 2+	EE Only	EE + 1	EE + 2+
Kaiser HMO	\$ 857.06	\$ 1,714.12	\$ 2,228.36	\$ 302.53	\$ 605.06	\$ 1,119.30
PERS Platinum PPO	1,057.01	2,114.02	2,748.23	381.94	763.88	1,398.09
PERS Gold PPO	701.23	1,402.46	1,823.20	377.41	759.82	1,175.56
PORAC	799.00	1,725.00	2,219.00	461.00	919.00	1,413.00

Employees Covered by Benefit Terms

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

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

B. Net OPEB Liability

The City's net OPEB liability of \$1,432,521, was measured as of June 30, 2022, and was determined by the actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Actuarial Cost Method	Entry Age Normal, level percent of pay
General Inflation	2.50%
Salary Increases	3.00%
Discount rate	4.09%
Healthcare cost trend rates	5.8% in 2023, fluctuates to 3.9% in 2076
Mortality Improvement	CalPERS 2021 Experience Study; projected with MacLeod Watts Scale 2022

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the 2017 Experience Study of the California Public Employees Retirement System using data from 1997 to 2015.

C. Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2021	\$ <u>1,846,363</u>
Changes for the year:	
Service cost	108,654
Interest cost	41,588
Change in assumptions	(370,052)
Benefit payments	(94,633)
Plan experience	(99,399)
Net Changes	(413,842)
Balance at June 30, 2022	\$ <u>1,432,521</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:

	1% Decrease 1.66%	Current Rate 2.66%	1% Increase 3.66%
Net OPEB liability	\$ 1,614,153	\$ 1,432,521	\$ 1,283,050

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	\$ 1,352,625	\$ 1,432,521	\$ 1,562,794

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$49,554. At June 30, 2022, 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	\$ 130,560	\$ 575,917
Differences between expected and actual experience	-	248,120
Total	\$ 130,560	\$ 824,037

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		
2023		(\$ 100,688)
2024		(100,688)
2025		(102,950)
2026		(110,323)
2027		(114,328)
Thereafter		(164,500)
		(\$ 693,477)

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.

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

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

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

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 13: RISK MANAGEMENT (CONTINUED)

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

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

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

The participants as of June 30, 2022 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 \$169,876 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.

CITY OF JACKSON
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 14: OTHER INFORMATION (CONTINUED)

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2022 through May 15, 2023, 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, 2022
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 eight years are shown.

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

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

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

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

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
\$ 375,058	\$ 395,687	\$ 406,587	\$ 440,522
<u>(375,058)</u>	<u>(395,687)</u>	<u>(406,587)</u>	<u>(440,522)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 815,790 45.97%	\$ 865,050 45.74%	\$ 846,681 48.02%	\$ 1,005,191 43.82%
\$ 236,605	\$ 288,817	\$ 301,207	\$ 329,405
<u>(236,605)</u>	<u>(288,817)</u>	<u>(301,207)</u>	<u>(329,405)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 862,973 27.42%	\$ 902,243 32.01%	\$ 841,954 5.00%	\$ 906,382 5.00%

CITY OF JACKSON
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2022

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, 2019
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, 2022
Last 10 Years*

	<u>2017/218</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Total OPEB Liability					
Service Cost	\$ 117,019	\$ 127,443	\$ 136,047	\$ 95,036	\$ 108,654
Interest	64,101	64,054	64,767	46,339	41,588
Changes of assumptions and other inputs	62,362	42,939	(380,392)	113,943	(370,052)
Benefit payments	(102,766)	(113,714)	(116,785)	(112,004)	(94,633)
Plan experience	-	-	(244,339)	-	(99,399)
Net Change in Total OPEB Liability	140,716	120,722	(540,702)	143,314	(413,842)
Total OPEB Liability - Beginning	<u>1,982,313</u>	<u>2,123,029</u>	<u>2,243,751</u>	<u>1,703,049</u>	<u>1,846,363</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>	<u>\$ 1,432,521</u>
Plan Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<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>	<u>\$ 1,432,521</u>
Covered-employee payroll	\$ 1,743,954	\$ 1,960,074	\$ 2,000,000	\$ 1,627,010	\$ 1,987,912
Net OPEB liability as a percentage of covered-employee payroll	121.74%	114.47%	85.15%	113.48%	72.06%

