

CITY OF
JACKSON **N**
MICHIGAN



2022 **ANNUAL FINANCIAL REPORT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

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CITY OF JACKSON, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2022**

**Including
Single Audit Act Compliance**

Prepared by:

**Philip J. Hones, Finance Director
Heather Ehnis, Assistant Finance Director**

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CITY OF JACKSON, MICHIGAN

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INTRODUCTORY SECTION

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December 5, 2022

**Honorable Mayor, Members of the City Council and
Citizens of the City of Jackson**

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Jackson, Michigan for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the City of Jackson, Michigan. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Rehmann Robson LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Jackson, Michigan was founded in 1829, incorporated as a city in 1857 and became a Home Rule City in 1914. It is located in south-central Michigan. The City currently has a land area of approximately 11 square miles and a population of 31,235 based on the 2020 census. The City is an industrial and commercial oriented community serving as a principal business, marketing, and cultural center for the surrounding suburban and agricultural territory. The government is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the Council-Manager form of government. The Mayor is elected on a nonpartisan, at-large basis. The six council members are elected on a non-partisan, city ward basis. A ballot proposal passed by the voters on November 6, 2001 staggered and extended the terms of council members elected by ward to four years. The Mayor continues to serve two-year terms. The City Treasurer is also elected on a non-partisan at-large basis. This position serves a four-year term. The City Manager, City Clerk, City Assessor and City Attorney are appointed by the Council for indefinite terms and serve at the pleasure of the Council.

Policymaking and legislative authorities are vested in the City Council. The Council is responsible, among other things, for passing ordinances and resolutions; making public policy decisions; confirming the appointments of department heads; adopting annual budgets; appointing boards, commissions, and committees; approving contracts; authorizing real estate transactions; approving payments; awarding bids; selling personal property; and hiring the government's manager, clerk, assessor and attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for supervising the day-to-day operations of the government, and for appointing the heads of the government's departments.

The City of Jackson, Michigan provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; sanitary sewage treatment and disposal; water treatment and distribution; economic development; recreational activities; and cultural events.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Jackson, Michigan operates.

Local economy. The Jackson area currently enjoys a somewhat limited but gradually diversifying economy that has demonstrated growth in the last decade. Because of its central location, Jackson provides access to employment opportunities in Lansing, Battle Creek and Ann Arbor.

Some of the larger major street fund project expenditures during fiscal year 2021 included Cascades Streets, Elmdale Trail within the Ella Sharp Park, Morrell from Greenwood to MLK, the Wisner Street signal, and the High Street Bridge. These five projects totaled nearly \$3.5 million in expenditures during the fiscal year and comprised slightly over 45% of the total major street construction expenditures incurred. Along with the road reconstruction, new water mains and sanitary sewers were installed. Federal funds provided \$1.7 million, or 52% of the total incurred costs of these five projects.

Other developments that are current, are scheduled to begin or are in the design phase are as follows:

- A parking deck to support Commonwealth Associates and the potential Hayes Building Redevelopment on Blackstone between Michigan and Pearl.
- Creation of an affordable housing development initiative with \$4.5 million in funding appropriated from the City's \$31 million in awarded ARPA funds. These funds will help residents navigate receiving housing assistance, provide grants and loans to low-income residents, provide incentives for new developments, and provide services to address homelessness. Included in the initiative, The City Council also approved the City Manager to spend up to \$1 million in ARP funds to rehabilitate vacant City-owned homes for low-income residents with housing needs.
- Over the next 35 years, more than 11,000 lead water service lines will be removed and replaced in the City of Jackson. The City's \$120 million plan to switch out all lead service lines is being paid for by water rate increases, City funds, and federal/state funding sources.
- An investment of \$2.5 million from the ARPA funds was approved by City Council to rehabilitate the property located in downtown Jackson at 145 W. Cortland Street. This project will create a food incubator, community kitchen, and job training opportunities and is supported by many local organizations.
- The Martin Luther King Corridor Improvement Authority received an allocation of ARPA funds for \$4.5 million. These funds will be utilized to fund the creation of a mixed-use urban grocery store and residential development; provide micro grants to small businesses to update store fronts; and provide entrepreneur support to residents in starting their own businesses.

Major industries with headquarters or divisions located within the City include a statewide gas and electric utility, aerospace, automobile and industrial component manufacturers, retail sales and several financial institutions.

Long-term financial planning. By 2009 the City's ad valorem (real and personal property) taxable value had grown nearly 57% since fiscal year 2002 to over \$752 million. The City has experienced, as have other communities in Michigan as well as across the country, a decline in property values in the years following to where the ad valorem values had declined to approximately \$589 million for the 2016 tax year (fiscal year 2017). Taxable values have since rebounded in the last several years to over \$691 million in tax year 2022 (17.4% increase). State equalized values (50% of estimated true market values) had also declined in a similar pattern, however, these values have increased nearly 38% during the same time-frame. Market values, especially in the residential sector, have shown slow but steady growth and should continue into the next few years as real estate sales prices improve and the City continues, although at a slower rate than in recent years, its demolition program of vacant and abandoned housing.

The slower increase in the value of taxable property as compared to assessed values in the City mentioned above is due to the constraint imposed by the Headlee Amendment (which limits the annual increase in the State Equalized Value of real property) and the provisions of Proposal A (which limits increases in taxable property values to 5 percent or the rate of inflation, whichever is less). Taken together, these fiscal factors create a trend toward ever tightening budgets, even in periods of recovery, under which the City must operate.

The sales tax portion of state shared revenues, which are now subject to the City, Village and Township Revenue Sharing (CVTRS) Program, increased \$223,951 (4.4%) in total to \$5,271,951. This increase was comprised of an increase of \$188,467 in constitutional and an increase of \$35,484 in the statutory component. The City experienced a decrease in population based on the 2020 census which resulted in a lower than usual increase in revenue sharing from the state for fiscal year 2022.

One of the City's major revenue categories - income taxes – continues to reflect stability after declining over \$1.1 million in fiscal year 2010. Income tax revenues in fiscal year 2017 exceeded \$9 million for the first time in the City's history but grew only slightly in fiscal year 2018. Increased efforts in the tracking of non-filers resulted in a 9.3% increase to nearly \$9.9 million in fiscal year 2019, however, the effects of COVID-19 in the second quarter of 2020 resulted in a decline to nearly \$9 million, or 9.34%. During this time period, the City saw its unemployment rate increase to 19.0% (as of June 2020) from the previous fiscal year June rate of 6.8% - also a result of COVID-19. The unemployment rate has since improved to 8.2% as of June 2022 with income taxes increasing to over \$11.2 million. Additionally, the City had expected income taxes from non-residents to decline during the pandemic as a result of more employees working remotely, but the amount of that expected decline has not been as severe as originally estimated as more people are returning to work in-person.

Another continuing financial challenge for the City is the escalating costs of insurance – particularly for employees and retirees but also for property and liability. Greater revenue growth together with cost containment measures will continue to be necessary to mitigate future stress on City finances. Together, these two issues continue to impose increasing burdens on the City's fiscal structure and therefore affect the long-term stability of City finances. In an effort to better control these costs, the City implemented a self-funded health insurance program on July 1, 2014. Substantial savings have since been realized as a result and, at the same time, the City has been able to maintain its health coverage levels for its employees and retirees than would otherwise be possible in the open market.

Relevant Financial Policies. There have been no situations that have affected the application of the City's standard financial policies.

The City has always taken steps to reduce operating costs in an effort to maintain fund balances, especially within the governmental funds area. Related to this effort, the City Council adopted a fund balance policy in December 2012, as recommended by the Government Finance Officers Association. This adopted policy prescribes a minimum 15% fund balance with a desired fund balance level of 30% within the general fund and also provides timeframes that the City would have to "replenish" fund balance and attain these higher levels.

Major Initiatives. Police and fire services have always acted in unison with the surrounding townships and county and efforts to further that cooperation are constantly being investigated. The City's Public Works Department continues to work with the County Road Commission more closely than in the past on matters such as bidding for materials (road salt, etc...) and the City provides traffic signal maintenance to many outlying areas. The City, along with some of its larger employers as well as the State, continue to work together on the "Anchor Initiative" effort which is making it more attractive to live and work in the downtown area. In the fall of 2014 the City was awarded \$5.5 million in State grant funds and a subsequent blight grant of \$250,000 was awarded to the City in August of 2017. These grants, together with local funds, have enabled the continuing demolition of approximately 250 vacant structures, thus furthering the City's efforts towards neighborhood revitalization. These are just some of the more major efforts the City is taking to not only reduce operating costs and become more cost efficient, but to set the framework for the City to become a more viable and thriving place to live and work in the coming fiscal years.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jackson, Michigan for its annual comprehensive financial report ("ACFR") for the fiscal year ended June 30, 2021. This was the thirtieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of Jackson. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Jackson's finances.

Respectfully submitted,



Jonathan Greene, City Manager



Philip J. Hones, City Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

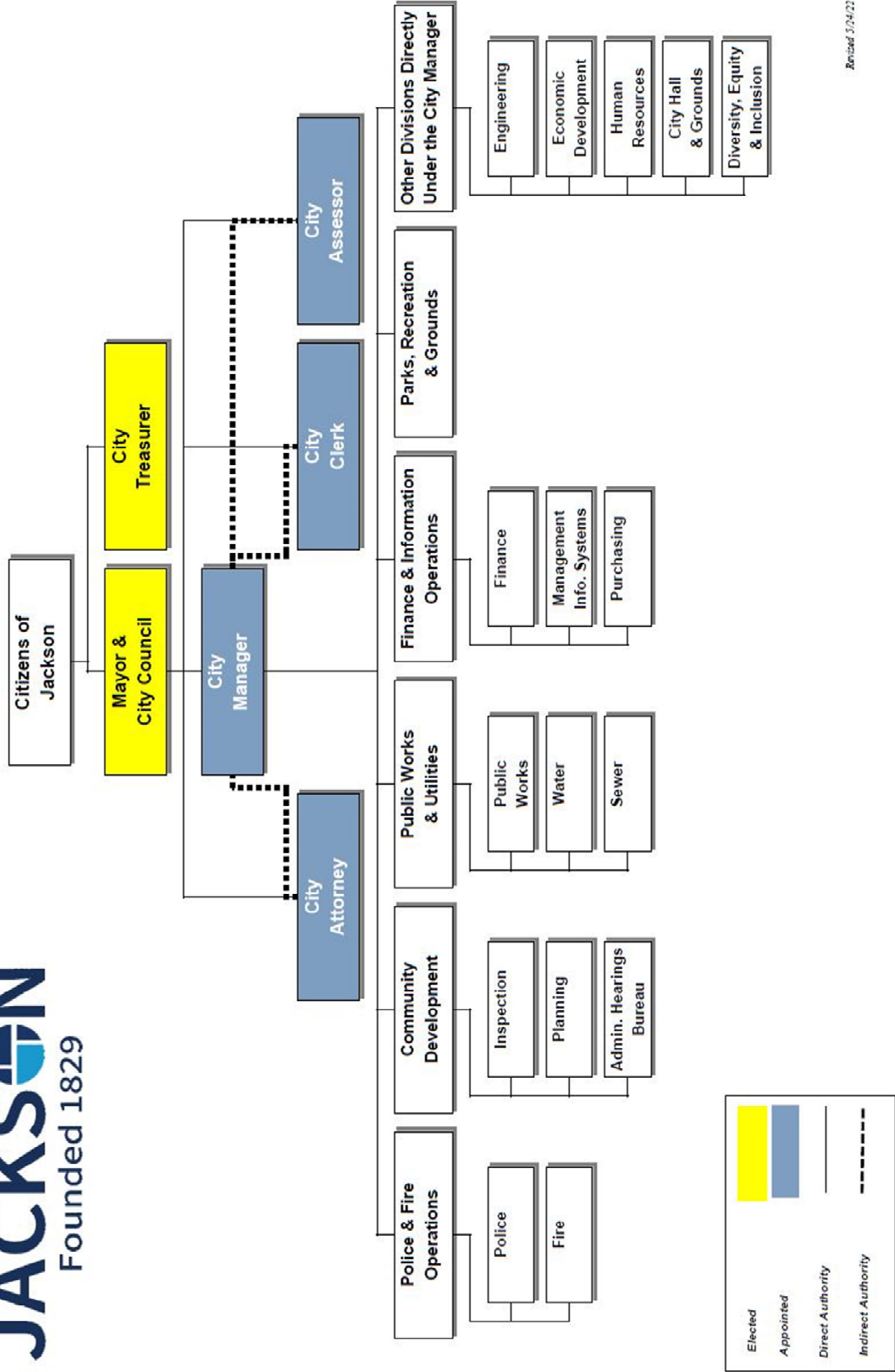
**City of Jackson
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



**City of Jackson, Michigan
List of Elected and Appointed Officials**



CITY COUNCIL

Daniel Mahoney, Mayor

Arlene Robinson	1st Ward
Freddie C. Dancy	2nd Ward
Angelita Gunn	3rd Ward
Laura Dwyer Schlecte	4th Ward
Karen Bunnell	5th Ward
Will Forgrave	6th Ward

CITY OFFICIALS

Jonathan Greene, City Manager

Martin J. Griffin	City Treasurer & Income Tax Administrator
Matthew Hagerty	City Attorney
Elmer Hitt	Director of Police and Fire Services
Philip J. Hones	Director of Finance
Kelli Hoover	Director of Parks, Recreation & Grounds
Shane Laporte	Director of Community Development
Andrea Muray	City Clerk
Michael Osborn	Director of Public Works/Public Utilities Director
Jason Yoakam	City Assessor (Contractual)

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

December 5, 2022

Honorable Mayor and
Members of the City Council
City of Jackson, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Jackson, Michigan** (the "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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, and the budgetary comparisons for the general fund and each major special revenue fund 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 (GAAS) 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 Independent Auditors' 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.

Independent Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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.

Required Supplementary Information

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

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 combining and individual fund financial statements and schedules 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 were derived from and relate 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 and individual fund financial statements and schedules 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

As management of the *City of Jackson, Michigan* (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

• Total net position	\$ 139,191,974
• Change in total net position	20,175,893
• Fund balances, governmental funds	26,337,506
• Change in fund balances, governmental funds	2,445,403
• Unassigned fund balance, general fund	12,399,625
• Change in fund balance, general fund	2,521,871
• Installment debt outstanding	46,063,549
• Change in installment debt	(4,470,630)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflow of resources with the difference 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 that shows how the government's net position changed during the most recent fiscal 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include legislative, general government, public safety, public works, culture and recreation and community enrichment and development. The business-type activities of the City include the parking system and water and sewer operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate authorities – the Downtown Development Authority, the Brownfield Redevelopment Authority, and the MLK Corridor Improvement Authority – for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The City of Jackson Building Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, major streets special revenue, the American Rescue Plan Act special revenue, the special assessment capital projects, and the downtown development authority project funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three major enterprise funds to account for its sanitary sewer, water purification and distribution and parking deck operations while the operations of the City's remaining parking system is considered nonmajor and are combined into a single, aggregated presentation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation and prescription drug and health care deductible self-insurance programs, the motor pool and garage operations, public works and engineering administration and for the Brownfield Redevelopment Authority's local site remediation activities. All of the City's individual internal service fund data is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management's discussion and analysis and the schedules for the pension and other postemployment benefits plans immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Jackson, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$139,191,974 at the close of the most recent fiscal year.

The largest portion of the City's net position is its investment in capital assets (e.g., land, construction in progress, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 55,630,733	\$ 34,403,660	\$ 42,163,412	\$ 38,572,140	\$ 97,794,145	\$ 72,975,800
Capital assets, net	110,037,307	108,513,215	81,040,218	78,583,986	191,077,525	187,097,201
Total assets	165,668,040	142,916,875	123,203,630	117,156,126	288,871,670	260,073,001
Deferred outflows of resources	6,436,798	4,020,868	188,239	108,917	6,625,037	4,129,785
Liabilities						
Long-term debt outstanding	49,055,625	53,637,290	327,874	287,706	49,383,499	53,924,996
Other liabilities	18,356,154	3,639,020	1,415,136	1,431,304	19,771,290	5,070,324
Net pension and OPEB liability	64,215,547	54,253,850	14,855,676	16,433,971	79,071,223	70,687,821
Total liabilities	131,627,326	111,530,160	16,598,686	18,152,981	148,226,012	129,683,141
Deferred inflows of resources	7,090,804	14,687,221	987,917	816,343	8,078,721	15,503,564
Net position						
Net investment in capital assets	62,821,769	56,712,552	80,891,095	78,429,317	143,712,864	135,141,869
Restricted	14,813,873	15,698,597	-	-	14,813,873	15,698,597
Unrestricted (deficit)	(44,248,934)	(51,690,787)	24,914,171	19,866,402	(19,334,763)	(31,824,385)
Total net position	\$ 33,386,708	\$ 20,720,362	\$ 105,805,266	\$ 98,295,719	\$ 139,191,974	\$ 119,016,081

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 7,918,596	\$ 8,863,355	\$ 19,501,003	\$ 18,884,512	\$ 27,419,599	\$ 27,747,867
Operating grants and contributions	8,906,042	8,476,639	748,050	1,357,416	9,654,092	9,834,055
Capital grants and contributions	3,163,971	2,044,314	-	-	3,163,971	2,044,314
General revenues:						
Property taxes	13,541,770	13,179,820	-	-	13,541,770	13,179,820
Income taxes	11,252,147	9,217,674	-	-	11,252,147	9,217,674
Grants and contributions not restricted to specific programs	6,228,557	7,045,117	-	-	6,228,557	7,045,117
Other	151,005	259,416	175,133	77,735	326,138	337,151
Total revenues	51,162,088	49,086,335	20,424,186	20,319,663	71,586,274	69,405,998
Expenses						
Legislative	96,556	97,924	-	-	96,556	97,924
General government	3,784,852	4,203,847	-	-	3,784,852	4,203,847
Public safety	15,836,142	14,862,879	-	-	15,836,142	14,862,879
Public works	8,358,239	7,619,674	-	-	8,358,239	7,619,674
Culture and recreation	3,465,676	1,581,726	-	-	3,465,676	1,581,726
Community enrichment and development	4,571,346	7,058,777	-	-	4,571,346	7,058,777
Interest on long-term debt	3,237,005	3,057,159	-	-	3,237,005	3,057,159
Sewer	-	-	6,619,284	5,254,598	6,619,284	5,254,598
Water	-	-	4,832,133	6,693,155	4,832,133	6,693,155
Parking system	-	-	609,148	581,555	609,148	581,555
Total expenses	39,349,816	38,481,986	12,060,565	12,529,308	51,410,381	51,011,294
Change in net position before transfers	11,812,272	10,604,349	8,363,621	7,790,355	20,175,893	18,394,704
Transfers	854,074	899,484	(854,074)	(899,484)	-	-
Change in net position	12,666,346	11,503,833	7,509,547	6,890,871	20,175,893	18,394,704
Net position - beginning of year	20,720,362	9,216,529	98,295,719	91,404,848	119,016,081	100,621,377
Net position - end of year	\$ 33,386,708	\$ 20,720,362	\$ 105,805,266	\$ 98,295,719	\$ 139,191,974	\$ 119,016,081

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City's net position by \$12,666,346 during fiscal year 2022 compared to an increase of \$11,503,833 during fiscal 2021. Some significant elements of this increase are as follows:

- Income taxes increased \$2,034,473 as more employees return to working in-person and the recent addition of four new housing developments in downtown Jackson.
- Grants and contributions not restricted to specific programs decreased \$816,560 as available COVID-related funding decreased with the ending of the pandemic.
- Operating grants and contributions for public safety increased \$1,378,995 with the additions of the FEMA fire assistance program, the FEMA SAFER grant, ARPA funding allocated to the fire department; and the Project Safe Neighborhood federal grant.
- Public safety expenditures increased \$973,263 largely due to the change in the net pension and other postemployment benefit liabilities, resulting in an increase in expenditures allocated to public safety of \$1,250,953. In addition, expenditures for the new group violence intervention program implemented by the police department were slightly over \$140,000.
- Community enrichment and development expenditures decreased \$2,487,431 due to a reduction in the sale of capital assets. In the prior year, the City recognized a loss on the sale of capital assets of \$998,514, compared to a \$2,743 gain in the current year.

Business-type activities. Business-type activities increased the City's net position by \$7,509,547 during fiscal year 2022 compared to an increase of \$6,890,871 during fiscal year 2021. This change resulted from increases (decreases) in the following activities:

- Sewage \$ 20,542
- Water 8,049,426
- Parking deck (268,619)
- Nonmajor (190,348)

Key elements of this change are as follows:

- An increase in the water and sewer rates resulted in increased utility billing revenue in the water fund of \$314,487 and in the sewer fund of \$353,451.
- The parking deck decrease in net position is attributable to depreciation for the fiscal year in the amount of \$262,942.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,337,506, an increase of \$2,445,403 from the prior year. Approximately 41.1 percent of this total amount, or \$10,828,673 is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is 1) nonspendable to indicate that it is not available for new spending because it must be maintained intact for inventories \$294,084, prepaid items \$711,772, funds advanced on a long-term basis \$50,000, cemetery perpetual care \$2,072,889 and endowments related to Ella Sharp Park and facilities \$1,387,445; 2) restricted to indicate limitations on its use imposed by grants or legislation, which total \$9,045,394; and 3) committed which indicate funds that have self-imposed limitations, which total \$1,947,249. A summary of the nonspendable, restricted and committed components of fund balance can be found in the notes to financial statements section of this report.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,399,625, while total fund balance was \$13,178,713. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 43.9 percent of total general fund expenditures and transfers out while total fund balance represents 46.7 percent of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased by \$2,521,871 during the current fiscal year. This is largely due to an increase in income taxes of slightly over \$2 million from fiscal year 2021. More workers are returning to the workplace in-person as the pandemic ends and the recent completion of four housing developments in the City lead to increased taxable income. In addition, the Treasurer's department has increased efforts to collect delinquent income taxes resulting in increased income tax collections of approximately \$40,000/month in fiscal year 2022.