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

CITY OF JACKSON
Required Supplementary Information
City OPEB Plan
Note to City OPEB Plan
For the Year Ended June 30, 2022

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

Discount Rate:	The discount rate was changed from 2.18 percent as of June 30, 2021, to 4.09 percent as of June 30, 2022 based on the published change in return for the applicable municipal bond index.
Demographic Assumptions:	Updated demographic assumptions from those in the 2017 experience study report of CalPERS to those recommended in the CalPERS 2021 experience study report.
Mortality Improvements:	The mortality improvement scale was update from MacLeod Watts Scale 2020 to MacLeod Watts Scale 2022 reflecting continued updates in available information.
Medical Trend:	Updated from the Getzen 2019 healthcare trend model to the Getzen 2022 healthcare trend model sponsored by the Society of Actuaries.

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,866,610	\$ 2,866,610	\$ 3,135,741	\$ 269,131
Licenses and permits	287,000	287,000	307,226	20,226
Fines and forfeitures	9,500	9,500	9,896	396
Use of money and property	13,000	13,000	39,524	26,524
Intergovernmental	458,919	458,919	663,961	205,042
Charges for services	684,550	684,550	694,751	10,201
Other revenues	77,600	77,600	39,072	(38,528)
Total Revenues	<u>4,397,179</u>	<u>4,397,179</u>	<u>4,890,171</u>	<u>492,992</u>
EXPENDITURES				
Current:				
General government	1,248,878	1,248,878	1,237,111	11,767
Public protection	2,313,853	2,313,853	2,272,893	40,960
Public ways and facilities	694,800	694,800	651,725	43,075
Culture and recreation	36,350	36,350	288,463	(252,113)
Capital outlay	316,590	316,590	14,068	302,522
Total Expenditures	<u>4,610,471</u>	<u>4,610,471</u>	<u>4,464,260</u>	<u>146,211</u>
Excess of Revenues Over (Under) Expenditures	<u>(213,292)</u>	<u>(213,292)</u>	<u>425,911</u>	<u>639,203</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	7,050	7,050
Transfers in	-	-	230,543	230,543
Transfers out	-	-	(27,017)	(27,017)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>210,576</u>	<u>210,576</u>
Net Change in Fund Balances	<u>(213,292)</u>	<u>(213,292)</u>	<u>636,487</u>	<u>849,779</u>
Fund Balances - Beginning	<u>2,448,237</u>	<u>2,448,237</u>	<u>2,448,237</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,234,945</u>	<u>\$ 2,234,945</u>	<u>\$ 3,084,724</u>	<u>\$ 849,779</u>

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

Net Change in Fund Balance - Budgetary Basis	\$ 636,487
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><u>\$ 636,487</u></u>

CITY OF JACKSON
Required Supplementary Information
Budgetary Comparison Schedule
Measure M
For the Year Ended June 30, 2022

	<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	\$ 595,000	\$ 595,000	\$ 745,794	\$ 150,794
Use of money and property	-	-	(7,933)	(7,933)
Total Revenues	<u>595,000</u>	<u>595,000</u>	<u>737,861</u>	<u>142,861</u>
EXPENDITURES				
Current:				
Community development	<u>591,800</u>	<u>591,800</u>	<u>550,738</u>	<u>41,062</u>
Total Expenditures	<u>591,800</u>	<u>591,800</u>	<u>550,738</u>	<u>41,062</u>
Net Change in Fund Balances	3,200	3,200	187,123	183,923
Fund Balances - Beginning	<u>936,913</u>	<u>936,913</u>	<u>936,913</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 940,113</u>	<u>\$ 940,113</u>	<u>\$ 1,124,036</u>	<u>\$ 183,923</u>