The major streets special revenue fund's fund balance decreased \$1,031,273 from the prior fiscal year leaving a total surplus of \$2,080,466 at fiscal year-end. A decrease of \$2,611,143 was budgeted in fiscal year 2022. Fund balances often change in this fund due to the timing of various street projects overlapping from one fiscal year to the next.

The American Rescue Plan Act special revenue fund, which is used to account for the grant-related administrative expenditures, had no change in fund balance.

The special assessment capital projects fund, which is used to account for special assessments levied to finance public improvements or services deemed to benefit only the properties against which the assessments are levied, decreased the amount of its fund deficit by \$310,863. This fund, which has a deficit by its nature, recorded \$793,198 in new assessment rolls receivable during the fiscal year while receiving collections on such receivables totaling \$1,104,061.

The downtown development authority project fund, which is used to account for the receipt and expenditure of tax increments based on the captured assessed value of property within the Amended Development Area, had an increase in fund balance of \$561,542. This is largely due to a budgeted increase in fund balance of \$552,641 to be used in the manner provided in the Tax Increment Financing Plan.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities but in more detail.

Unrestricted net position of the sewage and water funds at the end of the year amounted to \$8,821,749 and \$15,461,953, respectively. The sewage fund had an increase in net position for the year of \$20,542, and the water fund had an increase of \$8,049,426. The parking deck fund had a decrease in net position of \$268,619, which is almost entirely due to depreciation. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original and final amended budgeted revenues totaled \$3,630,561. These amendments were largely related to the increases in income taxes in the amount of \$2,000,000 and federal COVID-related funds in the amount of \$1,076,442.

Actual revenues exceeded final amended budgeted amounts by \$1,695,565. This is largely due to income taxes exceeding the amended budget by \$1,252,147 and an unanticipated state revenue sharing adjustment of \$427,799.

Differences between the original and final amended budgeted expenditures totaled \$1,813,357. These amendments were related to increased capital outlay expenditures funded with federal ARPA funds.

Actual expenditures were less than final amended budgeted amounts by \$1,444,430. This is due to lower than anticipated personal expenditures in the police department of \$562,818, largely the result of required lower pension funding in fiscal year 2022, and lower than planned contractual services expenditures throughout the various general fund departments in the total amount of \$626,241.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$191,077,525 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, systems, land improvements, infrastructure, buildings and improvements, park and recreation facilities, machinery and equipment, and leased vehicles. The total net increase in the City's investment in capital assets for the current fiscal year was \$3,980,324 or 2.1 percent.

Major capital asset events during the fiscal year included the following:

- Governmental activities largest changes include major and local street infrastructure projects and the purchase of a new fire truck, which is included in machinery and equipment.
- Business-type activities largest increase is in the systems category and is primarily the addition of new sewers and water distribution mains.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,395,280	\$ 2,395,280	\$ 8,956,886	\$ 8,956,886	\$ 11,352,166	\$ 11,352,166
Construction in progress	1,962,387	1,962,387	480,971	1,077,692	2,443,358	3,040,079
Systems	-	-	52,810,441	49,174,282	52,810,441	49,174,282
Infrastructure	75,461,430	73,807,404	-	-	75,461,430	73,807,404
Land improvements	10,161,327	10,478,082	3,754,496	3,934,924	13,915,823	14,413,006
Buildings and improvements	9,583,191	9,264,794	9,282,077	9,557,516	18,865,268	18,822,310
Park and recreation facilities	7,729,425	7,854,015	-	-	7,729,425	7,854,015
Machinery and equipment	2,370,185	2,211,565	5,609,914	5,728,017	7,980,099	7,939,582
Leased vehicles	374,082	539,688	145,433	154,669	519,515	694,357
Total	\$ 110,037,307	\$ 108,513,215	\$ 81,040,218	\$ 78,583,986	\$ 191,077,525	\$ 187,097,201

Additional information related to capital assets can be found in Note 7 to the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$46,063,549. Of this amount, \$45,589,863 comprises debt backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 45,589,863	\$ 49,857,560	\$ -	\$ -	\$ 45,589,863	\$ 49,857,560
Installment purchase agreement	473,686	676,619	-	-	473,686	676,619
Total	\$ 46,063,549	\$ 50,534,179	\$ -	\$ -	\$ 46,063,549	\$ 50,534,179

The City made principal payments on existing agreements in the amount of \$4,470,630 during the current fiscal year.

The City has an "A+" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City is \$117,645,382, which is significantly in excess of the City's outstanding general obligation debt of \$45,589,863.

Additional information related to long-term debt can be found in Note 11 to the financial statements.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2022/2023 fiscal year:

- The unemployment rate for the City is currently 6.7% (September 2022), which is a 1.4% decrease from a rate of 8.1% a year ago (September 2021). While this compares unfavorably to the state's average unemployment rate of 4.1% and the national average rate of 3.5%, the City has maintained fairly consistent employment levels resulting in a positive effect on this year's income tax revenues. One of the City's ongoing concerns relates to the portion of the workforce working from home (as a result of COVID-19), which in some instances makes their income not subject to City income tax. The City is monitoring income tax collection trends and, to-date, there has not been the anticipated decline in income tax revenues that were estimated one year ago. The addition of four new apartment buildings in the downtown area within the last several years is alleviating some of that anticipated decline and income tax collection trends continue to show stability.
- Ad valorem (real and personal) taxable values of property have increased 6.6% from the prior fiscal year. State equalized values, however, have increased 10.9% and have shown growth for the eighth consecutive fiscal year since 2014. As a result, it is expected that taxable values will continue to show slow but steady growth in the coming years.
- Inflationary trends in the region compare favorably to national indices.

During the 2022 fiscal year, unassigned fund balance in the general fund increased from \$10,521,234 to \$12,399,625. The current budget anticipates that this fund balance amount will decrease by \$642,939.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 161 W. Michigan Avenue, Jackson, Michigan 49201.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF JACKSON, MICHIGAN

Statement of Net Position

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 37,401,001	\$ 37,477,961	\$ 74,878,962	\$ 1,787,185
Restricted cash:				
Cash on hand with agents	46,000	-	46,000	-
Pooled cash and investments	3,460,334	-	3,460,334	-
Receivables, net	13,337,595	4,723,431	18,061,026	53,835
Internal balances	379,947	(379,947)	-	-
Inventories and prepaid items	1,005,856	341,967	1,347,823	-
Capital assets not being depreciated/amortized	4,357,667	9,437,857	13,795,524	-
Capital assets being depreciated/amortized, net	105,679,640	71,602,361	177,282,001	-
Total assets	165,668,040	123,203,630	288,871,670	1,841,020
Deferred outflows of resources				
Deferred charge on bond refunding	464,167	-	464,167	-
Deferred pension amounts	5,916,236	138,272	6,054,508	-
Deferred OPEB amounts	56,395	49,967	106,362	-
Total deferred outflows of resources	6,436,798	188,239	6,625,037	-
Liabilities				
Accounts payable and accrued liabilities	3,462,277	1,266,013	4,728,290	42,930
Accrued interest payable	278,803	-	278,803	-
Unearned revenue	14,261,622	-	14,261,622	158,102
Leases payable:				
Due within one year	166,287	40,879	207,166	-
Due in more than one year	187,165	108,244	295,409	-
Long-term debt:				
Due within one year	4,850,183	34,435	4,884,618	-
Due in more than one year	44,205,442	293,439	44,498,881	-
Net pension liability (due in more than one year)	48,319,450	771,221	49,090,671	-
Net OPEB liability (due in more than one year)	15,896,097	14,084,455	29,980,552	-
Total liabilities	131,627,326	16,598,686	148,226,012	201,032
Deferred inflows of resources				
Deferred pension amounts	1,434,351	36,132	1,470,483	-
Deferred OPEB amounts	1,074,209	951,785	2,025,994	-
Deferred lease amounts	4,582,244	-	4,582,244	-
Total deferred inflows of resources	7,090,804	987,917	8,078,721	-
Net position				
Net investment in capital assets	62,821,769	80,891,095	143,712,864	-
Restricted for:				
Highways and streets	5,968,397	-	5,968,397	-
Public improvement and recreation	5,330,519	-	5,330,519	-
Public safety	37,307	-	37,307	-
Act 345 Pension	17,316	-	17,316	-
Perpetual care -				
Endowments (nonspendable)	3,460,334	-	3,460,334	-
Unrestricted (deficit)	(44,248,934)	24,914,171	(19,334,763)	1,639,988
Total net position	\$ 33,386,708	\$ 105,805,266	\$ 139,191,974	\$ 1,639,988

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Activities

For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 96,556	\$ -	\$ -	\$ -	\$ (96,556)
General government	3,784,852	1,667,055	1,174,404	-	(943,393)
Public safety	15,836,142	2,723,508	1,520,142	-	(11,592,492)
Public works	8,358,239	746,492	4,835,376	3,163,971	387,600
Culture and recreation	3,465,676	873,720	16,932	-	(2,575,024)
Community enrichment and development	4,571,346	1,907,821	1,359,188	-	(1,304,337)
Interest on long-term debt	3,237,005	-	-	-	(3,237,005)
Total governmental activities	39,349,816	7,918,596	8,906,042	3,163,971	(19,361,207)
Business-type activities:					
Sewer	6,619,284	6,702,321	330,701	-	413,738
Water	4,832,133	12,666,881	387,529	-	8,222,277
Parking system	609,148	131,801	29,820	-	(447,527)
Total business-type activities	12,060,565	19,501,003	748,050	-	8,188,488
Total primary government	\$ 51,410,381	\$ 27,419,599	\$ 9,654,092	\$ 3,163,971	\$ (11,172,719)
Component units					
Brownfield redevelopment authority	\$ 1,444,191	\$ -	\$ -	\$ -	\$ (1,444,191)
MLK corridor improvement authority	97,045	-	-	-	(97,045)
Downtown development authority	273,867	218,063	25,000	-	(30,804)
Total component units	\$ 1,815,103	\$ 218,063	\$ 25,000	\$ -	\$ (1,572,040)

continued...

CITY OF JACKSON, MICHIGAN

Statement of Activities

For the Fiscal Year Ended June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net revenues (expenses)	\$ (19,361,207)	\$ 8,188,488	\$ (11,172,719)	\$ (1,572,040)
General revenues				
Property taxes	13,541,770	-	13,541,770	1,600,559
Income taxes	11,252,147	-	11,252,147	-
Grants and contributions not restricted to specific purposes	6,228,557	-	6,228,557	99,570
Unrestricted interest earnings	148,262	175,133	323,395	6,963
Gain on sale of capital assets	2,743	-	2,743	-
Transfers - internal activities	854,074	(854,074)	-	-
Total general revenues and transfers	<u>32,027,553</u>	<u>(678,941)</u>	<u>31,348,612</u>	<u>1,707,092</u>
Change in net position	12,666,346	7,509,547	20,175,893	135,052
Net position, beginning of year	<u>20,720,362</u>	<u>98,295,719</u>	<u>119,016,081</u>	<u>1,504,936</u>
Net position, end of year	<u>\$ 33,386,708</u>	<u>\$ 105,805,266</u>	<u>\$ 139,191,974</u>	<u>\$ 1,639,988</u>

The accompanying notes are an integral part of these financial statements.

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FUND FINANCIAL STATEMENTS

CITY OF JACKSON, MICHIGAN

Balance Sheet

Governmental Funds
June 30, 2022

	General	Major Streets	American Rescue Plan Act	Special Assessment Capital Projects	Downtown Development Authority Project	Nonmajor Governmental Funds	Totals
Assets							
Pooled cash and investments	\$ 9,190,722	\$ 1,785,503	\$ 14,215,546	\$ 222,000	\$ 4,453,050	\$ 8,466,444	\$ 38,333,265
Accounts receivables, net	699,010	36,555	-	-	-	229,031	964,596
Taxes receivable, net	2,305,253	-	-	-	-	-	2,305,253
Special assessment receivables	-	-	-	3,763,410	-	-	3,763,410
Leases receivable	337,329	-	-	-	4,244,915	-	4,582,244
Due from other governments	907,448	549,122	-	-	-	226,236	1,682,806
Due from other funds	1,792,952	-	-	-	-	59,045	1,851,997
Inventories	-	278,584	-	-	-	15,500	294,084
Prepaid items	711,772	-	-	-	-	-	711,772
Long-term advances to other funds	50,000	-	-	-	-	-	50,000
Total assets	\$ 15,994,486	\$ 2,649,764	\$ 14,215,546	\$ 3,985,410	\$ 8,697,965	\$ 8,996,256	\$ 54,539,427
Liabilities							
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,367	\$ 37,367
Accounts payable	1,412,428	563,194	3,520	-	4,453	338,115	2,321,710
Accrued payroll	540,677	6,104	-	-	-	123,719	670,500
Other liabilities	116,620	-	-	-	-	140,897	257,517
Unearned revenue	-	-	14,212,026	-	-	49,596	14,261,622
Due to other funds	3,533	-	-	1,792,952	-	55,880	1,852,365
Long-term advances from other funds	-	-	-	-	-	50,000	50,000
Total liabilities	2,073,258	569,298	14,215,546	1,792,952	4,453	795,574	19,451,081
Deferred inflows of resources							
Unavailable revenue - Administrative Hearings Bureau	405,186	-	-	-	-	-	405,186
Unavailable revenue - special assessment receivable	-	-	-	3,763,410	-	-	3,763,410
Deferred lease amounts	337,329	-	-	-	4,244,915	-	4,582,244
Total deferred inflows of resources	742,515	-	-	3,763,410	4,244,915	-	8,750,840
Fund balances							
Nonspendable	761,772	278,584	-	-	-	3,475,834	4,516,190
Restricted	17,316	1,801,882	-	-	4,448,597	2,777,599	9,045,394
Committed	-	-	-	-	-	1,947,249	1,947,249
Unassigned (deficit)	12,399,625	-	-	(1,570,952)	-	-	10,828,673
Total fund balances (deficit)	13,178,713	2,080,466	-	(1,570,952)	4,448,597	8,200,682	26,337,506
Total liabilities, deferred inflows of resources and fund balances	\$ 15,994,486	\$ 2,649,764	\$ 14,215,546	\$ 3,985,410	\$ 8,697,965	\$ 8,996,256	\$ 54,539,427

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2022

Fund balances - total governmental funds	\$ 26,337,506
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated/amortized	4,357,667
Capital assets being depreciated/amortized, net	105,679,640
Less capital assets accounted for in the internal service funds	(993,826)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable Administrative Hearings Bureau receivables	405,186
Unavailable special assessments	3,763,410
Certain pension and OPEB-related amounts, such as the net pension liability, net OPEB liability, and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(48,319,450)
Deferred outflows related to the net pension liability	5,916,236
Deferred inflows related to the net pension liability	(1,434,351)
Net OPEB liability	(15,896,097)
Deferred outflows related to the net OPEB liability	56,395
Deferred inflows related to the net OPEB liability	(1,074,209)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in the internal service funds	2,928,996
Portion of the internal service funds net position attributed to business-type activities	380,315
Certain liabilities and deferred outflows of resources, such as bonds payable, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the governmental funds.	
Unamortized deferred charge on refunding	464,167
Bonds and installment contracts	(46,063,549)
Less installment contracts accounted for in the internal service funds	411,206
Unamortized bond premium	(1,262,704)
Leases payable	(353,452)
Less leases accounted for in the internal service funds	91,797
Compensated absences	(1,729,372)
Accrued interest on long-term liabilities	(278,803)
Net position of governmental activities	\$ 33,386,708

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Major Streets	American Rescue Plan Act	Special Assessment Capital Projects	Downtown Development Authority Project	Nonmajor Governmental Funds	Totals
Revenues							
Property taxes	\$ 10,070,669	\$ -	\$ -	\$ -	\$ 1,684,785	\$ 1,851,973	\$ 13,607,427
Income taxes	11,252,147	-	-	-	-	-	11,252,147
Licenses and permits	418,412	-	-	-	-	-	418,412
Intergovernmental	6,824,753	5,774,785	161,865	-	159,020	4,655,386	17,575,809
Charges for services	1,253,986	-	-	-	1,500,000	3,379,409	6,133,395
Fines and forfeits	278,458	-	-	-	-	-	278,458
Special assessments	-	-	-	1,104,061	-	-	1,104,061
Donations	20,422	-	-	-	-	-	20,422
Investment income (loss)	79,146	13,497	-	-	21,354	(22,252)	91,745
Miscellaneous	492,061	289,073	-	-	-	370,474	1,151,608
Total revenues	30,690,054	6,077,355	161,865	1,104,061	3,365,159	10,234,990	51,633,484
Expenditures							
Current:							
Legislative	96,556	-	-	-	-	-	96,556
General government	5,220,243	-	-	-	-	-	5,220,243
Public safety	18,489,934	-	161,865	-	-	1,099,368	19,751,167
Public works	1,405,826	7,092,134	-	-	-	1,391,350	9,889,310
Culture and recreation	1,579,516	-	-	-	-	1,698,700	3,278,216
Community enrichment and development	842,250	-	-	-	-	3,409,336	4,251,586
Debt service:							
Principal	60,584	-	-	-	-	4,267,697	4,328,281
Lease principal	129,685	-	-	-	-	27,672	157,357
Interest and fiscal charges	3,852	-	-	-	-	3,171,564	3,175,416
Total expenditures	27,828,446	7,092,134	161,865	-	-	15,065,687	50,148,132
Revenues over (under) expenditures	2,861,608	(1,014,779)	-	1,104,061	3,365,159	(4,830,697)	1,485,352
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	2,743	2,743
Insurance recovery	49,843	-	-	-	-	-	49,843
Transfers in	6,387	680,178	-	-	-	6,256,260	6,942,825
Transfers out	(395,967)	(696,672)	-	(793,198)	(2,803,617)	(1,345,906)	(6,035,360)
Total other financing sources (uses)	(339,737)	(16,494)	-	(793,198)	(2,803,617)	4,913,097	960,051
Net change in fund balances	2,521,871	(1,031,273)	-	310,863	561,542	82,400	2,445,403
Fund balances (deficit), beginning of year	10,656,842	3,111,739	-	(1,881,815)	3,887,055	8,118,282	23,892,103
Fund balances (deficit), end of year	\$ 13,178,713	\$ 2,080,466	\$ -	\$ (1,570,952)	\$ 4,448,597	\$ 8,200,682	\$ 26,337,506

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Changes in Net Position of Governmental Activities
For the Fiscal Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 2,445,403
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased/constructed	7,974,989
Gain on sale of capital assets	2,743
Proceeds from sale of capital assets	(2,743)
Depreciation/amortization expense	(6,227,028)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Change in Administrative Hearings Bureau receivables	137,990
Change in special assessments receivable	(630,375)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on leases liability	157,357
Principal payments on long-term liabilities	4,328,281
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 governmental funds.	
Change in accrued interest payable on bonds	2,203
Amortization of bond premium	114,791
Amortization of deferred charge on bond refunding	(178,583)
Change in net OPEB liability and related deferred amounts	1,717,505
Change in net pension liability and related deferred amounts	3,093,972
Change in the accrual of compensated absences	(3,756)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	
Net operating loss from governmental activities accounted for in internal service funds	(332,712)
Net operating loss attributable to business-type activities	101,454
Interest revenue from governmental internal service funds	18,246
Transfers out from governmental internal service funds	(53,391)
Change in net position of governmental activities	\$ 12,666,346

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Revenues					
Property taxes	\$ 10,126,253	\$ 10,095,000	\$ 10,070,669	\$ (24,331)	\$ 9,783,344
Income taxes	8,000,000	10,000,000	11,252,147	1,252,147	9,217,674
Licenses and permits	241,325	401,544	418,412	16,868	373,098
Intergovernmental	5,116,486	6,131,129	6,824,753	693,624	6,636,974
Charges for services	1,276,259	1,309,427	1,253,986	(55,441)	1,240,254
Fines and forfeits	252,150	423,010	278,458	(144,552)	441,684
Donations	-	20,000	20,422	422	254
Investment income	204,000	160,000	79,146	(80,854)	120,140
Miscellaneous	147,455	454,379	492,061	37,682	1,591,010
Total revenues	25,363,928	28,994,489	30,690,054	1,695,565	29,404,432
Expenditures					
Current:					
Legislative - City Council	113,060	113,915	96,556	(17,359)	97,924
General government:					
Charter commission	2,500	2,500	-	(2,500)	675
City Manager	433,880	465,595	473,230	7,635	455,625
Finance	465,541	486,745	485,836	(909)	465,125
City Clerk	306,669	305,920	287,368	(18,552)	298,906
Management information services	360,819	362,628	313,244	(49,384)	332,055
Purchasing	123,257	124,119	117,568	(6,551)	113,338
City Treasurer	398,079	384,284	379,828	(4,456)	355,978
City income tax administration	215,172	182,542	169,424	(13,118)	165,599
City Assessor	423,890	476,909	467,957	(8,952)	407,138
City Clerk - Elections	136,800	107,335	107,256	(79)	141,794
City hall and grounds	419,346	502,250	417,389	(84,861)	311,200
City Attorney	624,627	674,096	649,578	(24,518)	585,318
Personnel	285,272	283,911	231,244	(52,667)	198,736
Unallocated	800,750	848,523	687,117	(161,406)	751,020
Administrative hearings bureau	186,160	168,584	123,460	(45,124)	92,505
Cemeteries	309,234	318,228	309,744	(8,484)	299,562
Total general government	5,491,996	5,694,169	5,220,243	(473,926)	4,974,574
Public safety:					
Police:					
General	10,730,184	10,766,143	10,116,259	(649,884)	9,887,158
Office of Highway Safety program	12,806	12,806	8,663	(4,143)	12,194
Consortium training	27,500	29,500	21,619	(7,881)	27,019
In-service training	7,000	3,923	4,802	879	5,456
Fire - suppression	5,131,500	5,730,088	6,266,261	536,173	4,668,733
Police and fire - unallocated	2,011,296	2,057,586	2,072,330	14,744	2,051,336
Total public safety	17,920,286	18,600,046	18,489,934	(110,112)	16,651,896

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CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Expenditures (concluded)					
Current (concluded):					
Public works:					
Sidewalk construction	\$ 43,065	\$ 51,964	\$ 28,425	\$ (23,539)	\$ 20,075
Drains at large	85,043	77,077	47,884	(29,193)	58,133
Street lighting	576,110	587,879	548,353	(39,526)	538,619
Weed control	103,743	100,475	74,140	(26,335)	81,985
Grounds maintenance	456,970	439,825	386,319	(53,506)	389,755
Tax property maintenance	238,246	316,172	263,940	(52,232)	212,164
Civic affairs	83,703	115,411	80,927	(34,484)	60,376
Reimbursements	(25,000)	(25,000)	(24,162)	(838)	(21,589)
Total public works	1,561,880	1,663,803	1,405,826	(257,977)	1,339,518
Culture and recreation:					
Forestry	588,607	613,044	473,315	(139,729)	362,921
Parks and recreation administration	286,640	292,688	287,985	(4,703)	299,982
Lt. Nixon Memorial pool	65,857	69,916	69,717	(199)	13,748
Parks and facilities maintenance	696,158	743,657	737,608	(6,049)	619,514
Historical district	11,673	11,988	10,891	(1,097)	9,729
Total culture and recreation	1,648,935	1,731,293	1,579,516	(151,777)	1,305,894
Community enrichment and development:					
Planning	224,224	227,170	219,959	(7,211)	259,250
Economic development	111,000	132,440	209,951	77,511	140,216
Diversity, equity and inclusion	248,702	252,859	250,295	(2,564)	165,929
Reimbursements	75,000	157,000	162,045	5,045	900,000
Total community enrichment and development	658,926	769,469	842,250	72,781	1,465,395
Debt service:					
Principal	64,436	700,181	60,584	(639,597)	58,745
Lease principal	-	-	129,685	129,685	58,745
Interest and fiscal charges	-	-	3,852	3,852	17,517
Total debt service	64,436	700,181	194,121	(506,060)	135,007
Total expenditures	27,459,519	29,272,876	27,828,446	(1,444,430)	25,970,208
Revenues over (under) expenditures	(2,095,591)	(278,387)	2,861,608	3,139,995	3,434,224
Other financing sources (uses)					
Sale of capital assets	-	-	-	-	120,894
Insurance recovery	17,975	19,490	49,843	30,353	26,189
Transfers in	1,927,750	5,000	6,387	1,387	4,393
Transfers out	(281,450)	(395,967)	(395,967)	-	(287,037)
Total other financing sources (uses)	1,664,275	(371,477)	(339,737)	31,740	(135,561)
Net change in fund balance	(431,316)	(649,864)	2,521,871	3,171,735	3,298,663
Fund balance, beginning of year	10,598,097	10,598,097	10,656,842	58,745	7,299,434
Fund balance, end of year	\$ 10,166,781	\$ 9,948,233	\$ 13,178,713	\$ 3,230,480	\$ 10,598,097

concluded.

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022				2021 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Revenues					
Intergovernmental	\$ 8,028,979	\$ 24,436,085	\$ 5,774,785	\$ (18,661,300)	\$ 4,899,406
Investment income	1,500	6,000	13,497	7,497	5,005
Miscellaneous	192,000	215,000	289,073	74,073	338,793
Total revenues	<u>8,222,479</u>	<u>24,657,085</u>	<u>6,077,355</u>	<u>(18,579,730)</u>	<u>5,243,204</u>
Expenditures					
Current -					
Public works:					
Street construction	1,618,287	2,070,339	2,178,506	108,167	3,701,024
Street maintenance	722,393	609,755	555,785	(53,970)	389,251
Traffic services	788,029	792,115	784,152	(7,963)	777,064
Winter maintenance	293,684	315,742	279,148	(36,594)	249,224
Trunkline maintenance	212,178	211,108	111,402	(99,706)	74,842
State highway construction	7,071,775	23,353,995	3,259,326	(20,094,669)	2,835,071
Reimbursements	(35,227)	(35,227)	(76,185)	(40,958)	(187,127)
Total expenditures	<u>10,671,119</u>	<u>27,317,827</u>	<u>7,092,134</u>	<u>(20,225,693)</u>	<u>7,839,349</u>
Revenues under expenditures	<u>(2,448,640)</u>	<u>(2,660,742)</u>	<u>(1,014,779)</u>	<u>1,645,963</u>	<u>(2,596,145)</u>
Other financing sources (uses)					
Transfers in	420,128	746,271	680,178	(66,093)	2,496,992
Transfers out	(713,947)	(696,672)	(696,672)	-	(619,897)
Total other financing sources (uses)	<u>(293,819)</u>	<u>49,599</u>	<u>(16,494)</u>	<u>(66,093)</u>	<u>1,877,095</u>
Net change in fund balance	<u>(2,742,459)</u>	<u>(2,611,143)</u>	<u>(1,031,273)</u>	<u>1,579,870</u>	<u>(719,050)</u>
Fund balance, beginning of year	<u>3,111,739</u>	<u>3,111,739</u>	<u>3,111,739</u>	<u>-</u>	<u>3,830,789</u>
Fund balance, end of year	<u>\$ 369,280</u>	<u>\$ 500,596</u>	<u>\$ 2,080,466</u>	<u>\$ 1,579,870</u>	<u>\$ 3,111,739</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - American Rescue Plan Act Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022				
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2021 Actual
Revenues					
Intergovernmental	\$ 16,017,651	\$ 200,000	\$ 161,865	\$ (38,135)	\$ -
Expenditures					
Current -					
Public safety -					
Contractual and other services	-	200,000	161,865	(38,135)	-
Revenues over expenditures	16,017,651	-	-	-	-
Other financing uses					
Transfers out	(1,882,250)	-	-	-	-
Net change in fund balance	14,135,401	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ 14,135,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Net Position - Proprietary Funds

June 30, 2022

	Enterprise Funds - Business-type Activities					Governmental Activities
	Sewage	Water	Parking Deck	Nonmajor Funds	Totals	Internal Service
Assets						
Current assets:						
Pooled cash and investments	\$ 14,402,425	\$ 22,085,496	\$ 515,852	\$ 474,188	\$ 37,477,961	\$ 2,565,437
Accounts receivable, net	1,500,280	3,190,856	32,295	-	4,723,431	39,286
Due from other funds	-	-	-	368	368	-
Inventories	-	341,817	-	-	341,817	-
Prepaid items	-	150	-	-	150	-
Restricted cash and cash equivalents - Cash on hand with agents	-	-	-	-	-	46,000
Total current assets	15,902,705	25,618,319	548,147	474,556	42,543,727	2,650,723
Noncurrent assets:						
Capital assets not being depreciated/amortized	635,918	58,369	7,060,843	1,682,727	9,437,857	-
Capital assets being depreciated/amortized, net	21,519,115	39,187,578	8,151,231	2,744,437	71,602,361	993,826
Total noncurrent assets	22,155,033	39,245,947	15,212,074	4,427,164	81,040,218	993,826
Total assets	38,057,738	64,864,266	15,760,221	4,901,720	123,583,945	3,644,549
Deferred outflows of resources						
Deferred pension amounts	49,988	88,284	-	-	138,272	-
Deferred OPEB amounts	21,648	28,319	-	-	49,967	-
Total deferred outflows of resources	71,636	116,603	-	-	188,239	-
Liabilities						
Current liabilities:						
Accounts payable	188,405	674,998	2,134	6,783	872,320	64,321
Accrued payroll	68,718	106,423	-	3,002	178,143	34,994
Estimated claims payable	-	-	-	-	-	113,235
Customer deposits	-	215,550	-	-	215,550	-
Current portion of:						
Leases liability	16,085	24,794	-	-	40,879	30,069
Accrued compensated absences	7,907	26,528	-	-	34,435	-
Installment purchase agreement	-	-	-	-	-	146,210
Total current liabilities	281,115	1,048,293	2,134	9,785	1,341,327	388,829
Noncurrent liabilities:						
Leases liability, net of current portion	47,565	60,679	-	-	108,244	61,728
Accrued compensated absences, net of current portion	81,267	212,172	-	-	293,439	-
Installment purchase agreement, net of current portion	-	-	-	-	-	264,996
Net pension liability	278,811	492,410	-	-	771,221	-
Net OPEB liability	6,102,063	7,982,392	-	-	14,084,455	-
Total noncurrent liabilities	6,509,706	8,747,653	-	-	15,257,359	326,724
Total liabilities	6,790,821	9,795,946	2,134	9,785	16,598,686	715,553
Deferred inflows of resources						
Deferred pension amounts	13,062	23,070	-	-	36,132	-
Deferred OPEB amounts	412,359	539,426	-	-	951,785	-
Total deferred inflows of resources	425,421	562,496	-	-	987,917	-
Net position						
Net investment in capital assets	22,091,383	39,160,474	15,212,074	4,427,164	80,891,095	490,823
Unrestricted	8,821,749	15,461,953	546,013	464,771	25,294,486	2,438,173
Total net position	\$ 30,913,132	\$ 54,622,427	\$ 15,758,087	\$ 4,891,935	\$ 106,185,581	\$ 2,928,996

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
June 30, 2022

Net position - enterprise funds	\$ 106,185,581
<p>Amounts reported for <i>business-type activities</i> in the statement of net position are different because:</p>	
<p>Internal service funds are used by management to charge the costs of certain equipment usage, insurance, and other centralized costs to individual enterprise funds. A portion of the net position of the internal service funds attributable to these charges are included in business-type activities in the statement of net position.</p>	
	<u>(380,315)</u>
Net position of business-type activities	<u>\$ 105,805,266</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2022

	Enterprise Funds - Business-type Activities					Governmental Activities
	Sewage	Water	Parking Deck	Nonmajor Funds	Totals	Internal Service
Operating revenues						
Charges for sales and services	\$ 6,702,321	\$ 12,666,881	\$ 7,920	\$ 123,881	\$ 19,501,003	\$ 5,933,684
Other	103,589	156,588	-	29,820	289,997	1,079,708
Total operating revenues	6,805,910	12,823,469	7,920	153,701	19,791,000	7,013,392
Operating expenses						
Personnel services	2,964,160	1,204,251	-	44,232	4,212,643	776,869
Administration	-	-	-	-	-	137,317
Materials and supplies	301,024	1,301,317	-	124	1,602,465	401,583
Contractual and other services	2,067,171	1,159,182	19,211	133,801	3,379,365	5,513,573
Benefit payments	-	-	-	-	-	292,893
Depreciation/amortization	1,234,982	1,121,744	262,942	144,970	2,764,638	223,869
Total operating expenses	6,567,337	4,786,494	282,153	323,127	11,959,111	7,346,104
Operating income (loss)	238,573	8,036,975	(274,233)	(169,426)	7,831,889	(332,712)
Nonoperating revenues						
Intergovernmental	227,112	230,941	-	-	458,053	-
Investment income	68,051	98,907	5,614	2,561	175,133	18,246
Total nonoperating revenues	295,163	329,848	5,614	2,561	633,186	18,246
Income (loss) before transfers	533,736	8,366,823	(268,619)	(166,865)	8,465,075	(314,466)
Transfers in	-	291,549	-	173,855	465,404	-
Transfers out	(513,194)	(608,946)	-	(197,338)	(1,319,478)	(53,391)
Change in net position	20,542	8,049,426	(268,619)	(190,348)	7,611,001	(367,857)
Net position, beginning of year	30,892,590	46,573,001	16,026,706	5,082,283	98,574,580	3,296,853
Net position, end of year	\$ 30,913,132	\$ 54,622,427	\$ 15,758,087	\$ 4,891,935	\$ 106,185,581	\$ 2,928,996

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Fiscal Year Ended June 30, 2022

Net change in net position - total enterprise funds \$ 7,611,001

Amounts reported for *business-type activities* in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain activities, such as equipment usage, insurance, and other centralized costs, to individual funds. A portion of the net operating loss attributable to those funds is reported with business-type activities.

(101,454)

Change in net position of business-type activities \$ 7,509,547

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds - Business-type Activities					Governmental Activities
	Sewage	Water	Parking Deck	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities						
Receipts from customers and users	\$ 6,914,515	\$ 12,613,531	\$ 48,201	\$ 153,623	\$ 19,729,870	\$ -
Receipts for interfund services provided	-	-	-	-	-	6,991,093
Payments to employees	(1,493,035)	(4,075,164)	-	(44,232)	(5,612,431)	(767,895)
Payments to vendors and claimants	(2,416,108)	(2,542,158)	(19,577)	(129,960)	(5,107,803)	(6,317,349)
Net cash provided by (used in) operating activities	<u>3,005,372</u>	<u>5,996,209</u>	<u>28,624</u>	<u>(20,569)</u>	<u>9,009,636</u>	<u>(94,151)</u>
Cash flows from noncapital financing activities						
Intergovernmental revenue	227,112	230,941	-	-	458,053	-
Transfers in	-	291,549	-	173,855	465,404	-
Transfers out	(513,194)	(608,946)	-	(197,338)	(1,319,478)	(53,391)
Net cash used in noncapital financing activities	<u>(286,082)</u>	<u>(86,456)</u>	<u>-</u>	<u>(23,483)</u>	<u>(396,021)</u>	<u>(53,391)</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(2,537,751)	(2,654,320)	-	-	(5,192,071)	-
Principal paid on long-term debt	-	-	-	-	-	(142,349)
Principal paid on leases payable	(10,577)	(23,768)	-	-	(34,345)	(28,879)
Repayment received from advances to other funds	-	-	-	-	-	419,367
Net cash provided by (used in) capital and related financing activities	<u>(2,548,328)</u>	<u>(2,678,088)</u>	<u>-</u>	<u>-</u>	<u>(5,226,416)</u>	<u>248,139</u>
Cash flows from investing activities						
Interest received on investments	68,051	98,907	5,614	2,561	175,133	18,246
Net change in cash and cash equivalents	<u>239,013</u>	<u>3,330,572</u>	<u>34,238</u>	<u>(41,491)</u>	<u>3,562,332</u>	<u>118,843</u>
Cash and cash equivalents, beginning of year	<u>14,163,412</u>	<u>18,754,924</u>	<u>481,614</u>	<u>515,679</u>	<u>33,915,629</u>	<u>2,492,594</u>
Cash and cash equivalents, end of year	<u>\$ 14,402,425</u>	<u>\$ 22,085,496</u>	<u>\$ 515,852</u>	<u>\$ 474,188</u>	<u>\$ 37,477,961</u>	<u>\$ 2,611,437</u>
Classified on the statement of net position as:						
Pooled cash and investments	\$ 14,402,425	\$ 22,085,496	\$ 515,852	\$ 474,188	\$ 37,477,961	\$ 2,565,437
Restricted cash and cash equivalents	-	-	-	-	-	46,000
	<u>\$ 14,402,425</u>	<u>\$ 22,085,496</u>	<u>\$ 515,852</u>	<u>\$ 474,188</u>	<u>\$ 37,477,961</u>	<u>\$ 2,611,437</u>

continued...

CITY OF JACKSON, MICHIGAN

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds - Business-type Activities					Governmental Activities
	Sewage	Water	Parking Deck	Nonmajor Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 238,573	\$ 8,036,975	\$ (274,233)	\$ (169,426)	\$ 7,831,889	\$ (332,712)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization	1,234,982	1,121,744	262,942	144,970	2,764,638	223,869
Change in operating assets and liabilities that provided (used) cash:						
Accounts receivable, net	108,605	(205,388)	40,281	290	(56,212)	(22,299)
Due from other funds	-	-	-	(368)	(368)	-
Inventories	-	(74,569)	-	-	(74,569)	-
Prepaid items	-	755	-	-	755	-
Deferred outflows of resources - pension	(26,919)	(47,224)	-	-	(74,143)	-
Deferred outflows of resources - OPEB	(7,897)	2,718	-	-	(5,179)	-
Accounts payable	(47,913)	(7,845)	(366)	5,313	(50,811)	(10,814)
Accrued payroll	19,293	26,794	-	1,787	47,874	8,974
Customer deposits	-	(4,550)	-	-	(4,550)	-
Unearned revenue	-	-	-	(3,135)	(3,135)	-
Estimate claims payable	-	-	-	-	-	38,831
Accrued compensated absences	10,189	29,979	-	-	40,168	-
Net pension liability	150,398	263,856	-	-	414,254	-
Net OPEB liability	1,166,055	(3,158,604)	-	-	(1,992,549)	-
Deferred inflows of resources - pension	(87,806)	(156,461)	-	-	(244,267)	-
Deferred inflows of resources - OPEB	247,812	168,029	-	-	415,841	-
Net cash provided by (used in) operating activities	\$ 3,005,372	\$ 5,996,209	\$ 28,624	\$ (20,569)	\$ 9,009,636	\$ (94,151)

concluded.

Non-cash item: Capital assets acquired through leases payable in the amount of \$28,799.

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Fiduciary Net Position - Fiduciary Funds

June 30, 2022

	Pension and Other Employee Benefits Trust Funds	Custodial Funds
Assets		
Pooled cash and investments	\$ 679,060	\$ 20,450
Investments, at fair value:		
U.S. treasuries	3,257,317	-
Municipal bonds	73,026	-
Corporate bonds:		
Domestic bonds	4,520,623	-
Domestic mutual funds	24,838,405	-
Equities:		
Domestic stocks	5,454,343	-
Domestic mutual funds	40,182,971	-
International mutual funds	15,231,259	-
Money market funds	7,266,127	-
Receivables -		
Interest, dividends, and other	11,236	-
Total assets	<u>101,514,367</u>	<u>20,450</u>
Liabilities		
Due to other governments	-	20,450
Refunds payable and other liabilities	467,565	-
Total liabilities	<u>467,565</u>	<u>20,450</u>
Net position		
Restricted for pension	96,266,913	-
Restricted for other employee benefits	4,779,889	-
Total net position	<u>\$ 101,046,802</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Fiscal Year Ended June 30, 2022

	Pension and Other Employee Benefits Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer	\$ 10,300,260	\$ -
Plan members	1,258,117	-
Total contributions	<u>11,558,377</u>	<u>-</u>
Investment income (loss):		
Net change in fair value of investments	(13,896,824)	-
Interest	342,768	-
Dividends	1,344,915	-
Total investment loss	<u>(12,209,141)</u>	<u>-</u>
Less investment expense	<u>380,962</u>	<u>-</u>
Net investment loss	(12,590,103)	-
Taxes collected for other governments	<u>-</u>	<u>26,826,498</u>
Total additions (excess of net investment loss over contributions)	<u>(1,031,726)</u>	<u>26,826,498</u>
Deductions		
Benefits	12,650,699	-
Refunds of contributions	145,590	-
Administrative expense	130,428	-
Payments of taxes to other governments	<u>-</u>	<u>26,826,498</u>
Total deductions	<u>12,926,717</u>	<u>26,826,498</u>
Change in net position	(13,958,443)	-
Net position, beginning of year	<u>115,005,245</u>	<u>-</u>
Net position, end of year	<u>\$ 101,046,802</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JACKSON, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2022

	Brownfield Redevelopment Authority	MLK Corridor Improvement Authority	Downtown Development Authority	Totals
Assets				
Pooled cash and investments	\$ 1,422,370	\$ 16,191	\$ 348,624	\$ 1,787,185
Receivables, net	-	-	53,835	53,835
Total assets	<u>1,422,370</u>	<u>16,191</u>	<u>402,459</u>	<u>1,841,020</u>
Liabilities				
Accounts payable and accrued liabilities	13,992	16,191	12,747	42,930
Unearned revenue	-	-	158,102	158,102
Total liabilities	<u>13,992</u>	<u>16,191</u>	<u>170,849</u>	<u>201,032</u>
Net position				
Unrestricted	<u>1,408,378</u>	<u>-</u>	<u>231,610</u>	<u>1,639,988</u>
Total net position	<u>\$ 1,408,378</u>	<u>\$ -</u>	<u>\$ 231,610</u>	<u>\$ 1,639,988</u>

The accompanying notes are an integral part of these basic financial statements.