CITY OF JACKSON
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2022

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, 2022

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and investments	\$ 4,172,533	\$ 18,937	\$ 4,191,470
Receivables:			
Accounts	-	108,372	108,372
Taxes	19,261	-	19,261
Interest	4,880	14	4,894
Intergovernmental	68,327	475,469	543,796
Due from other funds	940,810		940,810
Loans receivable	1,556,721	-	1,556,721
	\$ 6,762,532	\$ 602,792	\$ 7,365,324
Total Assets	\$ 6,762,532	\$ 602,792	\$ 7,365,324
LIABILITIES			
Accounts payable	\$ 87,613	\$ 1,106	\$ 88,719
Retentions payable	-	2,616	2,616
Due to other funds	165,898	594,891	760,789
Unearned revenue	581,195	-	581,195
	834,706	598,613	1,433,319
Total Liabilities	834,706	598,613	1,433,319
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	68,327	475,469	543,796
	68,327	475,469	543,796
Total Deferred Inflows of Resources	68,327	475,469	543,796
FUND BALANCES			
Restricted	5,929,487	18,951	5,948,438
Assigned	121,229	-	121,229
Unassigned	(191,217)	(490,241)	(681,458)
	5,859,499	(471,290)	5,388,209
Total Fund Balances (Deficits)	5,859,499	(471,290)	5,388,209
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,762,532	\$ 602,792	\$ 7,365,324

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue	Capital Projects	Totals
REVENUES			
Licenses and permits	\$ 110,781	\$ -	\$ 110,781
Fines and forfeitures	135,719	-	135,719
Use of money and property	1,796	(340)	1,456
Intergovernmental	829,523	268,017	1,097,540
Charges for services	25,496	-	25,496
Total Revenues	1,103,315	267,677	1,370,992
EXPENDITURES			
Current:			
General government	271,315	18,500	289,815
Community development	70,184	-	70,184
Culture and recreation	21,894	-	21,894
Capital outlay	358,927	580,862	939,789
Total Expenditures	722,320	599,362	1,321,682
Excess of Revenues Over (Under) Expenditures	380,995	(331,685)	49,310
OTHER FINANCING SOURCES (USES)			
Transfers in	649,818	-	649,818
Transfers out	(785,805)	-	(785,805)
Total Other Financing Sources (Uses)	(135,987)	-	(135,987)
Net Change in Fund Balances	245,008	(331,685)	(86,677)
Fund Balances (Deficits) - Beginning	5,614,491	(139,605)	5,474,886
Fund Balances (Deficits) - Ending	\$ 5,859,499	\$ (471,290)	\$ 5,388,209