CITY OF JACKSON, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units

For the Year Ended June 30, 2022

	Brownfield Redevelopment Authority	MLK Corridor Improvement Authority	Downtown Development Authority	Totals
Expenses				
Brownfield Redevelopment Authority	\$ 1,444,191	\$ -	\$ -	\$ 1,444,191
MLK Corridor Improvement Authority	-	97,045	-	97,045
Downtown Development Authority	-	-	273,867	273,867
Total expenses	<u>1,444,191</u>	<u>97,045</u>	<u>273,867</u>	<u>1,815,103</u>
Program revenues				
Charges for services	-	-	218,063	218,063
Operating grants and contributions	-	-	25,000	25,000
Total program revenues	<u>-</u>	<u>-</u>	<u>243,063</u>	<u>243,063</u>
Net program expenses	<u>(1,444,191)</u>	<u>(97,045)</u>	<u>(30,804)</u>	<u>(1,572,040)</u>
General revenues				
Property taxes	1,510,059	-	90,500	1,600,559
Grants and contributions not restricted to specific purposes	-	97,045	2,525	99,570
Unrestricted interest earnings	5,995	-	968	6,963
Total general revenues	<u>1,516,054</u>	<u>97,045</u>	<u>93,993</u>	<u>1,707,092</u>
Change in net position	71,863	-	63,189	135,052
Net position, beginning of year	<u>1,336,515</u>	<u>-</u>	<u>168,421</u>	<u>1,504,936</u>
Net position, end of year	<u>\$ 1,408,378</u>	<u>\$ -</u>	<u>\$ 231,610</u>	<u>\$ 1,639,988</u>

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO FINANCIAL STATEMENTS

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jackson, Michigan (the "City") was incorporated in 1857 and is the seat of Jackson County. The City operates under a Council-Manager form of government and provides the following services: legislative, general government, public safety, public works, culture and recreation, community enrichment and development, sewer, water, and parking system.

The financial statements of the City of Jackson, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each blended or discretely presented component unit has a June 30 fiscal year end.

Blended Component Unit

Blended component units, although legally separate entities, are essentially part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

City of Jackson Building Authority - All Board Members of the City of Jackson Building Authority are selected by the City Council and the annual budget is approved by the City Council. Proceeds from a limited-tax full faith and credit general obligation bond issue are used to finance certain improvements and renovations in City Hall. The Authority's activity is presented in the capital projects and debt service funds.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component units, each with a June 30 fiscal year end, are as follows:

City of Jackson Brownfield Redevelopment Authority - The Brownfield Redevelopment Authority was established by the City to facilitate the revitalization of environmentally distressed areas utilizing tax increment financing. The majority of Board members are appointed by the Mayor and subject to City Council approval. The City has the ability to significantly influence operations and has accountability for financial matters. Separate financial statements are not prepared. The Authority uses governmental fund type accounting and is reported in a separate column. The Brownfield Redevelopment Authority is accounted for as a capital projects fund.

City of Jackson MLK Corridor Improvement Authority - The MLK Corridor Improvement Authority was established by the City to account for the receipt and expenditure of tax increments based on the captured assessed value of property within the MLK Corridor Improvement Area, as well as other related revenues and expenditures. The majority of Board members are appointed by the mayor, subject to approval by the city council. The City has the ability to significantly influence operations and has accountability for financial matters. Separate financial statements are not prepared. The Authority uses governmental fund type accounting and is reported in a separate column.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

City of Jackson Downtown Development Authority – The Downtown Development Authority is responsible for directing improvements in a taxing district within the City. The Mayor appoints the members of the Authority’s governing board, subject to City Council approval. The City has the ability to significantly influence operations and has accountability for financial matters. The Authority uses governmental fund type accounting and is reported in a separate column.

Complete financial statements of the Downtown Development Authority may be obtained from the City of Jackson Downtown Development Authority, 212 W. Michigan Avenue, Jackson, Michigan 49201.

Fiduciary Component Units

City of Jackson Employees Retirement System – The City of Jackson Employees Retirement System was established by City Ordinance which provided that the general administration and responsibility for the operation of the Employees Retirement System is vested in a thirteen member Board of Trustees, the majority of whom are appointed by the City Council or serve on the Board due to their positions held in the City and four members who are elected by active members of the Employees Retirement System. The Employees Retirement System is a defined benefit plan that covers all eligible employees of the City of Jackson, except police officers and firefighters that are members of the City of Jackson Act 345 Police and Fire Retirement System. Funding for the Employees Retirement System is provided by the City and active employees. The Employees Retirement System is included in these statements as a fiduciary fund.

City of Jackson Policemen’s and Firemen’s Pension Fund – The City of Jackson Policemen’s and Firemen’s Pension Fund was established by Charter Amendment which provided that the general administration and responsibility for the operation of the Policemen’s and Firemen’s Pension Fund is vested in a five member Board of Trustees. Three of the members serve on the Board due to their positions held in the City. Two members (one each from the police department and fire department) are elected to serve by members of the City of Jackson Act 345 Police and Fire Retirement System. This plan closed to new entrants on June 30, 1973 and shares its Board with the City of Jackson Act 345 Police and Fire Retirement System. Funding for the Policemen’s and Firemen’s Pension Fund is primarily provided by the City. The Policemen’s and Firemen’s Pension Fund is included in these statements as a fiduciary fund.

City of Jackson Act 345 Police and Fire Retirement System – The City of Jackson Act 345 Police and Fire Retirement System was established by the State of Michigan and adopted by the City of Jackson which provided that the general administration and responsibility for the operation of the Act 345 Police and Fire Retirement System is vested in a five member Board of trustees. Three of the members serve on the Board due to their positions held in the City. Two members (one each from the police department and fire department) are elected to serve by active members of the Act 345 Police and Fire Retirement System. This plan shares its Board with the City of Jackson Policemen’s and Firemen’s Pension Fund. The Act 345 Police and Fire Retirement System is a defined benefit plan that covers all eligible employees hired after June 30, 1973. Funding for the Act 345 Police and Fire Retirement System is provided by the City via a tax levy and employee contributions. The Act 345 Police and Fire Retirement System is included in these statements as a fiduciary fund.

City of Jackson Public Employee Health Care Fund – The City of Jackson Public Employee Health Care Fund was adopted and established by City Council resolution which provided for the Michigan Employee’s Retirement System to act as Retiree Health Funding Vehicle (RHFV) Investment Fiduciary and Trustee and the City’s Finance Director to act as its coordinator. The Public Employee Health Care Fund is an investment fund to provide postemployment healthcare benefits to eligible full-time employees hired prior to 2012. Funding for the Public Employee Health Care fund is not required in advance. The Public Employee Health Care fund is included in these statements as a fiduciary fund.

Basis of Presentation

Government-wide and Fund Financial Statements

Government-wide Financial Statements. The statements of net position and activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for 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 City's *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – *governmental, proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Governmental Fund Financial Statements. Governmental fund financial statements 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. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period, except for reimbursement-based grants which must be collected within one year. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

Major streets special revenue fund. This fund is used to control the expenditures of motor fuel taxes which are earmarked by law for major street and highway purposes.

American Rescue Plan Act special revenue fund. This fund is used to account for the receipt and expenditure of funds from the American Rescue Plan Act of 2021, approved by Congress and signed by the President on March 11, 2021. The basic intent of this Act was to speed up the nations' recovery from the economic and health effects of the COVID-19 pandemic and ongoing recession.

Special assessment capital projects fund. This fund accounts for public improvement expenditures deemed to benefit only the properties against which the special assessments are levied.

Downtown Development Authority project fund. This fund is used to account for the receipt and expenditure of tax increments based on the captured assessed value of property within the amended development area.

The City reports the following major enterprise funds:

Sewage enterprise fund. This fund accounts for the activities of the City's sewage disposal and sewage treatment systems.

Water enterprise fund. This fund accounts for the operations of the City's water distribution and water treatment systems.

Parking deck enterprise fund. This fund accounts for the operations of the City's East and West parking deck structures as well as surface parking constructed on Water Street.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Additionally, the City reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets that are not being financed by proprietary funds.

The *permanent funds* account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

The *enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* are proprietary funds used to account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis.

The *custodial funds* account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Custodial funds account for property tax collections.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The City Treasurer maintains a cash management pool that is used by all funds and component units of the government, except for the pension trust funds and the downtown development authority component unit. In addition to their participation in the cash management pool, certain funds and component units also have separate checking accounts. The cash management pool has the general characteristics of a demand deposit account in that deposits and withdrawals may be made at any time without prior notice or penalty. Accordingly, each fund's portion of this pool, along with any amounts in separate demand deposit accounts, is reported as "pooled cash and investments".

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension and other employee benefits trust funds to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on investments due to changes in fair value are recognized each year.

Receivables and Payables

All trade and delinquent property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds, with the exception of the major streets and the Ella W. Sharp Park operating special revenue funds, are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items when purchased in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$25,000 (except for motor pool capital assets which use a \$5,000 threshold) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Years
Public domain infrastructure	16-50
Land improvements	50
Buildings and improvements	50
Park and recreation facilities	50
Machinery and equipment	5-15
Water and sewage systems	10-50

Deferred Outflows of Resources

In addition to assets, the statement of net 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. A 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 or refunding debt. The City also reports deferred outflows of resources related to the net pension and other postemployment benefit liabilities.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees are also permitted to accumulate earned but unused sick leave. All vacation and compensatory time pay and 50 percent of sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

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 assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources related to pension and other postemployment benefit liabilities. Finally, the statements of net position and governmental funds balance sheets report deferred inflows related to leases. These amounts are deferred and amortized over the remaining life of the lease.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Fund Balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. Authority rests with the City Council to assign fund balances. Assigned fund balances are reported in instances where the City Council has authorized for the making of such assignments. The general fund is the only fund that reports a positive unassigned fund balance amount. Governmental funds other than the general fund may find it necessary to report a negative unassigned fund balance if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to that purpose. Unassigned fund balance is the residual classification used only for the general fund and any deficits reported in other governmental funds. The City Council adopted a fund balance policy in December 2012, as recommended by the Government Finance Officers Association. This adopted policy prescribes a minimum 15% fund balance with a desired fund balance level of 30% within the general fund and also provides timeframes that the City would have to "replenish" fund balance and attain these higher levels.

When the government incurs expenditures for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned and finally unassigned fund balance.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end, except for those approved by the City Council for carry forward. The City Council requires the City Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year in May. The City Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the City defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded.

An operating budget is adopted each fiscal year for the general and special revenue funds on a basis consistent with GAAP. Budgets are legally required for the general and special revenue funds. Budgetary control is exercised at the activity level, an office or department to which specific expenditures/expenses are to be allocated, within the general fund and the community development block grant special revenue fund, and on the program/function level for all other special revenue funds. Accordingly, financial statement presentation is made on this basis. A City Council resolution is required to increase activity budget amounts within the general fund and the community development block grant special revenue fund and any supplemental appropriations that increase the total expenditures of any other fund. Management can make budget transfers between line items within an activity for the general fund and the community development block grant special revenue fund and between line items for the fund as a whole for other funds.

Council reported budgeted amounts are as originally adopted or as amended by department revision or resolution. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2022, the City incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General fund			
Current:			
General government -			
City Manager	\$ 465,595	\$ 473,230	\$ 7,635
Public safety:			
Police -			
In-service training	3,923	4,802	879
Fire - suppression	5,730,088	6,266,261	536,173
Police and fire - unallocated	2,057,586	2,072,330	14,744
Community enrichment and development:			
Economic development	132,440	209,951	77,511
Reimbursements	157,000	162,045	5,045
Debt service -			
Principal - leases	-	129,685	129,685
Interest and fiscal charges	-	3,852	3,852
Special revenue funds:			
Ella W. Sharp Park Operating Fund	888,611	897,086	8,475
Public Improvement Fund	1,135,019	1,250,613	115,594
Building Demolitions Fund	294,156	337,456	43,300
Drug Law Enforcement Fund	18,247	19,299	1,052
Recreation Activity Fund	129,859	176,421	46,562
Housing Code Enforcement Fund	1,075,848	1,085,397	9,549
Cortland Street Redevelopment Projects Fund	25,587	40,020	14,433
Project Safe Neighborhood Grant Fund	55,901	57,189	1,288

4. FUND DEFICITS

At June 30, 2022, the special assessment capital projects fund had a fund deficit of \$1,570,952. This deficit will be eliminated as deferred special assessments become due.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Summary of Deposit and Investment Balances. Following is a reconciliation of deposit and investment balances as of June 30, 2022:

	Primary Government	Component Units	Total
Statement of Net Position			
Pooled cash and investments	\$ 74,878,962	\$ 1,787,185	\$ 76,666,147
Restricted cash:			
Cash on hand with agents	46,000	-	46,000
Pooled cash and investments	3,460,334	-	3,460,334
Statement of Fiduciary Net Position			
Pooled cash and investments	699,510	-	699,510
Investments – pension and other employee benefits	100,824,071	-	100,824,071
Total	\$ 179,908,877	\$ 1,787,185	\$ 181,696,062
Deposits and investments:			
Bank deposits (checking, savings, money market accounts, and certificates of deposit)			\$ 79,204,507
Investments in securities and mutual funds:			
Cash and investment pool			1,605,789
Pension and other employee benefits trust funds			100,824,071
Cash on hand with agents			46,000
Cash on hand			15,695
Total			\$ 181,696,062

Deposits and Investments – Cash and Investment Pool

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2022, \$72,995,046 of the City's total bank balance of \$79,857,666 (total book balance was \$79,204,507) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the City's investments as of June 30, 2022:

Michigan CLASS Investment Fund	\$ 1,587,954
Domestic equities	<u>17,835</u>
Total	<u>\$ 1,605,789</u>

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2022, none of the City's investments, excluding the money market accounts which are not subject to custodial credit risk, were exposed to risk since the securities are held in the City's name by the counterparty.

Credit Risk. As of June 30, 2022, the City's investments in Michigan CLASS were rated AAAM by Standard & Poor's. The City also held investments in money market accounts, which are not rated. The City's investment policy does not have specific limits in excess of state law on investment credit risk.

Concentration of Credit Risk. The City's investment policy does not address this risk. At June 30, 2022, there were no concentrations in securities of any one issuer greater than 5% of investment fair value.

Interest Rate Risk. The Michigan CLASS investment fund, domestic equities, and money market accounts are not subject to interest rate risk disclosures.

The City's investment policy does not address interest rate risk.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the City.

As of June 30, 2022, the recurring fair value measurements for the City's investments in the domestic equities were classified as Level 1.

The investments in the Michigan CLASS government investment pool are not categorized as they are measured at net asset value per share or its equivalent.

Investments in Entities that Calculate Net Asset Value per Share. The City holds share in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

At year end, the net asset value of the City's investment in Michigan CLASS was \$1,587,954. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Deposits and Investments – Pension and Other Employee Benefits Trust Funds

The City maintains three pension trust funds (see Note 18) and one other employee benefits trust fund (see Note 19) where deposits and investments are maintained separately from the City's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension and other employee benefits trust funds' deposits and investments are presented separately.

Deposits - The pension and other employee benefits trust funds do not maintain any checking or other demand/time deposit accounts.

Investments - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension and other employee benefit trusts to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Boards have the responsibility and authority to oversee the respective investment portfolios. Various professional investment managers are contracted to assist in managing the trust funds' assets. All investment decisions are subject to Michigan law and the investment policy established by each respective Retirement Board.

The pension and other employee benefits trust funds' investments are held in various financial institution or bank-administered trusts. Following is a summary of the funds' investments as of June 30, 2022:

Investments at fair value, as determined by

quoted market price:

U.S. treasuries	\$ 3,257,317
Municipal bonds	73,026
Corporate bonds:	
Domestic bonds	4,520,623
Domestic mutual funds	24,838,405
Equities:	
Domestic stocks	5,454,343
Domestic mutual funds	40,182,971
International mutual funds	15,231,259
Money market funds	7,266,127

Total investments

\$ 100,824,071

Credit Risk. The pension and other employee benefits trust funds' investment policy provides that its investments in fixed income securities should have an investment grade rating by two nationally recognized statistical rating organizations.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

The pension and other employee benefits trust funds' investments in domestic corporate bonds and municipal bonds were rated by Standard & Poor's ("S&P") and Moody's, as follows:

Rating		Amount
Moody's	S&P	
N/A	AAA	\$ 1,432,431
N/A	A+	127,602
N/A	A	328,691
N/A	A-	371,316
N/A	BBB+	167,997
N/A	BBB	611,050
N/A	BBB-	754,426
N/A	BB+	107,583
N/A	BB-	152,460
Aaa	N/A	<u>540,093</u>
Totals		<u>\$ 4,593,649</u>

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension and other employee benefits trust funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The pension and other employee benefits trust funds' investment policy requires that investment securities be held in trust by a third-party institution in each fund's name. As such, although uninsured and unregistered, the pension and other employee benefits trust funds' investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in each funds' name.

Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. The pension and other employee benefits trust funds' investment policies require that the securities of any one company or government agency should not exceed 5% of the total investment fair value of each individual pension and other employee benefit trust fund. At June 30, 2022, there were no concentrations in securities of any one issuer greater than 5% of investment fair value.

Interest Rate Risk. As of June 30, 2022, maturities of debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. treasuries	\$ 3,257,317	\$ -	\$ 2,537,036	\$ 720,281	\$ -
Municipal bonds	73,026	-	-	73,026	-
Domestic corporate bonds:					
Asset backed securities	1,882,334	-	511,894	79,903	1,290,537
Corporate bonds	<u>2,638,289</u>	-	<u>1,419,903</u>	<u>994,097</u>	<u>224,289</u>
	<u>\$ 7,850,966</u>	<u>\$ -</u>	<u>\$ 4,468,833</u>	<u>\$ 1,867,307</u>	<u>\$ 1,514,826</u>

The pension and other employee benefits trust funds' investment policies do not address interest rate risk.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Fair Value Measurements. The pension and other employee benefits trust funds categorize categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the City's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary.

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 3,257,317	\$ -	\$ 3,257,317
Municipal bonds	-	73,026	-	73,026
Corporate bonds:				
Domestic bonds	-	4,520,623	-	4,520,623
Domestic mutual funds	-	24,838,405	-	24,838,405
Equities:				
Domestic stocks	5,454,343	-	-	5,454,343
Domestic mutual funds	40,182,971	-	-	40,182,971
International mutual funds	15,231,259	-	-	15,231,259
Money market funds	7,266,127	-	-	7,266,127
Total investments	\$ 68,134,700	\$ 32,689,371	\$ -	\$ 100,824,071

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the City's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

6. RECEIVABLES

Receivables are comprised of the following at year end:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivable	\$ 4,231,325	\$ 4,748,871	\$ -
Allowance for uncollectible amounts	(3,227,443)	(25,440)	-
Taxes receivable	2,329,334	-	-
Allowance for uncollectible amounts	(24,081)	-	-
Notes receivable	-	-	53,835
Special assessment receivables	3,763,410	-	-
Leases receivable	4,582,244	-	-
Due from other governments	1,682,806	-	-
	<u>\$ 13,337,595</u>	<u>\$ 4,723,431</u>	<u>\$ 53,835</u>
Amount not expected to be collected within one year	<u>\$ 6,845,656</u>	<u>\$ -</u>	<u>\$ 48,055</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

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

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	\$ 2,395,280	\$ -	\$ -	\$ -	\$ 2,395,280
Construction in progress	1,962,387	-	-	-	1,962,387
	<u>4,357,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,357,667</u>
Capital assets being depreciated/amortized:					
Infrastructure	196,771,560	6,501,637	-	-	203,273,197
Land improvements	15,837,686	-	-	-	15,837,686
Buildings and improvements	17,206,598	620,423	-	-	17,827,021
Park and recreation facilities	14,194,866	97,207	-	-	14,292,073
Machinery and equipment	15,422,592	755,722	185,987	-	15,992,327
Leased vehicles	539,688	-	-	-	539,688
	<u>259,972,990</u>	<u>7,974,989</u>	<u>185,987</u>	<u>-</u>	<u>267,761,992</u>
Less accumulated depreciation/amortization for:					
Infrastructure	122,964,156	4,847,611	-	-	127,811,767
Land improvements	5,359,604	316,755	-	-	5,676,359
Buildings and improvements	7,941,804	302,026	-	-	8,243,830
Park and recreation facilities	6,340,851	221,797	-	-	6,562,648
Machinery and equipment	13,211,027	597,102	185,987	-	13,622,142
Leased vehicles	-	165,606	-	-	165,606
	<u>155,817,442</u>	<u>6,450,897</u>	<u>185,987</u>	<u>-</u>	<u>162,082,352</u>
Total capital assets being depreciated/amortized, net	<u>104,155,548</u>	<u>1,524,092</u>	<u>-</u>	<u>-</u>	<u>105,679,640</u>
Governmental activities capital assets, net	<u>\$ 108,513,215</u>	<u>\$ 1,524,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,037,307</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated/amortized:					
Land	\$ 8,956,886	\$ -	\$ -	\$ -	\$ 8,956,886
Construction in progress	1,077,692	480,971	-	(1,077,692)	480,971
	<u>10,034,578</u>	<u>480,971</u>	<u>-</u>	<u>(1,077,692)</u>	<u>9,437,857</u>
Capital assets being depreciated/amortized:					
Systems	101,670,252	4,270,178	1,433,118	1,068,401	105,575,713
Land improvements	5,832,493	-	-	-	5,832,493
Buildings and improvements	14,044,430	-	-	-	14,044,430
Machinery and equipment	17,500,590	440,922	-	9,291	17,950,803
Leased vehicles	154,669	28,799	-	-	183,468
	<u>139,202,434</u>	<u>4,739,899</u>	<u>1,433,118</u>	<u>1,077,692</u>	<u>143,586,907</u>
Less accumulated depreciation/amortization for:					
Systems	52,495,970	1,702,420	1,433,118	-	52,765,272
Land improvements	1,897,569	180,428	-	-	2,077,997
Buildings and improvements	4,486,914	275,439	-	-	4,762,353
Machinery and equipment	11,772,573	568,316	-	-	12,340,889
Leased vehicles	-	38,035	-	-	38,035
	<u>70,653,026</u>	<u>2,764,638</u>	<u>1,433,118</u>	<u>-</u>	<u>71,984,546</u>
Total capital assets being depreciated/amortized, net	<u>68,549,408</u>	<u>1,975,261</u>	<u>-</u>	<u>1,077,692</u>	<u>71,602,361</u>
Business-type activities					
capital assets, net	<u>\$ 78,583,986</u>	<u>\$ 2,456,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,040,218</u>

* The City implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leased assets have been added to the beginning balances shown above and a corresponding lease payable has been recorded for the same amount.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 240,813
Public safety	529,629
Public works, including depreciation of general infrastructure assets	4,914,386
Culture and recreation	247,875
Community enrichment and development	294,325
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>223,869</u>
Total depreciation expense - governmental activities	<u>\$ 6,450,897</u>
Business-type activities	
Sewage	\$ 1,234,982
Water	1,121,744
Parking deck	262,942
Nonmajor enterprise funds	<u>144,970</u>
Total depreciation expense - business-type activities	<u>\$ 2,764,638</u>

There were no outstanding construction commitments at June 30, 2022.