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	<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	\$ 5,182	\$ -	\$ 98,148	\$ 1,028,572	\$ -
Receivables:					
Taxes	-	-	-	-	-
Interest	5	1	96	1,010	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	107,216	-	-	-
Total Assets	<u>\$ 5,187</u>	<u>\$ 107,217</u>	<u>\$ 98,244</u>	<u>\$ 1,029,582</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	115	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>115</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	5,187	107,102	98,244	1,029,582	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>5,187</u>	<u>107,102</u>	<u>98,244</u>	<u>1,029,582</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,187</u>	<u>\$ 107,217</u>	<u>\$ 98,244</u>	<u>\$ 1,029,582</u>	<u>\$ -</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	CRWQCB	RMRA RD-Maint
\$ -	\$ -	\$ -	\$ 678,216	\$ -	\$ -	\$ 198,352	\$ 98,896
-	-	-	-	-	10,091	-	9,170
-	-	-	658	5	-	128	89
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
401,436	217,138	492,201	-	-	-	-	-
<u>\$ 401,436</u>	<u>\$ 217,138</u>	<u>\$ 492,201</u>	<u>\$ 678,874</u>	<u>\$ 5</u>	<u>\$ 10,091</u>	<u>\$ 198,480</u>	<u>\$ 108,155</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	17	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	17	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
401,436	217,138	492,201	678,874	-	10,091	198,480	-
-	-	-	-	-	-	-	108,155
-	-	-	-	(12)	-	-	-
<u>401,436</u>	<u>217,138</u>	<u>492,201</u>	<u>678,874</u>	<u>(12)</u>	<u>10,091</u>	<u>198,480</u>	<u>108,155</u>
<u>\$ 401,436</u>	<u>\$ 217,138</u>	<u>\$ 492,201</u>	<u>\$ 678,874</u>	<u>\$ 5</u>	<u>\$ 10,091</u>	<u>\$ 198,480</u>	<u>\$ 108,155</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	Local Transportation	American Rescue Plan	HES Signs	HCD Lead	Gen Plan Grant
ASSETS					
Cash and investments	\$ 197,188	\$ 573,392	\$ 13,061	\$ -	\$ -
Receivables:					
Taxes	-	-	-	-	-
Interest	133	567	13	-	-
Intergovernmental	-	-	-	-	37,419
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	\$ 197,321	\$ 573,959	\$ 13,074	\$ -	\$ 37,419
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	18,388	37,765
Unearned revenue	-	578,915	-	-	-
Total Liabilities	-	578,915	-	18,388	37,765
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	37,419
Total Deferred Inflows of Resources	-	-	-	-	37,419
FUND BALANCES					
Restricted	197,321	-	-	-	-
Assigned	-	-	13,074	-	-
Unassigned	-	(4,956)	-	(18,388)	(37,765)
Total Fund Balances (Deficits)	197,321	(4,956)	13,074	(18,388)	(37,765)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 197,321	\$ 573,959	\$ 13,074	\$ -	\$ 37,419

Parkland In Lieu	Regional Parks	SLESF	Streets and Bridges	Regional Traffic	FTHB 2011	PSPS Grant	HEAP- ATCAA Grant
\$ 1,008,193	\$ 29,560	\$ -	\$ 117,009	\$ 18,375	\$ -	\$ 69,300	\$ -
-	-	-	-	-	-	-	-
997	-	-	1,030	-	-	110	-
-	-	-	-	-	-	-	-
-	-	-	940,810	-	-	-	-
-	-	-	-	-	338,730	-	-
<u>\$ 1,009,190</u>	<u>\$ 29,560</u>	<u>\$ -</u>	<u>\$ 1,058,849</u>	<u>\$ 18,375</u>	<u>\$ 338,730</u>	<u>\$ 69,410</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,113	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,280	-
-	-	-	-	-	-	70,393	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,009,190	29,560	-	1,058,849	18,375	338,730	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(983)	-
<u>1,009,190</u>	<u>29,560</u>	<u>-</u>	<u>1,058,849</u>	<u>18,375</u>	<u>338,730</u>	<u>(983)</u>	<u>-</u>
<u>\$ 1,009,190</u>	<u>\$ 29,560</u>	<u>\$ -</u>	<u>\$ 1,058,849</u>	<u>\$ 18,375</u>	<u>\$ 338,730</u>	<u>\$ 69,410</u>	<u>\$ -</u>

CITY OF JACKSON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	ESG-CV ATCAA	HHAP R2 Grant	CV 1 CC Roof	CV2 Utilities	Park Per Capita
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Taxes	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental	15,819	15,089	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	\$ 15,819	\$ 15,089	\$ -	\$ -	\$ -
LIABILITIES					
Accounts payable	\$ 1,226	\$ 274	\$ 18,000	\$ -	\$ -
Due to other funds	15,102	14,885	51,217	1,420	26,989
Unearned revenue	-	-	-	-	-
Total Liabilities	16,328	15,159	69,217	1,420	26,989
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	15,819	15,089	-	-	-
Total Deferred Inflows of Resources	15,819	15,089	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(16,328)	(15,159)	(69,217)	(1,420)	(26,989)
Total Fund Balances (Deficits)	(16,328)	(15,159)	(69,217)	(1,420)	(26,989)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,819	\$ 15,089	\$ -	\$ -	\$ -

<u>Argonaut Lane Improvement</u>	<u>New York Ranch Road Forfeiture</u>	<u>Totals</u>
\$ 36,602	\$ 2,487	\$ 4,172,533
-	-	19,261
36	2	4,880
-	-	68,327
-	-	940,810
-	-	1,556,721
<u>\$ 36,638</u>	<u>\$ 2,489</u>	<u>\$ 6,762,532</u>
\$ -	\$ -	\$ 87,613
-	-	165,898
-	-	581,195
-	-	834,706
-	-	68,327
-	-	68,327
36,638	2,489	5,929,487
-	-	121,229
-	-	(191,217)
<u>36,638</u>	<u>2,489</u>	<u>5,859,499</u>
<u>\$ 36,638</u>	<u>\$ 2,489</u>	<u>\$ 6,762,532</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	<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	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	(45)	578	(908)	(5,885)	7,771
Intergovernmental	-	-	-	3,000	-
Charges for services	-	-	-	-	-
Total Revenues	<u>(45)</u>	<u>578</u>	<u>(908)</u>	<u>(2,885)</u>	<u>7,771</u>
EXPENDITURES					
Current:					
General government	-	-	16,375	3,310	-
Community development	-	29,020	-	-	41,164
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>29,020</u>	<u>16,375</u>	<u>3,310</u>	<u>41,164</u>
Excess of Revenues Over (Under) Expenditures	<u>(45)</u>	<u>(28,442)</u>	<u>(17,283)</u>	<u>(6,195)</u>	<u>(33,393)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	4,408	6,250	571,360	-
Transfers out	-	(6,250)	(4,408)	-	(571,359)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,842)</u>	<u>1,842</u>	<u>571,360</u>	<u>(571,359)</u>
Net Change in Fund Balances	<u>(45)</u>	<u>(30,284)</u>	<u>(15,441)</u>	<u>565,165</u>	<u>(604,752)</u>
Fund Balances (Deficits) - Beginning	<u>5,232</u>	<u>137,386</u>	<u>113,685</u>	<u>464,417</u>	<u>604,752</u>
Fund Balances (Deficits) - Ending	<u>\$ 5,187</u>	<u>\$ 107,102</u>	<u>\$ 98,244</u>	<u>\$ 1,029,582</u>	<u>\$ -</u>

First Time Homebuyers 2005	First Time Homebuyers 2006	First Time Homebuyers 08-HOME-4729	Essential Services	Recycling Promo	Gas Tax Streets	CRWQCB	RMRA RD-Maint
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	135,719	-
8,158	4,530	10,569	(5,689)	(8)	-	267	(446)
-	-	-	-	4,999	120,037	-	95,038
-	-	-	25,496	-	-	-	-
<u>8,158</u>	<u>4,530</u>	<u>10,569</u>	<u>19,807</u>	<u>4,991</u>	<u>120,037</u>	<u>135,986</u>	<u>94,592</u>
-	-	-	-	5,118	-	5,306	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,118	-	5,306	-
<u>8,158</u>	<u>4,530</u>	<u>10,569</u>	<u>19,807</u>	<u>(127)</u>	<u>120,037</u>	<u>130,680</u>	<u>94,592</u>
-	-	-	-	-	-	67,800	-
-	-	-	-	-	(109,946)	-	-
-	-	-	-	-	(109,946)	67,800	-
8,158	4,530	10,569	19,807	(127)	10,091	198,480	94,592
<u>393,278</u>	<u>212,608</u>	<u>481,632</u>	<u>659,067</u>	<u>115</u>	<u>-</u>	<u>-</u>	<u>13,563</u>
<u>\$ 401,436</u>	<u>\$ 217,138</u>	<u>\$ 492,201</u>	<u>\$ 678,874</u>	<u>\$ (12)</u>	<u>\$ 10,091</u>	<u>\$ 198,480</u>	<u>\$ 108,155</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Local Transportation	American Rescue Plan	HES Signs	HCD Lead	Gen Plan Grant
REVENUES					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures		-	-	-	-
Use of money and property	(948)	(4,956)	(113)	-	-
Intergovernmental	93,712	-	-	38,806	37,420
Charges for services	-	-	-	-	-
Total Revenues	92,764	(4,956)	(113)	38,806	37,420
EXPENDITURES					
Current:					
General government	-	-	-	57,194	37,765
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	57,194	37,765
Excess of Revenues Over (Under) Expenditures	92,764	(4,956)	(113)	(18,388)	(345)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	92,764	(4,956)	(113)	(18,388)	(345)
Fund Balances (Deficits) - Beginning	104,557	-	13,187	-	(37,420)
Fund Balances (Deficits) - Ending	\$ 197,321	\$ (4,956)	\$ 13,074	\$ (18,388)	\$ (37,765)