8. LEASES

Lessee - The City is involved in an agreement for 42 vehicles as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the City will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

Remaining Term of Agreements

Asset Type	
Vehicles	1-5 years

The assets acquired through the lease are summarized as follows:

	Governmental Activities	Business-type Activities
Equipment	\$ 539,688	\$ 183,468
Less accumulated amortization	<u>(165,606)</u>	<u>(38,035)</u>
Net book value	<u>\$ 374,082</u>	<u>\$ 145,433</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of June 30, 2022, were as follows:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 166,287	\$ 11,865	\$ 40,879	\$ 5,889
2024	122,302	5,287	42,731	4,037
2025	54,306	1,385	37,676	2,181
2026	10,557	78	21,342	834
2027	-	-	6,495	221
Total	\$ 353,452	\$ 18,615	\$ 149,123	\$ 13,162

Lease liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance *	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Leases payable	\$ 539,688	\$ -	\$ (186,236)	\$ 353,452	\$ 166,287
Business-type activities					
Leases payable	\$ 154,669	\$ 28,799	\$ (34,345)	\$ 149,123	\$ 40,879

* The City implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

Lessor - The City is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the City will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended June 30, 2022 was \$1,442,312.

Remaining Term of Agreements

Asset Type

Land	39 years
Cell towers	9-10 years

Lease receivable activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities				
Leases receivable	\$ 6,024,556	\$ -	\$ (1,442,312)	\$ 4,582,244

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year end:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 2,386,031	\$ 872,320	\$ 37,431
Accrued payroll	705,494	178,143	5,499
Other liabilities	370,752	-	-
Customer deposits	-	215,550	-
	<u>\$ 3,462,277</u>	<u>\$ 1,266,013</u>	<u>\$ 42,930</u>

10. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

At June 30, 2022, amounts due from and due to other funds were as follows:

Receivable funds	Payable Funds			Total
	General Fund	Special Assessment Capital Projects	Nonmajor Governmental Funds	
General fund	\$ -	\$ 1,792,952	\$ -	\$ 1,792,952
Nonmajor governmental funds	3,533	-	55,512	59,045
Nonmajor enterprise funds	-	-	368	368
	<u>\$ 3,533</u>	<u>\$ 1,792,952</u>	<u>\$ 55,880</u>	<u>\$ 1,852,365</u>

At June 30, 2022, long-term advances between funds were as follows:

Receivable funds	Payable Funds	
	Nonmajor Governmental Funds	Total
General fund	\$ 50,000	\$ 50,000

The City has interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

The advance from the general fund was used to provide cash for the community development block grant fund.

For the year ended June 30, 2022, interfund transfers consisted of the following:

Transfers Out	Transfers In			
	General Fund	Major Streets Fund	Nonmajor Governmental Funds	Water
General fund	\$ -	\$ -	\$ 395,967	\$ -
Major streets fund	-	-	696,672	-
Special assessment capital projects fund	-	234,678	476,808	-
Downtown development authority project fund	-	-	2,803,617	-
Nonmajor governmental funds	6,387	445,500	894,019	-
Sewage	-	-	221,645	291,549
Water	-	-	608,946	-
Nonmajor enterprise funds	-	-	105,195	-
Internal service funds	-	-	53,391	-
	<u>\$ 6,387</u>	<u>\$ 680,178</u>	<u>\$ 6,256,260</u>	<u>\$ 291,549</u>

Transfers Out	Transfers In	
	Nonmajor Enterprise Funds	Total
General fund	\$ -	\$ 395,967
Major streets fund	-	696,672
Special assessment capital projects fund	81,712	793,198
Downtown development authority project fund	-	2,803,617
Nonmajor governmental funds	-	1,345,906
Sewage	-	513,194
Water	-	608,946
Nonmajor enterprise funds	92,143	197,338
Internal service funds	-	53,391
	<u>\$ 173,855</u>	<u>\$ 7,408,229</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

For the year ended June 30, 2022, transfers out from the general fund consisted of operating subsidies to the Ella W. Sharp park operating special revenue fund and the building demolition special revenue fund, in accordance with budgetary authorization. A debt service transfer was also made to the 2018 capital improvement debt service fund based on the general fund's share of bond proceeds expended from that bond issue.

Major streets fund transfers out were entirely for debt service transfers.

Special assessment capital projects fund transfers were for debt service in addition to the transfer of funds related to assessment rolls confirmed during the fiscal year, for which the fund provides financing until each roll is collected.

The downtown development authority capital projects fund transfers out consist entirely for debt service.

Nonmajor governmental fund transfers consisted largely of public improvement special revenue fund transfers for street construction, to finance various capital projects in the capital projects fund and for debt service. The local street special revenue fund also made transfers for debt service while most other transfers were minor in nature.

Sewage transfers consist of debt service and a transfer to the Water fund to share billing and collection charges.

Water transfers out were entirely for debt service transfers.

Nonmajor enterprise fund transfers out consisted of the parking assessment fund transfer to the automobile parking system fund for the use of a parking lot and a transfer out from the automobile parking system fund for the debt service on that parking lot. The parking assessment fund can only pay for operation and maintenance on parking lots that are paid for through assessments; and capital expenses on parking lots are made through the automobile parking system fund.

Lastly, the internal service fund transfer is a motor pool and garage fund transfer for debt service.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

11. LONG-TERM DEBT

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued for the items listed below was \$70,107,577.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Fiscal Year Matures	Interest Rates	Original Amount	Amount
Governmental activities				
2001 downtown development	2026	3.70%-5.75%	\$ 17,998,577	\$ 3,171,863
2016 capital improvement	2026	0.75%-2.25%	1,300,000	558,000
2017 transportation bond	2031	2.41%	8,970,000	6,095,000
2017 brownfield refunding	2030	2.64%	9,080,000	8,165,000
2018 capital improvement	2033	2.50% - 5.00%	14,890,000	11,690,000
2019 downtown development refunding	2030	3.02%	5,715,000	5,615,000
2020 capital improvement	2030	2.06%	2,004,000	1,636,000
2020 special assessment	2031	1.50%	1,496,000	1,360,000
2021 general obligation refunding	2027	0.99%	4,382,000	3,695,000
2021 brownfield redevelopment refunding	2031	1.79%	4,272,000	3,604,000
			<u>\$ 70,107,577</u>	<u>\$ 45,589,863</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Governmental Activities	
	Principal	Interest
2023	\$ 4,353,765	\$ 3,198,778
2024	4,474,730	3,261,128
2025	5,162,033	3,331,400
2026	5,363,335	3,377,318
2027	5,812,000	851,171
2028-2032	19,084,000	1,917,791
2033	1,340,000	67,000
	<u>\$ 45,589,863</u>	<u>\$ 16,004,586</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Notes from direct borrowings / placements - Installment purchase agreements. The government enters into installment purchase agreements for equipment and related capital assets. The installment purchase agreements outstanding at year-end are as follows:

Purpose	Fiscal Year Matures	Interest Rates	Original Amount	Amount
Governmental activities				
2016 Installment Purchase Agreement - Fire Truck	2023	5.00%	\$ 459,493	\$ 62,480
2019 Installment Purchase Agreement - Street Sweeper	2025	3.99%	265,000	130,242
2020 Installment Purchase Agreement - Leaf Collectors	2025	1.93%	459,446	280,964
			<u>\$ 1,183,939</u>	<u>\$ 473,686</u>

Annual debt service requirements to maturity for installment purchase agreements are as follows:

Year	Governmental Activities	
	Principal	Interest
2023	\$ 208,690	\$ 11,586
2024	150,190	5,651
2025	114,806	2,003
	<u>\$ 473,686</u>	<u>\$ 19,240</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
General obligation bonds	\$ 49,857,560	\$ -	\$ 4,267,697	\$ 45,589,863	\$ 4,353,765
Notes from direct borrowings/ placements - Installment purchase agreements	676,619	-	202,933	473,686	208,690
Compensated absences	1,725,616	788,568	784,812	1,729,372	172,937
Deferred amounts for - Issuance premium	1,377,495	-	114,791	1,262,704	114,791
	<u>\$ 53,637,290</u>	<u>\$ 788,568</u>	<u>\$ 5,370,233</u>	<u>\$ 49,055,625</u>	<u>\$ 4,850,183</u>
Business-type activities					
Compensated absences	<u>\$ 287,706</u>	<u>\$ 149,486</u>	<u>\$ 109,318</u>	<u>\$ 327,874</u>	<u>\$ 34,435</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

12. SEGMENT INFORMATION - ENTERPRISE FUNDS

Because the water and sewage funds, which are individual enterprise funds that account entirely for the government's water and sewage activities, are reported as major funds in the fund financial statements, segment disclosures herein are not required.

13. ENDOWMENTS

Ella W. Sharp Park Endowment Permanent Trust Fund. For the year ended June 30, 2022, the net depreciation on investments of donor-restricted endowments was \$32,465 and there was an overall decrease in fund balance of \$46,704. Under the terms of the endowment, and consistent with State statutes, the City is authorized to spend the trust earnings, except for unrealized gains and losses, for the benefit of the Ella Sharp Park. The nonspendable endowment balance is \$1,100,840.

Cemetery Perpetual Maintenance Permanent Trust Fund. For the year ended June 30, 2022, the net appreciation on investments of donor-restricted endowments was \$6,387 and there was an overall increase in fund balance of \$38,584. Under the terms of the endowment, and consistent with State statutes, the City is authorized to spend the trust earnings, except for unrealized gains and losses, for the benefit of the cemetery system. At year-end the nonspendable endowment balance is \$2,072,889.

Lloyd E. Mount Endowment Permanent Trust Fund. For the year ended June 30, 2022, the net depreciation on investments of donor-restricted endowments was \$12,480 and there was an overall decrease in fund balance of \$17,717. Under the terms of the endowment, and consistent with State statutes, the City is authorized to spend the trust earnings, except for unrealized gains and losses, to initiate new programs (park entertainment or education) for public benefit. At year-end the nonspendable endowment balance is \$286,605.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

14. RISK MANAGEMENT

During the normal course of its operations, the City is exposed to various risks of loss related to liability, employee injury and other circumstances. In all instances other than workers' compensation, the City has retained coverages through commercial insurance carriers. For workers' compensation, the City has opted to protect itself from risks through means other than the purchase of traditional insurance coverage.

In 1979, the City established a self-insurance program for workers' compensation, which is accounted for in the workers' compensation internal service fund. This program is administered by a service agency, which furnishes safety inspection, claims review, and claims processing. A specific excess workers' compensation reinsurance policy indemnifies the City on a statutory basis in excess of the first \$1,000,000 per occurrence. All applicable funds are charged premiums based on payroll and workers' compensation classification. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The claims liability reported in the workers' compensation internal service fund at June 30, 2022, is based on the requirements that a liability for claims be reported if 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. The claims liability is estimated by management based upon historical experience. No annuity contracts have been purchased for claims liabilities. At June 30, 2022, the entire balance is considered to be due within one year.

The changes in the workers' compensation internal service fund liability amount for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Claims liability at beginning of fiscal year	\$ 74,404	\$ 85,010
Claims and changes in estimates	252,145	180,355
Claims payments	<u>(213,314)</u>	<u>(190,961)</u>
Claims liability at June 30	<u>\$ 113,235</u>	<u>\$ 74,404</u>

There were no significant reductions in insurance coverage from the prior year and no insurance settlements have exceeded coverage for each of the past three fiscal years.

15. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of December 31 each year. The City property tax is levied July 1 based on the taxable value of the property as of the preceding December 31. Real and personal property in the City for the July 1, 2021 levy was assessed and valued at approximately \$652 million, representing approximately 50% of estimated current market value.

The City's operating tax rate is 6.7158 mills (cannot exceed 7.00 mills) with an additional 1.9187 (cannot exceed 2.00 mills) for public improvement, 1.0000 for City hall debt, 9.6100 for Act 345 Pension, and 1.9996 for the Downtown Development Authority, a component unit of the City.

Taxes are payable to the City in five equal installments on the twentieth of the month commencing in July and ending in November. They are deemed delinquent immediately after the due date.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

16. TAX ABATEMENTS

The City received reduced property tax revenues during 2022 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by the City.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$22,500 in reduced tax revenues for 2022.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements amounted to approximately \$8,900 in reduced City tax revenues for 2022.

17. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable 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.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

On July 1, 1974 the City sold the Reynolds Municipal Airport to the County of Jackson. The terms of the transfer document indicated the property was being sold "as is". There was also language in the transfer documents providing for indemnification from the County to the City. The County is undertaking an expansion of the airport runways. During the preliminary stages of the expansion, it was discovered the City had operated a landfill on the property during the City's ownership. The landfill was licensed by the Michigan Department of Natural Resources during the City's operation. Even though the City complied with all laws in existence at the time, the City remains liable for any contamination resulting from the ownership/operation of the landfill. As part of the Airport expansion process, the County gave notice to the Michigan Department of Environmental Quality (MDEQ) that an old landfill was on the site. As a result of the County's action, the City received a Notice of Violation in 2005 from the MDEQ. In August 2007, the City released its right to the Reverter clause contained in the 1974 transfer deed to the County. In return, the City received additional indemnification from the County. It is not known at present if the MDEQ will have specific requirements following completion of runway construction. The matter is not covered by insurance and the potential costs could be significant. No provision for the loss has been made in the accompanying financial statements.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

18. PENSION PLAN - SINGLE EMPLOYER PENSION TRUST FUNDS

General Information about the Pension Plans

Plan administration. The City administers three single-employer defined benefit pension plans which provide retirement, death, and disability benefits covering substantially all City employees, subject to certain eligibility requirements. The obligation to contribute to these three plans and benefit provisions are authorized and amended by City ordinance. The plans do not issue separate or stand-alone reports.

Plan membership. At the June 30, 2021 valuation date, the date of the latest actuarial valuation, system membership consisted of the following:

	Employees' Retirement System	Policemen's and Firemen's Pension Fund	Policemen's and Firemen's Pension - Act 345 Fund
Retirees and beneficiaries receiving benefits	192	13	178
Terminated plan members entitled to, but not yet receiving benefits	22	-	4
Active plan members	154	-	67
	368	13	249

The plans' policies in regard to the allocation of invested assets are established and may be amended by the respective Board of Trustees. The policies pursue an investment strategy that protects the financial health of the plans and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the plans may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the plans will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty. The investment allocation targets for each plan are as follows:

Asset Class	Employees' Retirement System	Policemen's and Firemen's Pension Fund	Policemen's and Firemen's Pension - Act 345 Fund
Domestic fixed income	30.00%	40.00%	40.00%
Domestic equity	45.00%	40.00%	35.00%
International equity	20.00%	20.00%	20.00%
Real estate	5.00%	-	5.00%
	100.00%	100.00%	100.00%

Notes to Financial Statements

The long-term expected rate of return on pension plan investments (for each plan) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 have not been formally adopted but are closely monitored by the Board of Trustees of each in order to achieve a blended money-weighted real rate of return of 8.0 percent.

For the year ended June 30, 2022, the annual money-weighted rate of return on the plan investments, net of investment expenses, was -11.41%, -11.79% and -9.83% for the Employees' Retirement System, Policemen's and Firemen's Pension Fund and Policemen's and Firemen's Pension - Act 345 Fund, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

For the governmental activities, the net pension liability is generally liquidated by the general fund.

Employees' Retirement System

Benefits provided. The Employees' Retirement System Pension Plan (ERS) is a contributory defined benefit plan that covers substantially all City employees not covered under one of the City's policemen's and firemen's pension plans and provides for retirement, death, and disability benefits. Members contribute 2.5% of annual compensation or one-half of the actuarially computed contribution if it is greater than 5.0%. The City contributes 2.5% of total compensation as a minimum, plus additional amounts as are necessary to provide assets sufficient for the early retirement window period. Pursuant to actuarial requirements, members contribute 10.6% for employees hired before July 1, 2012, and 7.29% for employees hired after July 1, 2012 with the City contributing 9.92%. Accumulated member contributions are annually credited with interest at 0.26%. Administrative costs of the plan are financed through investment earnings.

Management of the ERS is vested in the City of Jackson Employees' Retirement System Board of Trustees, which consists of thirteen members, four are elected to four-year terms (with no more than one from any one department), four are appointed by the City Manager, one is a citizen appointed by the City Council, one is a city council member appointed by the City Council and the remaining four are the Mayor, City Manager and City Clerk of the City of Jackson.

Contributions. Members contribute 2.5% of annual compensation or one-half of the actuarially computed contribution if it is greater than 5.0%. The City contributes 2.5% of total compensation as a minimum, plus additional amounts as are necessary to provide assets sufficient for the early retirement window period. Pursuant to actuarial requirements, members contribute 10.6% with the City contributing 12.22%. Accumulated member contributions are annually credited with interest at 0.26%. Administrative costs of the plan are financed through investment earnings.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2021 (rolled forward to June 30, 2022) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.00% to 7.00% including inflation
Investment rate of return	6.85%, net of expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality rate	RP-2014 Mortality Table using projection scale MP 2018 from 2006 on a fully generational basis. First used for the June 30, 2018 valuation.

The significant changes in benefit terms for each of the fiscal years ended June 30 were as follows:

- For MAPE members hired on or after July 1, 2012, the benefit multiplier was raised from 1.25% to 1.50%.
- For Non-Union Members, normal retirement conditions were changed.

Discount rate. A single discount rate of 6.85% was used to measure the total pension liability. The single discount rate was based on an expected rate of return on pension plan investments of 6.85%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 56,551,924	\$ 47,877,576	\$ 8,674,348
Changes for the year:			
Service cost	845,069	-	845,069
Interest	3,774,316	-	3,774,316
Changes of benefit terms	204,246	-	204,246
Differences between expected and actual experience	(603,545)	-	(603,545)
Employer contributions	-	1,222,458	(1,222,458)
Employee contributions	-	810,781	(810,781)
Net investment loss	-	(5,622,263)	5,622,263
Benefit payments, including refunds of employee contributions	(3,749,897)	(3,749,897)	-
Administrative expense	-	(35,385)	35,385
Net changes	470,189	(7,374,306)	7,844,495
Balances at June 30, 2022	\$ 57,022,113	\$ 40,503,270	\$ 16,518,843

Plan fiduciary net position as a percentage of the total pension liability 71.03%

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Sensitivity of the net pension liability to changes in the discount rate. Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease (5.85%)	Current Single Discount Rate (6.85%)	1% Increase (7.85%)
City net pension liability	\$ 22,715,895	\$ 16,518,843	\$ 11,181,520

Pension expense and deferred outflows and inflows of resources related to pensions. For the year ended June 30, 2022, the City recognized pension expense of \$1,623,858. At June 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 27,971	\$ 660,567	\$ (632,596)
Changes in assumptions	-	113,360	(113,360)
Net difference between projected and actual earnings on pension plan investments	2,933,681	-	2,933,681
Total	\$ 2,961,652	\$ 773,927	\$ 2,187,725

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

Year Ended June 30,	Amortization
2023	\$ 178,273
2024	273,260
2025	23,484
2026	1,712,708
	<u>\$ 2,187,725</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Policemen's and Firemen's Pension

Benefits provided. The Policemen's and Firemen's Pension Plan is a contributory defined benefit plan that covers certain uniformed policemen and firemen hired prior to July 1, 1974, and provides for retirement, death, and disability benefits. There are no remaining active plan members. The City contributes such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to plan members. Administrative costs of the Plan are financed through investment earnings.

Management of this plan is vested in a separate board of trustees, which consists of five members, two of which are elected from the plan retirees (or, if none are available or willing to serve as this is a closed plan, from active members of the Act 345 Plan described below) and three are appointed by the City Council.

Contributions. The annual required contribution for the current year was determined as part of a June 30, 2021 actuarial valuation using the entry age method.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2021 (rolled forward to June 30, 2022) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	Not applicable
Salary increases	Not applicable
Investment rate of return	6.0%, net of expenses
Retirement age	Closed plan
Mortality rate	RP-2014 Mortality Table fully generational using projection scale MP-2018. First used for the June 30, 2018 valuation.

Discount rate. A single discount rate of 6.0% was used to measure the total pension liability. The single discount rate was based on an expected rate of return on pension plan investments of 6.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Changes in the net pension liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 5,469,188	\$ 3,997,008	\$ 1,472,180
Changes for the year:			
Interest	311,164	-	311,164
Differences between expected and actual experience	(314,016)	-	(314,016)
Employer contributions	-	363,236	(363,236)
Net investment loss	-	(473,815)	473,815
Benefit payments, including refunds of employee contributions	(566,251)	(566,251)	-
Administrative expense	-	(11,395)	11,395
Net changes	<u>(569,103)</u>	<u>(688,225)</u>	<u>119,122</u>
Balances at June 30, 2022	<u>\$ 4,900,085</u>	<u>\$ 3,308,783</u>	<u>\$ 1,591,302</u>

Plan fiduciary net position as a percentage of the total pension liability 67.53%

Sensitivity of the net pension liability to changes in the discount rate. Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease (5.0%)	Current Single Discount Rate (6.0%)	1% Increase (7.0%)
City net pension liability	\$ 1,942,097	\$ 1,591,302	\$ 1,281,792

Pension expense and deferred inflows of resources related to pensions. For the year ended June 30, 2022, the City recognized pension expense of \$244,804. At June 30, 2022, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 222,231	\$ -	\$ 222,231

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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

Year Ended June 30,	Amortization
2023	\$ 35,529
2024	34,143
2025	11,120
2026	<u>141,439</u>
	<u>\$ 222,231</u>

Policemen’s and Firemen’s Pension - Act 345

Benefits provided. The Policemen’s and Firemen’s Pension Plan - Act 345 is a contributory defined benefit plan that covers uniformed policemen and firemen hired subsequent to July 1, 1974, and certain policemen and firemen hired prior to that date who have elected, under the provisions of the plan, to transfer from the City’s Policemen’s and Firemen’s Pension Plan, and provides for retirement, death, and disability benefits. Members contribute 10.95% of annual compensation with the City contributing such additional amounts as are necessary to provide assets sufficient to meet the benefits to be paid to plan members. Accumulated member contributions are annually credited with interest at 2.0%. Administrative costs of the Plan are financed through investment earnings.

Management of this plan is vested in the City of Jackson Act 345 Pension Board, which consists of five members, two are elected to four-year terms (one each from the fire and police departments), two are appointed by the City Council and one is the City Treasurer of the City of Jackson.

Contributions. The annual required contribution for the current year was determined as part of a June 30, 2021 actuarial valuation using the entry age method. The actuarial assumptions included a 6.0% rate of return on investments and a 3.0% cost of living adjustment.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2021 (rolled forward to June 30, 2022) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0% to 12.0%
Investment rate of return	6.0%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation.
Mortality rate	RP-2014 Mortality Table fully generational using projection scale MP-2018. First used for the June 30, 2018 valuation.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Discount rate. A single discount rate of 6.0% was used to measure the total pension liability. The single discount rate was based on an expected rate of return on pension plan investments of 6.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 84,575,998	\$ 58,190,807	\$ 26,385,191
Changes for the year:			
Service cost	891,288	-	891,288
Interest	4,921,948	-	4,921,948
Differences between expected and actual experience	(975,513)	-	(975,513)
Employer contributions	-	5,939,831	(5,939,831)
Employee contributions	-	447,336	(447,336)
Net investment loss	-	(6,079,031)	6,079,031
Benefit payments, including refunds of employee contributions	(5,978,335)	(5,978,335)	-
Administrative expense	-	(65,748)	65,748
Net changes	<u>(1,140,612)</u>	<u>(5,735,947)</u>	<u>4,595,335</u>
Balances at June 30, 2022	<u>\$ 83,435,386</u>	<u>\$ 52,454,860</u>	<u>\$ 30,980,526</u>

Plan fiduciary net position as a percentage of the total pension liability 62.87%

Sensitivity of the net pension liability to changes in the discount rate. Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

	1% Decrease (5.0%)	Current Single Discount Rate (6.0%)	1% Increase (7.0%)
City net pension liability	\$ 40,764,151	\$ 30,980,526	\$ 22,875,694

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Pension expense and deferred outflows and inflows of resources related to pensions. For the year ended June 30, 2022, the City recognized pension expense of \$3,148,343. At June 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 248,328	\$ 696,556	\$ (448,228)
Changes in assumptions	112,115	-	112,115
Net difference between projected and actual earnings on pension plan investments	2,510,182	-	2,510,182
Total	\$ 2,870,625	\$ 696,556	\$ 2,174,069

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

Year Ended June 30,	Amortization
2023	\$ 417,588
2024	4,786
2025	(164,461)
2026	1,916,156
	<u>\$ 2,174,069</u>

Payable to the Pension Plans. At June 30, 2022, the City had no amounts payable for contributions to the pension plans.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Aggregate Pension Information

Total pension liability	\$ 145,357,584
Plan fiduciary net position	<u>96,266,913</u>
Net pension liability	<u>\$ 49,090,671</u>
Plan fiduciary net position as a percentage of the total pension liability	66.23%
Total pension expense	\$ 5,017,005

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 276,299	\$ 1,357,123	\$ (1,080,824)
Changes in assumptions	112,115	113,360	(1,245)
Net difference between projected and actual earnings on pension plan investments	<u>5,666,094</u>	<u>-</u>	<u>5,666,094</u>
Total	<u>\$ 6,054,508</u>	<u>\$ 1,470,483</u>	<u>\$ 4,584,025</u>

19. OTHER POSTEMPLOYMENT BENEFITS

General Information About the Plan

Plan Administration. The City provides postemployment healthcare benefits to substantially all full-time employees, hired prior to 2012, who retire from the City under one of its three pension plans. The extent of the cost of those benefits paid by the City are dependent upon a variety of factors including hire date, retirement date, years of service and bargaining unit. The plan is treated as a single-employer defined benefit healthcare plan administered by the City; the plan utilizes a retirement health funding vehicle trust established with the Municipal Employees Retirement System of Michigan to invest plan assets. The plan was adopted and established by action of the City Council. The plan is reported as an other employee benefit trust fund in the accompanying financial statements. The plan does not issue a separate or stand-alone report.

The plan's financial statements are prepared using the accrual basis of accounting. Plan contributions are recognized in the period in which the contributions are due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan Membership. At the June 30, 2021 valuation date, the date of the latest actuarial valuation, OPEB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	252
Active plan members	<u>81</u>
Total membership	<u><u>333</u></u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Benefits Provided. Non-Medicare eligible retirees receive a percentage of their premium paid by the City of Jackson. This percentage is based on the contract in place at retirement, as well as the age and service of the retiree at retirement. Certain pre-65 retirees are participating in a BlushSA plan. These members pay \$30 monthly for single coverage or \$50 monthly for retiree and spouse coverage. These members also receive a stipend into their HSA from the City. Non-Medicare eligible retirees may receive an annual stipend if they elect to opt-out of City sponsored health insurance. Medicare eligible retirees, retired prior to a certain date per the contract in place at the time of retirement, may receive a percentage of their premium paid by the City of Jackson. Medicare eligible retirees, retired after a certain date per the contract in place at the time of retirement, are not eligible for City sponsored retiree health insurance. They may receive a payment in lieu benefit upon Medicare eligibility equal to the opt-out benefit. Spouses and dependent children under age 26 of retired employees are eligible to receive employer subsidized retiree health care benefits so long as the retiree is living. Surviving spouses and surviving dependents under age 26 are eligible for a continuation of health care benefits, as if the retiree were living, so long as the survivors are eligible to continue receiving pension benefits.

Contributions. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City’s general fund. Plan participants are not required to contribute to the plan.

Investments

As permitted under the Public Employees Health Care Funds Public Act 149 of 1999, the City Council established a Public Employee Health Care Fund by adoption of a resolution on September 8, 2008. That resolution provides for the Michigan Employee’s Retirement System (MERS) to act as Retiree Health Funding Vehicle (RHFV) Investment Fiduciary and Trustee. The City funds the RHFV Trust sub-fund to provide for health care benefits for eligible employees that qualify for such benefits as approved by the City Council and applicable collective bargaining agreements. The resolution also directs the Finance Director of the City to be its RHFV coordinator, which gives that person the authority to direct payment of fund monies to eligible employees, make investment allocations of the sub trust fund within MERS-approved portfolios and, in general, act on behalf of the City as it relates to the administrative duties relating to the fund. The City invests in the MERS Total Market Portfolio which is a diversified portfolio with the objective of providing current income and capital appreciation while minimizing the volatility of capital markets. Annualized performance for the fiscal year ended June 30, 2022 was -8.24% compared to the custom benchmark return of -14.53%.

Asset Class	Target Allocation
Global Fixed Income	25.0%
Global equity	55.0%
Private markets	20.0%
	100.0%

The long-term expected rate of return on other postemployment benefit plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the other postemployment benefit plan’s target asset allocation as of June 30, 2022 have not been formally adopted but are closely monitored by the Board of Trustees of each in order to achieve a blended money-weighted real rate of return of 5%.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Discount Rate. A single discount rate of 5.00% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 5.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 (rolled forward to June 30, 2022), using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00% to 7.00% for General Group, including inflation; 3.00% to 12.00% for Police/Fire Group, including inflation
Investment rate of return	5.00%, net of investment expenses, including inflation
Healthcare cost trend rates	Non-medicare: 7.50% in 2022 grading to 3.50% in 2033; Medicare: 6.25% in 2022 grading to 3.50% in 2033.

The significant changes in benefit terms for each of the fiscal years ended June 30 were as follows:

- There were a number of changes to the eligibility and cost sharing provisions of the plan. This change had an upward effect on contribution rates for the affected groups.

Although no specific price inflation assumptions are needed for the valuation, the 2.50% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Healthy Annuitant, Disabled Annuitant, and Employees tables adjusted for mortality improvement using projected scale MP-2018 from 2006 on a fully generational basis.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 39,095,956	\$ 4,939,854	\$ 34,156,102
Changes for the year:			
Service cost	228,352	-	228,352
Interest	1,897,961	-	1,897,961
Changes of benefit terms	32,450		32,450
Differences between expected and actual experience	(3,992,472)	-	(3,992,472)
Employer contributions	-	2,774,735	(2,774,735)
Net investment loss	-	(414,994)	414,994
Benefit payments, including refunds of employee contributions	(2,501,806)	(2,501,806)	-
Administrative expense	-	(17,900)	17,900
Net changes	(4,335,515)	(159,965)	(4,175,550)
Balances at June 30, 2022	\$ 34,760,441	\$ 4,779,889	\$ 29,980,552

Plan fiduciary net position as a percentage of the total OPEB liability 13.75%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, calculated using the discount rate of 5.0%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.0%) or 1% higher (6.0%) than the current rate:

	1% Decrease (4.0%)	Current Discount Rate (5.0%)	1% Increase (6.0%)
Plan net OPEB liability	\$ 33,895,030	\$ 29,980,552	\$ 26,909,994

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Plan net OPEB liability	\$ 27,868,814	\$ 29,980,552	\$ 32,362,912

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$(524,657). The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 2,025,994	\$ (2,025,994)
Net difference between projected and actual earnings on OPEB plan investments	106,362	-	106,362
	<u>\$ 106,362</u>	<u>\$ 2,025,994</u>	<u>\$ (1,919,632)</u>

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

Year Ended June 30,	Amortization
2023	\$ (2,022,751)
2024	(7,175)
2025	(23,380)
2026	<u>133,674</u>
Total	<u>\$ (1,919,632)</u>

Payable to the OPEB Plan. At June 30, 2022, the City had no amounts payable for contributions to the OPEB plan.

For the governmental activities, the net OPEB liability is generally liquidated by the general fund.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

20. NET INVESTMENT IN CAPITAL ASSETS

Following is a summary of net investment in capital assets, as presented in the government-wide statement of net position:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated/amortized	\$ 4,357,667	\$ 9,437,857
Capital assets being depreciated/amortized, net	<u>105,679,640</u>	<u>71,602,361</u>
	<u>110,037,307</u>	<u>81,040,218</u>
Long-term liabilities:		
General obligation bonds	45,589,863	-
Deferred issuance premium	1,262,704	-
Installment purchase agreements	473,686	-
Leases payable	353,452	149,123
Less deferred charge on bond refunding	<u>(464,167)</u>	<u>-</u>
	<u>47,215,538</u>	<u>149,123</u>
Net investment in capital assets	<u>\$ 62,821,769</u>	<u>\$ 80,891,095</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

21. FUND BALANCES

Following is a summary of the components of fund balances of the governmental funds as of June 30, 2022:

	General	Major Streets	Special Assessments Capital Projects	Downtown Development Authority Project	Nonmajor Funds	Total
Nonspendable						
Inventories	\$ -	\$ 278,584	\$ -	\$ -	\$ 15,500	\$ 294,084
Prepaid items	711,772	-	-	-	-	711,772
Perpetual care	-	-	-	-	2,072,889	2,072,889
Endowment	-	-	-	-	1,387,445	1,387,445
Advances	50,000	-	-	-	-	50,000
	<u>761,772</u>	<u>278,584</u>	<u>-</u>	<u>-</u>	<u>3,475,834</u>	<u>4,516,190</u>
Restricted						
Highways and streets	-	1,801,882	-	-	1,695,473	3,497,355
Public improvements	-	-	-	-	881,922	881,922
Public safety	-	-	-	-	37,307	37,307
Act 345 Pension	17,316	-	-	-	-	17,316
Downtown development	-	-	-	4,448,597	-	4,448,597
Debt service	-	-	-	-	162,897	162,897
	<u>17,316</u>	<u>1,801,882</u>	<u>-</u>	<u>4,448,597</u>	<u>2,777,599</u>	<u>9,045,394</u>
Committed						
Culture and recreation	-	-	-	-	411,914	411,914
Public safety	-	-	-	-	1,469,945	1,469,945
Capital projects	-	-	-	-	65,390	65,390
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,947,249</u>	<u>1,947,249</u>
Unassigned (deficit)	<u>12,399,625</u>	<u>-</u>	<u>(1,570,952)</u>	<u>-</u>	<u>-</u>	<u>10,828,673</u>
Total fund balance	<u>\$ 13,178,713</u>	<u>\$ 2,080,466</u>	<u>\$ (1,570,952)</u>	<u>\$ 4,448,597</u>	<u>\$ 8,200,682</u>	<u>\$ 26,337,506</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

22. PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Stand alone financial reports have not been issued for the plans. Required supplementary information is presented after the footnotes section. Financial statements for the individual pension and employee benefit plans are as follows:

Statement of Plan Net Position - June 30, 2022

	Employees’ Retirement System	Policemen’s and Firemen’s Pension Fund	Policemen’s and Firemen’s Pension - Act 345 Fund	Retiree Health Care	Total
Assets					
Pooled cash and investments	\$ 419,524	\$ -	\$ -	\$ 259,536	\$ 679,060
Investments, at fair value:					
U.S. treasuries	-	-	3,257,317	-	3,257,317
Municipal bonds	-	-	73,026	-	73,026
Corporate bonds:					
Domestic bonds	-	-	4,520,623	-	4,520,623
Domestic mutual funds	11,558,294	1,447,640	11,832,471	-	24,838,405
Equities:					
Domestic stocks	5,454,343	-	-	-	5,454,343
Domestic mutual funds	16,308,047	1,124,759	22,750,165	-	40,182,971
International mutual funds	5,862,505	651,526	8,717,228	-	15,231,259
Money market funds	895,883	87,415	1,762,476	4,520,353	7,266,127
Total cash and investments	40,498,596	3,311,340	52,913,306	4,779,889	101,503,131
Receivables -					
Interest, dividends, and other	4,674	44	6,518	-	11,236
Total assets	40,503,270	3,311,384	52,919,824	4,779,889	101,514,367
Liabilities					
Refunds payable and other liabilities	-	2,601	464,964	-	467,565
Net position restricted for pension and other employee benefits	\$ 40,503,270	\$ 3,308,783	\$ 52,454,860	\$ 4,779,889	\$ 101,046,802

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Statement of Changes in Plan Net Position - Year Ended June 30, 2022

	Employees' Retirement System	Policemen's and Firemen's Pension Fund	Policemen's and Firemen's Pension - Act 345 Fund	Retiree Health Care	Total
Additions					
Contributions:					
Employer	\$ 1,222,458	\$ 363,236	\$ 5,939,831	\$ 2,774,735	\$ 10,300,260
Plan members	810,781	-	447,336	-	1,258,117
Total contributions	<u>2,033,239</u>	<u>363,236</u>	<u>6,387,167</u>	<u>2,774,735</u>	<u>11,558,377</u>
Investment income (loss):					
Net change in fair value of investments	(5,792,193)	(534,212)	(7,164,258)	(406,161)	(13,896,824)
Interest	84,384	84	258,300	-	342,768
Dividends	336,692	73,481	934,742	-	1,344,915
Total investment loss	<u>(5,371,117)</u>	<u>(460,647)</u>	<u>(5,971,216)</u>	<u>(406,161)</u>	<u>(12,209,141)</u>
Less investment expense	<u>251,146</u>	<u>13,168</u>	<u>107,815</u>	<u>8,833</u>	<u>380,962</u>
Net investment loss	<u>(5,622,263)</u>	<u>(473,815)</u>	<u>(6,079,031)</u>	<u>(414,994)</u>	<u>(12,590,103)</u>
Total additions (excess of net investment loss over contributions)	<u>(3,589,024)</u>	<u>(110,579)</u>	<u>308,136</u>	<u>2,359,741</u>	<u>(1,031,726)</u>
Deductions					
Benefits	3,604,307	566,251	5,978,335	2,501,806	12,650,699
Refunds of contributions	145,590	-	-	-	145,590
Administrative expense	35,385	11,395	65,748	17,900	130,428
Total deductions	<u>3,785,282</u>	<u>577,646</u>	<u>6,044,083</u>	<u>2,519,706</u>	<u>12,926,717</u>
Net change in net position	<u>(7,374,306)</u>	<u>(688,225)</u>	<u>(5,735,947)</u>	<u>(159,965)</u>	<u>(13,958,443)</u>
Net position, beginning of year	<u>47,877,576</u>	<u>3,997,008</u>	<u>58,190,807</u>	<u>4,939,854</u>	<u>115,005,245</u>
Net position, end of year	<u>\$ 40,503,270</u>	<u>\$ 3,308,783</u>	<u>\$ 52,454,860</u>	<u>\$ 4,779,889</u>	<u>\$ 101,046,802</u>

23. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the City for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the City has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$1.5 million was expended and recognized as revenue during the current fiscal year. In addition, the City has received approximately \$14.2 million received through the Coronavirus State and Local Fiscal Recovery Fund that has been reported as unearned revenue and is available to spend in future years. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the City.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

24. SUBSEQUENT EVENT

In September 2022, the City issued the Sewer System Junior Lien Revenue Bond, Series 2022 through the State Revolving Fund Program in the amount of \$11,935,000. Principal payments of \$398,000 - \$570,000 will be made through 2044, with interest of 1.875%.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Employees' Retirement System

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Change in total pension liability					
Service cost	\$ 845,069	\$ 815,383	\$ 830,367	\$ 1,016,463	\$ 692,095
Interest	3,774,316	3,715,953	3,703,106	3,319,364	3,550,091
Changes of benefit terms	204,246	-	-	133,677	-
Differences between expected and actual experience	(603,545)	50,831	(595,688)	(320,658)	(7,660)
Changes of assumptions	-	-	-	(3,223,348)	9,152,938
Benefit payments, including refunds of member contributions	(3,749,897)	(3,740,072)	(3,745,423)	(3,867,034)	(3,833,908)
Net change in total pension liability	<u>470,189</u>	<u>842,095</u>	<u>192,362</u>	<u>(2,941,536)</u>	<u>9,553,556</u>
Total pension liability, beginning	<u>56,551,924</u>	<u>55,709,829</u>	<u>55,517,467</u>	<u>58,459,003</u>	<u>48,905,447</u>
Total pension liability, ending (a)	<u>57,022,113</u>	<u>56,551,924</u>	<u>55,709,829</u>	<u>55,517,467</u>	<u>58,459,003</u>
Change in plan fiduciary net position					
Contributions - employer	1,222,458	1,068,745	1,058,427	835,542	821,020
Contributions - employee	810,781	740,817	728,393	659,685	712,503
Net investment income (loss)	(5,622,263)	10,680,602	1,225,172	2,066,425	3,456,637
Benefit payments, including refunds of member contributions	(3,749,897)	(3,740,072)	(3,745,423)	(3,867,034)	(3,833,908)
Administrative expense	(35,385)	(39,183)	(48,142)	(45,654)	(41,788)
Net change in plan fiduciary net position	<u>(7,374,306)</u>	<u>8,710,909</u>	<u>(781,573)</u>	<u>(351,036)</u>	<u>1,114,464</u>
Plan fiduciary net position, beginning	<u>47,877,576</u>	<u>39,166,667</u>	<u>39,948,240</u>	<u>40,299,276</u>	<u>39,184,812</u>
Plan fiduciary net position, ending (b)	<u>40,503,270</u>	<u>47,877,576</u>	<u>39,166,667</u>	<u>39,948,240</u>	<u>40,299,276</u>
City's net pension liability, ending (a)-(b)	<u>\$ 16,518,843</u>	<u>\$ 8,674,348</u>	<u>\$ 16,543,162</u>	<u>\$ 15,569,227</u>	<u>\$ 18,159,727</u>
Plan fiduciary net position as a percentage of the total pension liability	71.03%	84.66%	70.30%	71.96%	68.94%
Covered payroll	\$ 9,306,929	\$ 8,758,144	\$ 8,676,772	\$ 8,345,344	\$ 7,758,909
City's net pension liability as a percentage of covered payroll	177.49%	99.04%	190.66%	186.56%	234.05%

See notes to required supplementary information.