Parkland In Lieu	Regional Parks	SLESF	Streets and Bridges	Regional Traffic	FTHB 2011	PSPS Grant	HEAP- ATCAA Grant
\$ 14,769	\$ 29,637	\$ -	\$ 31,455	\$ 34,920	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
(8,778)	(77)	-	(8,931)	-	8,153	(1,136)	-
-	-	93,842	-	-	-	137,228	-
-	-	-	-	-	-	-	-
<u>5,991</u>	<u>29,560</u>	<u>93,842</u>	<u>22,524</u>	<u>34,920</u>	<u>8,153</u>	<u>136,092</u>	<u>-</u>
-	-	-	-	-	-	9,561	39,509
-	-	-	-	-	-	-	-
21,894	-	-	-	-	-	-	-
-	-	-	-	-	-	127,667	-
<u>21,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,228</u>	<u>39,509</u>
<u>(15,903)</u>	<u>29,560</u>	<u>93,842</u>	<u>22,524</u>	<u>34,920</u>	<u>8,153</u>	<u>(1,136)</u>	<u>(39,509)</u>
-	-	-	-	-	-	-	-
-	-	(93,842)	-	-	-	-	-
-	-	(93,842)	-	-	-	-	-
<u>(15,903)</u>	<u>29,560</u>	<u>-</u>	<u>22,524</u>	<u>34,920</u>	<u>8,153</u>	<u>(1,136)</u>	<u>(39,509)</u>
<u>1,025,093</u>	<u>-</u>	<u>-</u>	<u>1,036,325</u>	<u>(16,545)</u>	<u>330,577</u>	<u>153</u>	<u>39,509</u>
<u>\$ 1,009,190</u>	<u>\$ 29,560</u>	<u>\$ -</u>	<u>\$ 1,058,849</u>	<u>\$ 18,375</u>	<u>\$ 338,730</u>	<u>\$ (983)</u>	<u>\$ -</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	ESG-CV ATCAA	HHAP R2 Grant	CV 1 CC Roof	CV2 Utilities	Park Per Capita
REVENUES					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	-	-	-	-
Intergovernmental	98,431	107,010	-	-	-
Charges for services	-	-	-	-	-
Total Revenues	<u>98,431</u>	<u>107,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	65,529	25,051	5,177	1,420	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	43,113	97,118	64,040	-	26,989
Total Expenditures	<u>108,642</u>	<u>122,169</u>	<u>69,217</u>	<u>1,420</u>	<u>26,989</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,211)</u>	<u>(15,159)</u>	<u>(69,217)</u>	<u>(1,420)</u>	<u>(26,989)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(10,211)</u>	<u>(15,159)</u>	<u>(69,217)</u>	<u>(1,420)</u>	<u>(26,989)</u>
Fund Balances (Deficits) - Beginning	<u>(6,117)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u><u>\$ (16,328)</u></u>	<u><u>\$ (15,159)</u></u>	<u><u>\$ (69,217)</u></u>	<u><u>\$ (1,420)</u></u>	<u><u>\$ (26,989)</u></u>

Argonaut Lane Improvement	New York Ranch Road Forfeiture	Totals
\$ -	\$ -	\$ 110,781
-	-	135,719
(317)	7	1,796
-	-	829,523
-	-	25,496
<u>(317)</u>	<u>7</u>	<u>1,103,315</u>
-	-	271,315
-	-	70,184
-	-	21,894
-	-	358,927
<u>-</u>	<u>-</u>	<u>722,320</u>
<u>(317)</u>	<u>7</u>	<u>380,995</u>
-	-	649,818
-	-	(785,805)
-	-	(135,987)
(317)	7	245,008
<u>36,955</u>	<u>2,482</u>	<u>5,614,491</u>
<u>\$ 36,638</u>	<u>\$ 2,489</u>	<u>\$ 5,859,499</u>

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Nonmajor Governmental Funds

- **Capital Project Funds**

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CITY OF JACKSON
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2022

	<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:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental	26,321	73,265	129,866	-	-
Total Assets	<u>\$ 26,321</u>	<u>\$ 73,265</u>	<u>\$ 129,866</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 356
Retentions payable	-	-	-	-	-
Due to other funds	31,750	74,088	129,377	263	6,642
Total Liabilities	<u>31,750</u>	<u>74,088</u>	<u>129,377</u>	<u>263</u>	<u>6,998</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	26,321	73,265	129,866	-	-
Total Deferred Inflows of Resources	<u>26,321</u>	<u>73,265</u>	<u>129,866</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Unassigned	(31,750)	(74,088)	(129,377)	(263)	(6,998)
Total Fund Balances (Deficits)	<u>(31,750)</u>	<u>(74,088)</u>	<u>(129,377)</u>	<u>(263)</u>	<u>(6,998)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,321</u>	<u>\$ 73,265</u>	<u>\$ 129,866</u>	<u>\$ -</u>	<u>\$ -</u>

Sutter Street	Street Stripe	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ 3,697	\$ 15,240	\$ -	\$ 18,937
108,372	-	-	-	108,372
-	14	-	-	14
246,017	-	-	-	475,469
<u>\$ 354,389</u>	<u>\$ 3,711</u>	<u>\$ 15,240</u>	<u>\$ -</u>	<u>\$ 602,792</u>
\$ 750	\$ -	\$ -	\$ -	\$ 1,106
-	-	-	2,616	2,616
352,771	-	-	-	594,891
<u>353,521</u>	<u>-</u>	<u>-</u>	<u>2,616</u>	<u>598,613</u>
246,017	-	-	-	475,469
<u>246,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,469</u>
-	3,711	15,240	-	18,951
(245,149)	-	-	(2,616)	(490,241)
<u>(245,149)</u>	<u>3,711</u>	<u>15,240</u>	<u>(2,616)</u>	<u>(471,290)</u>
<u>\$ 354,389</u>	<u>\$ 3,711</u>	<u>\$ 15,240</u>	<u>\$ -</u>	<u>\$ 602,792</u>

CITY OF JACKSON
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended June 30, 2022

	<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	66,709	2,001	-	-	15,115
Total Revenues	<u>66,709</u>	<u>2,001</u>	<u>-</u>	<u>-</u>	<u>15,115</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Capital outlay	96,138	47,714	629	-	17,865
Total Expenditures	<u>96,138</u>	<u>47,714</u>	<u>629</u>	<u>-</u>	<u>17,865</u>
Net Change in Fund Balances	(29,429)	(45,713)	(629)	-	(2,750)
Fund Balances (Deficits) - Beginning	<u>(2,321)</u>	<u>(28,375)</u>	<u>(128,748)</u>	<u>(263)</u>	<u>(4,248)</u>
Fund Balances (Deficits) - Ending	<u>\$ (31,750)</u>	<u>\$ (74,088)</u>	<u>\$ (129,377)</u>	<u>\$ (263)</u>	<u>\$ (6,998)</u>