Fiscal Year Ended June 30,			
2017	2016	2015	2014
\$ 672,198	\$ 867,493	\$ 849,399	\$ 900,232
3,513,819	3,604,456	3,591,598	3,512,829
432,512	(1,585,716)	-	-
(467,503)	(1,544,806)	(559,714)	-
-	(2,963,368)	940,674	(610,014)
<u>(3,520,812)</u>	<u>(3,362,872)</u>	<u>(3,588,908)</u>	<u>(3,305,997)</u>
630,214	(4,984,813)	1,233,049	497,050
<u>48,275,233</u>	<u>53,260,046</u>	<u>52,026,997</u>	<u>51,529,947</u>
<u>48,905,447</u>	<u>48,275,233</u>	<u>53,260,046</u>	<u>52,026,997</u>
933,208	889,235	947,436	986,872
730,419	717,167	741,956	786,020
4,110,845	728,453	1,900,424	5,556,344
(3,520,812)	(3,362,872)	(3,588,908)	(3,305,997)
<u>(226,794)</u>	<u>(93,838)</u>	<u>(95,161)</u>	<u>(214,364)</u>
2,026,866	(1,121,855)	(94,253)	3,808,875
<u>37,157,946</u>	<u>38,279,801</u>	<u>38,374,054</u>	<u>34,565,179</u>
<u>39,184,812</u>	<u>37,157,946</u>	<u>38,279,801</u>	<u>38,374,054</u>
<u>\$ 9,720,635</u>	<u>\$ 11,117,287</u>	<u>\$ 14,980,245</u>	<u>\$ 13,652,943</u>
80.12%	76.97%	71.87%	73.76%
\$ 7,510,596	\$ 7,427,165	\$ 7,837,558	\$ 8,209,105
129.43%	149.68%	191.13%	166.31%

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Police and Fire Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Change in total pension liability					
Interest	\$ 311,164	\$ 375,164	\$ 398,411	\$ 403,369	\$ 429,493
Differences between expected and actual experience	(314,016)	(821,567)	(80,185)	95,117	(87,297)
Changes of assumptions	-	-	-	173,597	-
Benefit payments, including refunds of member contributions	(566,251)	(674,274)	(737,101)	(772,316)	(782,877)
Net change in total pension liability	<u>(569,103)</u>	<u>(1,120,677)</u>	<u>(418,875)</u>	<u>(100,233)</u>	<u>(440,681)</u>
Total pension liability, beginning	<u>5,469,188</u>	<u>6,589,865</u>	<u>7,008,740</u>	<u>7,108,973</u>	<u>7,549,654</u>
Total pension liability, ending (a)	<u>4,900,085</u>	<u>5,469,188</u>	<u>6,589,865</u>	<u>7,008,740</u>	<u>7,108,973</u>
Change in plan fiduciary net position					
Contributions - employer	363,236	524,841	543,093	506,251	567,276
Net investment income (loss)	(473,815)	845,488	84,702	195,665	467,070
Benefit payments, including refunds of member contributions	(566,251)	(674,274)	(737,101)	(772,316)	(782,877)
Administrative expense	(11,395)	(10,450)	(13,137)	(10,424)	(10,076)
Net change in plan fiduciary net position	<u>(688,225)</u>	<u>685,605</u>	<u>(122,443)</u>	<u>(80,824)</u>	<u>241,393</u>
Plan fiduciary net position, beginning	<u>3,997,008</u>	<u>3,311,403</u>	<u>3,433,846</u>	<u>3,514,670</u>	<u>3,273,277</u>
Plan fiduciary net position, ending (b)	<u>3,308,783</u>	<u>3,997,008</u>	<u>3,311,403</u>	<u>3,433,846</u>	<u>3,514,670</u>
City's net pension liability, ending (a)-(b)	<u>\$ 1,591,302</u>	<u>\$ 1,472,180</u>	<u>\$ 3,278,462</u>	<u>\$ 3,574,894</u>	<u>\$ 3,594,303</u>
Plan fiduciary net position as a percentage of the total pension liability	67.53%	73.08%	50.25%	48.99%	49.44%
Covered payroll	N/A	N/A	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

See notes to required supplementary information.

Fiscal Year Ended June 30,			
2017	2016	2015	2014
\$ 447,644	\$ 493,298	\$ 522,860	\$ 541,023
47,444	(163,757)	-	-
-	227,357	142,043	-
<u>(812,379)</u>	<u>(814,750)</u>	<u>(845,636)</u>	<u>(921,176)</u>
<u>(317,291)</u>	<u>(257,852)</u>	<u>(180,733)</u>	<u>(380,153)</u>
<u>7,866,945</u>	<u>8,124,797</u>	<u>8,305,530</u>	<u>8,685,683</u>
<u>7,549,654</u>	<u>7,866,945</u>	<u>8,124,797</u>	<u>8,305,530</u>
565,463	604,690	607,009	606,096
482,691	(193,908)	120,095	659,708
(812,379)	(814,750)	(845,636)	(921,176)
(30,765)	-	-	(35,868)
<u>205,010</u>	<u>(403,968)</u>	<u>(118,532)</u>	<u>308,760</u>
<u>3,068,267</u>	<u>3,472,235</u>	<u>3,590,767</u>	<u>3,282,007</u>
<u>3,273,277</u>	<u>3,068,267</u>	<u>3,472,235</u>	<u>3,590,767</u>
<u>\$ 4,276,377</u>	<u>\$ 4,798,678</u>	<u>\$ 4,652,562</u>	<u>\$ 4,714,763</u>

43.36% 39.00% 42.74% 43.23%

N/A N/A N/A N/A

N/A N/A N/A N/A

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Police and Fire - Act 345 Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Change in total pension liability					
Service cost	\$ 891,288	\$ 1,030,158	\$ 1,103,384	\$ 856,511	\$ 911,249
Interest	4,921,948	4,930,684	4,813,775	4,911,204	4,873,412
Differences between expected and actual experience	(975,513)	570,805	657,259	359,507	146,242
Changes of assumptions	-	-	1,961,168	6,732,162	-
Benefit payments, including refunds of member contributions	(5,978,335)	(7,237,277)	(5,863,709)	(5,159,919)	(5,527,374)
Net change in total pension liability	<u>(1,140,612)</u>	<u>(705,630)</u>	<u>2,671,877</u>	<u>7,699,465</u>	<u>403,529</u>
Total pension liability, beginning	<u>84,575,998</u>	<u>85,281,628</u>	<u>82,609,751</u>	<u>74,910,286</u>	<u>74,506,757</u>
Total pension liability, ending (a)	<u>83,435,386</u>	<u>84,575,998</u>	<u>85,281,628</u>	<u>82,609,751</u>	<u>74,910,286</u>
Change in plan fiduciary net position					
Contributions - employer	5,939,831	5,916,061	5,559,682	4,422,430	4,219,714
Contributions - employee	447,336	485,464	514,402	507,173	498,083
Net investment income (loss)	(6,079,031)	12,479,372	1,318,109	2,328,889	4,355,776
Benefit payments, including refunds of member contributions	(5,978,335)	(7,237,277)	(5,863,709)	(5,159,919)	(5,527,374)
Administrative expense	(65,748)	(58,433)	(44,012)	(51,741)	(71,180)
Net change in plan fiduciary net position	<u>(5,735,947)</u>	<u>11,585,187</u>	<u>1,484,472</u>	<u>2,046,832</u>	<u>3,475,019</u>
Plan fiduciary net position, beginning	<u>58,190,807</u>	<u>46,605,620</u>	<u>45,121,148</u>	<u>43,074,316</u>	<u>39,599,297</u>
Plan fiduciary net position, ending (b)	<u>52,454,860</u>	<u>58,190,807</u>	<u>46,605,620</u>	<u>45,121,148</u>	<u>43,074,316</u>
City's net pension liability, ending (a)-(b)	<u>\$ 30,980,526</u>	<u>\$ 26,385,191</u>	<u>\$ 38,676,008</u>	<u>\$ 37,488,603</u>	<u>\$ 31,835,970</u>
Plan fiduciary net position as a percentage of the total pension liability	62.87%	68.80%	54.65%	54.62%	57.50%
Covered payroll	\$ 5,101,822	\$ 5,340,374	\$ 5,340,680	\$ 5,029,427	\$ 4,829,089
City's net pension liability as a percentage of covered payroll	607.24%	494.07%	724.18%	745.39%	659.25%

See notes to required supplementary information.

Fiscal Year Ended June 30,			
2017	2016	2015	2014
\$ 893,487	\$ 1,008,965	\$ 965,176	\$ 987,637
4,949,452	4,859,213	4,990,906	4,928,088
(78,307)	1,353,815	(962,506)	-
(1,212,234)	1,326,844	791,987	(244,312)
<u>(5,848,163)</u>	<u>(5,345,160)</u>	<u>(5,799,429)</u>	<u>(4,735,567)</u>
(1,295,765)	3,203,677	(13,866)	935,846
<u>75,802,522</u>	<u>72,598,845</u>	<u>72,612,711</u>	<u>71,676,865</u>
<u>74,506,757</u>	<u>75,802,522</u>	<u>72,598,845</u>	<u>72,612,711</u>
4,098,288	3,709,507	3,534,236	3,012,344
489,369	478,630	517,062	542,751
5,393,796	(2,123,241)	1,268,531	6,607,787
(5,848,163)	(5,345,160)	(5,799,429)	(4,735,567)
(302,135)	-	-	-
<u>3,831,155</u>	<u>(3,280,264)</u>	<u>(479,600)</u>	<u>5,427,315</u>
<u>35,768,142</u>	<u>39,048,406</u>	<u>39,528,006</u>	<u>34,100,691</u>
<u>39,599,297</u>	<u>35,768,142</u>	<u>39,048,406</u>	<u>39,528,006</u>
<u>\$ 34,907,460</u>	<u>\$ 40,034,380</u>	<u>\$ 33,550,439</u>	<u>\$ 33,084,705</u>
53.15%	47.19%	53.79%	54.44%
\$ 4,622,259	\$ 4,782,487	\$ 5,148,271	\$ 5,124,768
755.20%	837.10%	651.68%	645.58%

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Schedule of the Net Pension Liability

Fiscal Year Ended June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
Employees' Retirement System (ERS)						
2022	\$ 57,022,113	\$ 40,503,270	\$ 16,518,843	71.03%	\$ 9,306,929	177.49%
2021	56,551,924	47,877,576	8,674,348	84.66%	9,306,929	93.20%
2020	55,709,829	39,166,667	16,543,162	70.30%	8,676,772	190.66%
2019	55,517,467	39,948,240	15,569,227	71.96%	8,345,344	186.56%
2018	58,459,003	40,299,276	18,159,727	68.94%	7,758,909	234.05%
2017	48,905,447	39,184,812	9,720,635	80.12%	7,510,596	129.43%
2016	48,275,233	37,157,946	11,117,287	76.97%	7,427,165	149.68%
2015	53,260,046	38,279,801	14,980,245	71.87%	7,837,558	191.13%
2014	52,026,997	38,374,054	13,652,943	73.76%	8,209,105	166.31%
Policemen's and Firemen's Pension (PFP)						
2022	\$ 4,900,085	\$ 3,308,783	\$ 1,591,302	67.53%	N/A	N/A
2021	5,469,188	3,997,008	1,472,180	73.08%	N/A	N/A
2020	6,589,865	3,311,403	3,278,462	50.25%	N/A	N/A
2019	7,008,740	3,433,846	3,574,894	48.99%	N/A	N/A
2018	7,108,973	3,514,670	3,594,303	49.44%	N/A	N/A
2017	7,549,654	3,273,277	4,276,377	43.36%	N/A	N/A
2016	7,866,945	3,068,267	4,798,678	39.00%	N/A	N/A
2015	8,124,797	3,472,235	4,652,562	42.74%	N/A	N/A
2014	8,305,530	3,590,767	4,714,763	43.23%	N/A	N/A
Policemen's and Firemen's Pension - Act 345 (Act 345)						
2022	\$ 83,435,386	\$ 52,454,860	\$ 30,980,526	62.87%	\$ 5,101,822	607.24%
2021	84,575,998	58,190,807	26,385,191	68.80%	5,340,374	494.07%
2020	85,281,628	46,605,620	38,676,008	54.65%	5,340,680	724.18%
2019	82,609,751	45,121,148	37,488,603	54.62%	5,029,427	745.39%
2018	74,910,286	43,074,316	31,835,970	57.50%	4,829,089	659.25%
2017	74,506,757	39,599,297	34,907,460	53.15%	4,622,259	755.20%
2016	75,802,522	35,768,142	40,034,380	47.19%	4,782,487	837.10%
2015	72,598,845	39,048,406	33,550,439	53.79%	5,148,271	651.68%
2014	72,612,711	39,528,006	33,084,705	54.44%	5,124,768	645.58%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Employees' Retirement System (ERS)					
6/30/2022	\$ 1,222,458	\$ 1,222,458	\$ -	\$ 9,306,929	13.13%
6/30/2021	1,068,745	1,068,745	-	8,758,144	12.20%
6/30/2020	1,058,427	1,058,427	-	8,676,772	12.20%
6/30/2019	835,542	835,542	-	8,345,344	10.01%
6/30/2018	821,020	821,020	-	7,758,909	10.58%
6/30/2017	933,208	933,208	-	7,510,596	12.43%
6/30/2016	889,235	889,235	-	7,427,165	11.97%
6/30/2015	947,436	947,436	-	7,837,558	12.09%
6/30/2014	986,872	986,872	-	8,209,105	12.02%
Policemen's and Firemen's Pension (PPF)					
6/30/2022	\$ 363,236	\$ 363,236	\$ -	N/A	N/A
6/30/2021	524,841	524,841	-	N/A	N/A
6/30/2020	543,093	543,093	-	N/A	N/A
6/30/2019	506,251	506,251	-	N/A	N/A
6/30/2018	567,276	567,276	-	N/A	N/A
6/30/2017	565,463	565,463	-	N/A	N/A
6/30/2016	604,690	604,690	-	N/A	N/A
6/30/2015	607,009	607,009	-	N/A	N/A
6/30/2014	606,096	606,096	-	N/A	N/A
Policemen's and Firemen's Pension - Act 345 (Act 345)					
6/30/2022	\$ 5,939,831	\$ 5,939,831	\$ -	\$ 5,101,822	116.43%
6/30/2021	5,916,061	5,916,061	-	5,340,374	110.78%
6/30/2020	5,559,682	5,559,682	-	5,340,680	104.10%
6/30/2019	4,422,430	4,422,430	-	5,029,427	87.93%
6/30/2018	4,219,714	4,219,714	-	4,829,089	87.38%
6/30/2017	4,098,288	4,098,288	-	4,622,259	88.66%
6/30/2016	3,709,507	3,709,507	-	4,782,487	77.56%
6/30/2015	3,534,236	3,534,236	-	5,148,271	68.65%
6/30/2014	3,012,344	3,012,344	-	5,124,768	58.78%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Schedule of Investment Returns

Fiscal Year Ended	Annual Money- Weighted Rate of Return, Net of Investment Expense
Employees' Retirement System	
6/30/2022	-11.41%
6/30/2021	28.98%
6/30/2020	4.13%
6/30/2019	6.13%
6/30/2018	9.72%
6/30/2017	11.64%
6/30/2016	2.59%
6/30/2015	5.85%
6/30/2014	16.60%
Policemen's and Firemen's Pension	
6/30/2022	-11.79%
6/30/2021	27.30%
6/30/2020	3.48%
6/30/2019	6.83%
6/30/2018	13.21%
6/30/2017	15.62%
6/30/2016	-5.00%
6/30/2015	3.71%
6/30/2014	20.30%
Policemen's and Firemen's Pension - Act 345	
6/30/2022	-9.83%
6/30/2021	27.40%
6/30/2020	3.48%
6/30/2019	6.00%
6/30/2018	11.93%
6/30/2017	14.73%
6/30/2016	-5.17%
6/30/2015	3.58%
6/30/2014	19.88%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	Fiscal Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Change in total OPEB liability						
Service cost	\$ 228,352	\$ 277,432	\$ 331,315	\$ 346,426	\$ 555,506	\$ 665,665
Interest	1,897,961	1,918,887	2,016,801	1,997,281	2,807,139	2,774,192
Changes of benefit terms	32,450	-	-	-	(8,055,839)	-
Differences between expected and actual experience	(3,992,472)	(142,795)	(1,912,117)	-	(2,570,525)	-
Changes of assumptions	-	-	-	481,638	(6,161,265)	-
Benefit payments, including refunds of member contributions	(2,501,806)	(2,393,165)	(2,341,514)	(2,513,271)	(2,821,992)	(2,629,714)
Net change in total OPEB liability	(4,335,515)	(339,641)	(1,905,515)	312,074	(16,246,976)	810,143
Total OPEB liability, beginning	39,095,956	39,435,597	41,341,112	41,029,038	57,276,014	56,465,871
Total OPEB liability, ending (a)	34,760,441	39,095,956	39,435,597	41,341,112	41,029,038	57,276,014
Change in plan fiduciary net position						
Contributions - employer	2,774,735	2,393,165	2,654,014	3,763,271	4,071,992	2,629,714
Net investment income (loss)	(414,994)	983,694	105,140	91,192	100,268	112,584
Benefit payments, including refunds of member contributions	(2,501,806)	(2,393,165)	(2,341,514)	(2,513,271)	(2,821,992)	(2,629,714)
Administrative expense	(17,900)	(25,017)	(6,722)	(23,850)	(15,500)	(2,121)
Net change in plan fiduciary net position	(159,965)	958,677	410,918	1,317,342	1,334,768	110,463
Plan fiduciary net position, beginning	4,939,854	3,981,177	3,570,259	2,252,917	918,149	807,686
Plan fiduciary net position, ending (b)	4,779,889	4,939,854	3,981,177	3,570,259	2,252,917	918,149
City's net OPEB liability, ending (a)-(b)	\$ 29,980,552	\$ 34,156,102	\$ 35,454,420	\$ 37,770,853	\$ 38,776,121	\$ 56,357,865
Plan fiduciary net position as a percentage of the total OPEB liability	13.75%	12.64%	10.10%	8.64%	5.49%	1.60%
Covered-employee payroll	\$ 5,636,537	\$ 6,305,280	\$ 6,554,194	\$ 7,315,330	\$ 7,819,428	\$ 10,131,529
City's net OPEB liability as a percentage of covered payroll	531.90%	541.71%	540.94%	516.32%	495.89%	556.26%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan
Schedule of City Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2022	\$ 2,664,941	\$ 2,774,735	\$ (109,794)	\$ 5,636,537	49.2%
2021	2,692,498	2,393,165	299,333	6,305,280	38.0%
2020	3,030,111	2,654,014	376,097	6,554,194	40.5%
2019	3,044,149	3,763,271	(719,122)	7,315,330	51.4%
2018	3,964,720	4,071,992	(107,272)	7,819,428	52.1%
2017	3,972,858	2,629,714	1,343,144	10,131,529	26.0%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2022	-8.24%
2021	28.19%
2020	2.05%
2019	2.68%
2018	7.78%
2017	13.00%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

Pension Information

GASB 67 was implemented in fiscal year 2014. These schedules are being built prospectively. Ultimately, ten years of data will be presented.

Employees' Retirement System

The significant changes in benefit terms for each of the fiscal years ended June 30 were as follows:

- 2022:
 - For MAPE members hired on or after July 1, 2012, the benefit multiplier was raised from 1.25% to 1.50%.
 - For Non-Union Members, normal retirement conditions were changed.

- 2019:
 - Eligibility conditions change for retirements effective after October 31, 2026 (rather than October 31, 2024) for members hired on or before December 31, 2015.
 - Pension caps were slightly adjusted (the ultimate cap is 73% for Non-Hybrid and 47% for Hybrid).
 - New eligibility conditions and Final Average Compensation periods for hires after January 1, 2018.

- 2017:
 - Changes in benefit provisions (retirement eligibility and final average compensation) are reflected in the current valuation. There were gains due to retiree mortality, lower than expected salary increases, and investment earnings. All other experience was close to expected.

- 2016:
 - There were gains on retiree mortality, investment earnings, and active member turnover. All other experience was close to expected.

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2019:
 - Decreased the assumed rate of return from 7.5% to 6.85%
 - Decreased the price inflation assumption from 2.5% to 2.25%
 - Increased the rates of retirement
 - Increased the rates of withdrawal
 - Decreased the rates of disability
 - Updated mortality assumptions from RP-2000 to RP-2014

- 2018:
 - Retirement rates were adjusted to approximate anticipated member behavior as a result of the prior year's plan changes.

- 2016:
 - There were gains on retiree mortality, investment earnings, and active member turnover. All other experience was close to expected.

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

Police and Fire Pension Plan

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2019:
 - Updated mortality assumptions from RP-2000 to RP-2014

- 2016:
 - Actuarial gains occurred on mortality, lower than expected cost-of-living adjustments, and slightly higher than expected investment returns on an Actuarial Value basis. The liability to the plan also reduced from the prior valuation as a result of raising the long-term investment rate of return (net of expenses) from 7.0% to 7.5%.