Sutter Street	Street Stripe	Oro de Amador	Jackson GT Culvert	Totals
\$ -	\$ (179)	\$ (161)	\$ -	\$ (340)
<u>184,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,017</u>
184,192	(179)	(161)	-	267,677
-	18,500	-	-	18,500
<u>418,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,862</u>
418,516	18,500	-	-	599,362
(234,324)	(18,679)	(161)	-	(331,685)
<u>(10,825)</u>	<u>22,390</u>	<u>15,401</u>	<u>(2,616)</u>	<u>(139,605)</u>
<u>\$ (245,149)</u>	<u>\$ 3,711</u>	<u>\$ 15,240</u>	<u>\$ (2,616)</u>	<u>\$ (471,290)</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, 2022

	Parking	Utility Deposits	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ -	\$ 27,857	\$ 27,857
Total Current Assets	-	27,857	27,857
Noncurrent Assets:			
Capital assets:			
Non-depreciable	155,586	-	155,586
Depreciable, net	276,627	-	276,627
Total Noncurrent Assets	432,213	-	432,213
Total Assets	432,213	27,857	460,070
LIABILITIES			
Current Liabilities:			
Deposits payable	-	37,795	37,795
Total Current Liabilities	-	37,795	37,795
Total Liabilities	-	37,795	37,795
NET POSITION			
Investment in capital assets	432,213	-	432,213
Unrestricted	-	(9,938)	(9,938)
Total Net Position	\$ 432,213	\$ (9,938)	\$ 422,275

CITY OF JACKSON
Combining Statement of Revenues, Expenses
and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	<u>Parking</u>	<u>Utility Deposits</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and benefits	187	-	187
Maintenance	75	(1,405)	(1,330)
Depreciation	9,963	-	9,963
Total Operating Expenses	<u>10,225</u>	<u>(1,405)</u>	<u>8,820</u>
Income (Loss) Before Transfers	(10,225)	1,405	(8,820)
Transfers in	281	-	281
Transfers out	(20)	-	(20)
Change in Net Position	(9,964)	1,405	(8,559)
Total Net Position - Beginning	<u>442,177</u>	<u>(11,343)</u>	<u>430,834</u>
Total Net Position - Ending	<u>\$ 432,213</u>	<u>\$ (9,938)</u>	<u>\$ 422,275</u>

CITY OF JACKSON
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	Parking	Utility Deposits	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (75)	\$ -	\$ (75)
Payments to employees	(186)	(3,936)	(4,122)
	(261)	(3,936)	(4,197)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	281	-	281
Transfers to other funds	(20)	-	(20)
	261	-	261
Net Increase (Decrease) in Cash and Cash Equivalents	-	(3,936)	(3,936)
Balances - Beginning	-	31,793	31,793
Balances - Ending	\$ -	\$ 27,857	\$ 27,857
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (10,225)	\$ 1,405	\$ (8,820)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	9,963	-	9,963
Increase (decrease) in:			
Salaries and benefits payable	1	-	1
Deposits payable	-	(5,341)	(5,341)
	(261)	(3,936)	(4,197)

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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, 2022

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 1,305	\$ 15,310	\$ 194	\$ 16,809
Receivables:				
Interest	1	-	-	1
Total Assets	<u>\$ 1,306</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,810</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 1,306	\$ 15,310	\$ 194	\$ 16,810
Total Net Position	<u>\$ 1,306</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,810</u>

CITY OF JACKSON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Kennedy Wheels</u>	<u>Amador County Fees</u>	<u>Friends of the Cemetery</u>	<u>Totals</u>
ADDITIONS				
Net investment earnings	\$ 3	\$ -	\$ -	\$ 3
Total Additions	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
DEDUCTIONS				
Distributions from pooled investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in Fiduciary Net Position	3	-	-	3
Total Net Position - Beginning	<u>1,303</u>	<u>15,310</u>	<u>194</u>	<u>16,807</u>
Total Net Position - Ending	<u>\$ 1,306</u>	<u>\$ 15,310</u>	<u>\$ 194</u>	<u>\$ 16,810</u>