Police and Fire - Act 345 Pension Plan

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2020:
 - In the June 30, 2019 valuation actuarial methods were adjusted to explicitly model the annuity withdrawal provision instead of using a fixed load.

- 2019:
 - Decreased the assumed rate of return from 6.75% to 6.0%
 - Updated mortality assumptions from RP-2000 to RP-2014

- 2017:
 - The Board approved a change to the Amortization Policy at the April 12, 2016 Board Meeting.

- 2016:
 - The long-term investment rate of return compounded annually net of expenses has been reduced from 7.25% to 6.75%. This change was adopted by the Board based on the April 22, 2015 supplemental valuation.

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

Notes to Schedule of City Contributions

Valuation date June 30, 2019

Notes Actuarially determined contribution rates are calculated as of June 30 of odd numbered years, which is 24 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:

ERS	Entry age normal
PFP	Aggregate
Act 345	Entry age normal

Amortization method:

ERS	Level percentage of payroll
PFP	Level dollar, closed
Act 345	Level percentage of payroll / layered amortization

Remaining amortization period:

ERS	25 years closed for 6/30/2016 Unfunded Actuarial Accrued Liability (UAAL). Layered Amortization (30 year closed) for future UAAL (positive or negative) developed beyond 6/30/2016.
PFP	6 years beginning with the fiscal year ending 2023
Act 345	8 years closed for 6/30/2015 active UAAL; 4 years closed for 6/30/2015 retiree UAAL; 15 year closed for future UAAL (positive or negative) developed beyond 6/30/2015

DROP amortization period:

ERS	4 years closed
PFP	N/A
Act 345	N/A

Asset valuation method 4-year smoothed market

Inflation:

ERS	3.00%
PFP	N/A
Act 345	3.00%

Salary increases:

ERS	3.00% to 7.00% including inflation
PFP	N/A
Act 345	3.00% to 12.00%

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

Investment rate of return:	
ERS	6.85% net of expenses
PFP	6.00% net of expenses
Act 345	6.00%
Long-term municipal bond rate:	
ERS	N/A
PFP	N/A
Act 345	N/A
Retirement age:	
ERS	Experience-based table of rates that are specific to the type of eligibility condition.
PFP	N/A - no active participants remaining in the plan
Act 345	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation.
Mortality rates	RP-2014 Mortality Table using projection scale MP 2018 from 2006 on a fully generational basis. First used for the June 30, 2018 valuation.

OPEB Information

GASB 74 was implemented in fiscal year 2017. These schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The significant changes in benefit terms for each of the fiscal years ended June 30 were as follows:

- 2022:
 - There were a number of changes to the eligibility and cost sharing provisions of the plan. This change had an upward effect on contribution rates for the affected groups.
- 2018:
 - There were changes to the eligibility and cost sharing provisions of the plan. This change had a downward effect on contribution rates.

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2019:
 - Demographic assumptions were updated to match the recent Experience Studies for the City of Jackson Employees Retirement System and the City of Jackson Act 345 Policemen and Firemen Retirement System (mortality, retirement, age-based withdrawal, service-based withdrawal, disability, and salary scale).
- 2018:
 - Raise the Ultimate Healthcare Cost Trend from 3.00% to 3.50%
 - Partial resetting of the healthcare cost trend
 - Closed the Fire group to new hires eligible for retiree health insurance
 - The amortization method was changed from level percent of pay to level dollar
 - Elimination of the Excise Tax Adjustment
 - Updates to eligibility and benefits were reflected in this report

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

Notes to Schedule of City Contributions

Valuation date June 30, 2021

Notes Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	29 years beginning with the fiscal year ending June 30, 2022
Asset valuation method	Market value
Healthcare cost trend rates	8.25% in 2021, grading to 3.5% in 2032
Inflation rate	2.50%
Salary increases	3.00% - 7.00% for General Group, including inflation; 3.00% - 12.00% for Police/Fire Group, including inflation
Investment rate of return	5.00%, net of other postemployment benefit plan expenses, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality rates	RP-2014 Healthy Annuitant, Disabled Annuitant, and Employees tables adjusted for mortality improvement using projection scale MP-2018 form 2006 on a fully generational basis.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Investment and other postemployment benefit plan administrative expenses are net of the investment returns.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Assets					
Pooled cash and investments	\$ 4,775,969	\$ 162,001	\$ 68,140	\$ 3,460,334	\$ 8,466,444
Accounts receivable, net	229,031	-	-	-	229,031
Due from other governments	226,236	-	-	-	226,236
Due from other funds	55,903	3,142	-	-	59,045
Inventories	15,500	-	-	-	15,500
Total assets	<u>\$ 5,302,639</u>	<u>\$ 165,143</u>	<u>\$ 68,140</u>	<u>\$ 3,460,334</u>	<u>\$ 8,996,256</u>
Liabilities					
Negative equity in pooled cash and investments	\$ 37,367	\$ -	\$ -	\$ -	\$ 37,367
Accounts payable	333,119	2,246	2,750	-	338,115
Accrued payroll	123,719	-	-	-	123,719
Other liabilities	140,897	-	-	-	140,897
Unearned revenue	49,596	-	-	-	49,596
Due to other funds	55,880	-	-	-	55,880
Long-term advance from other funds	50,000	-	-	-	50,000
Total liabilities	<u>790,578</u>	<u>2,246</u>	<u>2,750</u>	<u>-</u>	<u>795,574</u>
Fund balances					
Nonspendable	15,500	-	-	3,460,334	3,475,834
Restricted	2,614,702	162,897	-	-	2,777,599
Committed	1,881,859	-	65,390	-	1,947,249
Total fund balances	<u>4,512,061</u>	<u>162,897</u>	<u>65,390</u>	<u>3,460,334</u>	<u>8,200,682</u>
Total liabilities and fund balances	<u>\$ 5,302,639</u>	<u>\$ 165,143</u>	<u>\$ 68,140</u>	<u>\$ 3,460,334</u>	<u>\$ 8,996,256</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Revenues					
Property taxes	\$ 1,203,099	\$ 648,874	\$ -	\$ -	\$ 1,851,973
Intergovernmental	3,376,336	1,279,050	-	-	4,655,386
Charges for services	3,340,825	-	-	38,584	3,379,409
Investment income (loss)	16,039	-	267	(38,558)	(22,252)
Miscellaneous	370,474	-	-	-	370,474
Total revenues	8,306,773	1,927,924	267	26	10,234,990
Expenditures					
Current:					
Public safety	1,099,368	-	-	-	1,099,368
Public works	1,391,350	-	-	-	1,391,350
Culture and recreation	1,698,700	-	-	-	1,698,700
Community enrichment and development	3,286,869	-	122,467	-	3,409,336
Debt service:					
Principal retirement	-	4,267,697	-	-	4,267,697
Lease principal	27,672	-	-	-	27,672
Interest and fiscal charges	-	3,171,564	-	-	3,171,564
Total expenditures	7,503,959	7,439,261	122,467	-	15,065,687
Revenues over (under) expenditures	802,814	(5,511,337)	(122,200)	26	(4,830,697)
Other financing sources (uses)					
Sale of capital assets	2,743	-	-	-	2,743
Transfers in	601,443	5,539,223	115,594	-	6,256,260
Transfers out	(1,312,955)	-	(7,088)	(25,863)	(1,345,906)
Total other financing sources (uses)	(708,769)	5,539,223	108,506	(25,863)	4,913,097
Net change in fund balances	94,045	27,886	(13,694)	(25,837)	82,400
Fund balances, beginning of year	4,418,016	135,011	79,084	3,486,171	8,118,282
Fund balances, end of year	\$ 4,512,061	\$ 162,897	\$ 65,390	\$ 3,460,334	\$ 8,200,682

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CITY OF JACKSON, MICHIGAN

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Local Street Fund - This fund is used to control the expenditure of motor fuel taxes which are earmarked by law for local street and highway purposes.

Ella W. Sharp Park Operating Fund - This fund is used to record the revenues and expenditures related to operating the Ella W. Sharp Golf Course and Ella W. Sharp Park.

Affordable Housing Fund - This fund was established to account for a \$4.5 million allocation by City Council of American Rescue Plan Act funding which had been approved by Congress and signed by the President on March 11, 2021.

Public Improvement Fund - This fund was established to account for tax revenue set aside for municipal public improvements.

Building Department Fund - This fund accounts for the revenues and expenditures for the Inspection Department Activity in accordance with the State Construction Code Act of 1999.

Building Demolitions Fund - This fund was established to account for revenues earmarked for building demolition expenditures that are not otherwise funded with Brownfield Redevelopment or Community Development Block Grant funds.

Drug Law Enforcement Fund - This fund is used to account for the proceeds from the sale of seized property which has been used in association with controlled substances.

Recreation Activity Fund - This fund is used to account for the expenditure of certain revenues generated from recreation fee programs.

Community Development Block Grant Fund - This fund accounts for grants under the Housing and Community Development Act of 1974, as amended. The Act provides for a series of grants over a period of years to be used for various community development activities.

Community Development Home Grant Fund - This fund is used to account for federal grants created by the National Affordable Housing Act of 1990.

Housing Code Enforcement Fund - This fund is used to account for revenues earmarked for housing code enforcement activities.

Recreation Millage Fund - This fund is used to account for certain property taxes collected by Jackson Public Schools and donated to the City for certain recreation purposes.

Cortland Street Redevelopment Projects Fund - This fund is used to separately account for the redevelopment of 135 W. Cortland (Vermeulen's) and 145 W. Cortland (Masonic Temple).

Byrne/JAG Programs Fund - This fund is used to account for activity related to the Justice Assistance Grant (JAG) Programs which replace the Byrne formula and the LLEGB programs with a single funding mechanism intended to simplify the administration process for grantees.

CESF Program Fund - This fund is used to account for the COVID-19 Relief Assistance for Jackson Police and Fire Departments program. The funds for this program will be used to support activities including preventing, preparing for, and responding to the coronavirus national emergency.

SAFER Grant Fund - This fund is used to account for the expenditure of a Federal S.A.F.E.R. (Staffing for Adequate Fire and Emergency Response) grant awarded to the City by the Federal Emergency Management Agency (FEMA).

Project Safe Neighborhood Grant Fund - This fund is used to account for the expenditures related to the Project Safe Neighborhoods - Initiative Grant entered into with the U.S. Department of Justice, Bureau of Justice Assistance. The term of the Grant is October 1, 2020 through September 30, 2023.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
June 30, 2022

	Local Street	Ella W. Sharp Park Operating	Affordable Housing	Public Improvement	Building Department	Building Demolitions
Assets						
Pooled cash and investments	\$ 1,491,630	\$ 138,805	\$ 51,863	\$ 481,364	\$ 836,882	\$ 149,145
Accounts receivables, net	41,842	-	-	-	372	35,844
Due from other governments	166,886	-	-	-	-	-
Due from other funds	-	-	-	-	-	475
Inventories	-	15,500	-	-	-	-
Total assets	<u>\$ 1,700,358</u>	<u>\$ 154,305</u>	<u>\$ 51,863</u>	<u>\$ 481,364</u>	<u>\$ 837,254</u>	<u>\$ 185,464</u>
Liabilities						
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	2,875	17,860	46,617	4,310	6,169	1,250
Accrued payroll	2,010	32,251	-	-	16,162	-
Other liabilities	-	-	-	-	125,867	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	5,246	-	7,212	-
Long-term advance from other funds	-	-	-	-	-	-
Total liabilities	<u>4,885</u>	<u>50,111</u>	<u>51,863</u>	<u>4,310</u>	<u>155,410</u>	<u>1,250</u>
Fund balances						
Nonspendable for -						
Inventories	-	15,500	-	-	-	-
Restricted for:						
Highways and streets	1,695,473	-	-	-	-	-
Public improvements	-	-	-	477,054	-	-
Public safety	-	-	-	-	-	-
Committed for:						
Culture and recreation	-	88,694	-	-	-	-
Public safety	-	-	-	-	681,844	184,214
Total fund balances	<u>1,695,473</u>	<u>104,194</u>	<u>-</u>	<u>477,054</u>	<u>681,844</u>	<u>184,214</u>
Total liabilities and fund balances	<u>\$ 1,700,358</u>	<u>\$ 154,305</u>	<u>\$ 51,863</u>	<u>\$ 481,364</u>	<u>\$ 837,254</u>	<u>\$ 185,464</u>

Drug Law Enforcement	Recreation Activity	Community Development Block Grant	Community Development Home Grant	Housing Code Enforcement	Recreation Millage
\$ 37,307	\$ 355,602	\$ 269,291	\$ 35,461	\$ 70,322	\$ 417,482
-	-	-	-	150,973	-
-	-	19,018	-	-	-
-	-	31,763	23,665	-	-
-	-	-	-	-	-
<u>\$ 37,307</u>	<u>\$ 355,602</u>	<u>\$ 320,072</u>	<u>\$ 59,126</u>	<u>\$ 221,295</u>	<u>\$ 417,482</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,959	218,597	9,530	2,804	2,629
-	21,423	11,937	-	29,951	9,985
-	-	15,030	-	-	-
-	-	-	49,596	-	-
-	-	24,508	-	18,914	-
-	-	50,000	-	-	-
-	32,382	320,072	59,126	51,669	12,614
-	-	-	-	-	-
-	-	-	-	-	-
37,307	-	-	-	-	404,868
-	323,220	-	-	-	-
-	-	-	-	169,626	-
<u>37,307</u>	<u>323,220</u>	<u>-</u>	<u>-</u>	<u>169,626</u>	<u>404,868</u>
<u>\$ 37,307</u>	<u>\$ 355,602</u>	<u>\$ 320,072</u>	<u>\$ 59,126</u>	<u>\$ 221,295</u>	<u>\$ 417,482</u>

continued...

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
June 30, 2022

	Cortland Street Redevelopment Projects Fund	Byrne/JAG Programs	CESF Program	SAFER Grant	Project Safe Neighborhood Grant	Totals
Assets						
Pooled cash and investments	\$ 440,815	\$ -	\$ -	\$ -	\$ -	\$ 4,775,969
Accounts receivables, net	-	-	-	-	-	229,031
Due from other governments	-	-	-	31,225	9,107	226,236
Due from other funds	-	-	-	-	-	55,903
Inventories	-	-	-	-	-	15,500
Total assets	\$ 440,815	\$ -	\$ -	\$ 31,225	\$ 9,107	\$ 5,302,639
Liabilities						
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 31,225	\$ 6,142	\$ 37,367
Accounts payable	6,554	-	-	-	2,965	333,119
Accrued payroll	-	-	-	-	-	123,719
Other liabilities	-	-	-	-	-	140,897
Unearned revenue	-	-	-	-	-	49,596
Due to other funds	-	-	-	-	-	55,880
Long-term advance from other funds	-	-	-	-	-	50,000
Total liabilities	6,554	-	-	31,225	9,107	790,578
Fund balances						
Nonspendable for -						
Inventories	-	-	-	-	-	15,500
Restricted for:						
Highways and streets	-	-	-	-	-	1,695,473
Public improvements	-	-	-	-	-	881,922
Public safety	-	-	-	-	-	37,307
Committed for:						
Culture and recreation	-	-	-	-	-	411,914
Public safety	434,261	-	-	-	-	1,469,945
Total fund balances	434,261	-	-	-	-	4,512,061
Total liabilities and fund balances	\$ 440,815	\$ -	\$ -	\$ 31,225	\$ 9,107	\$ 5,302,639

concluded.

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CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2022

	Local Street	Ella W. Sharp Park Operating	Affordable Housing	Public Improvement	Building Department	Building Demolitions
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 1,137,442	\$ -	\$ -
Intergovernmental	1,093,151	-	134,540	98,390	-	55,861
Charges for services	-	658,578	-	-	569,470	194,944
Investment income (loss)	6,328	287	-	6,050	1,755	(5,937)
Miscellaneous	32,815	-	-	-	-	-
Total revenues	1,132,294	658,865	134,540	1,241,882	571,225	244,868
Expenditures						
Current:						
Public safety	-	-	-	-	462,108	337,456
Public works	1,391,350	-	-	-	-	-
Culture and recreation	-	897,086	-	-	-	-
Community enrichment and development	-	-	134,540	26,980	-	-
Debt service - Lease principal	-	-	-	-	7,626	-
Total expenditures	1,391,350	897,086	134,540	26,980	469,734	337,456
Revenues over (under) expenditures	(259,056)	(238,221)	-	1,214,902	101,491	(92,588)
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	296,967	184,476	-	-	-	120,000
Transfers out	(89,322)	-	-	(1,223,633)	-	-
Total other financing sources (uses)	207,645	184,476	-	(1,223,633)	-	120,000
Net change in fund balances	(51,411)	(53,745)	-	(8,731)	101,491	27,412
Fund balances, beginning of year	1,746,884	157,939	-	485,785	580,353	156,802
Fund balances, end of year	\$ 1,695,473	\$ 104,194	\$ -	\$ 477,054	\$ 681,844	\$ 184,214

Drug Law Enforcement	Recreation Activity	Community Development Block Grant	Community Development Home Grant	Housing Code Enforcement	Recreation Millage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,343,585	426,165	-	-
-	210,632	-	-	1,062,520	644,681
138	1,473	-	-	4,685	855
26,018	-	202,835	47,393	61,413	-
<u>26,156</u>	<u>212,105</u>	<u>1,546,420</u>	<u>473,558</u>	<u>1,128,618</u>	<u>645,536</u>
19,299	-	-	-	-	-
-	-	-	-	-	-
-	176,421	-	-	-	625,193
-	-	1,546,420	473,558	1,065,351	-
-	-	-	-	20,046	-
<u>19,299</u>	<u>176,421</u>	<u>1,546,420</u>	<u>473,558</u>	<u>1,085,397</u>	<u>625,193</u>
6,857	35,684	-	-	43,221	20,343
2,743	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,600	35,684	-	-	43,221	20,343
<u>27,707</u>	<u>287,536</u>	<u>-</u>	<u>-</u>	<u>126,405</u>	<u>384,525</u>
<u>\$ 37,307</u>	<u>\$ 323,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,626</u>	<u>\$ 404,868</u>

continued...

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2022

	Cortland Street Redevelopment Projects Fund	Byrne/JAG Programs	CESF Program	SAFER Grant	Project Safe Neighborhood Grant	Totals
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,137,442
Intergovernmental	9,796	25,428	5,362	192,526	57,189	3,441,993
Charges for services	-	-	-	-	-	3,340,825
Investment income	405	-	-	-	-	16,039
Miscellaneous	-	-	-	-	-	370,474
Total revenues	10,201	25,428	5,362	192,526	57,189	8,306,773
Expenditures						
Current:						
Public safety	-	25,428	5,362	192,526	57,189	1,099,368
Public works	-	-	-	-	-	1,391,350
Culture and recreation	-	-	-	-	-	1,698,700
Community enrichment and development	40,020	-	-	-	-	3,286,869
Debt service - Lease principal	-	-	-	-	-	27,672
Total expenditures	40,020	25,428	5,362	192,526	57,189	7,503,959
Revenues over (under) expenditures	(29,819)	-	-	-	-	802,814
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	2,743
Transfers in	-	-	-	-	-	601,443
Transfers out	-	-	-	-	-	(1,312,955)
Total other financing sources (uses)	-	-	-	-	-	(708,769)
Net change in fund balances	(29,819)	-	-	-	-	94,045
Fund balances, beginning of year	464,080	-	-	-	-	4,418,016
Fund balances, end of year	\$ 434,261	\$ -	\$ -	\$ -	\$ -	\$ 4,512,061

concluded.

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Local Street Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 870,000	\$ 1,093,151	\$ 223,151	\$ 1,063,987
Investment income	2,000	6,328	4,328	3,975
Miscellaneous	-	32,815	32,815	70,227
Total revenues	872,000	1,132,294	260,294	1,138,189
Expenditures				
Current - public works:				
Street construction	1,249,520	1,081,444	(168,076)	2,214,678
Street maintenance	561,759	547,539	(14,220)	426,990
Traffic services	2,477	742	(1,735)	633
Winter maintenance	170,496	151,931	(18,565)	131,670
Reimbursements	(310,061)	(390,306)	(80,245)	(788,734)
Total expenditures	1,674,191	1,391,350	(282,841)	1,985,237
Revenues over (under) expenditures	(802,191)	(259,056)	543,135	(847,048)
Other financing sources (uses)				
Transfers in	474,072	296,967	(177,105)	362,174
Transfers out	(89,322)	(89,322)	-	(103,824)
Total other financing sources	384,750	207,645	(177,105)	258,350
Net change in fund balance	(417,441)	(51,411)	366,030	(588,698)
Fund balance, beginning of year	1,746,884	1,746,884	-	2,335,582
Fund balance, end of year	\$ 1,329,443	\$ 1,695,473	\$ 366,030	\$ 1,746,884

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Ella W. Sharp Park Special Revenue Operating Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 712,400	\$ 658,578	\$ (53,822)	\$ 710,120
Investment income	250	287	37	128
Total revenues	<u>712,650</u>	<u>658,865</u>	<u>(53,785)</u>	<u>710,248</u>
Expenditures				
Current - culture and recreation:				
Personnel services	316,471	327,676	11,205	307,678
Materials and supplies	202,100	232,200	30,100	193,487
Contractual and other services	370,040	337,210	(32,830)	264,692
Total expenditures	<u>888,611</u>	<u>897,086</u>	<u>8,475</u>	<u>765,857</u>
Revenues under expenditures	(175,961)	(238,221)	(62,260)	(55,609)
Other financing sources				
Transfers in	184,641	184,476	(165)	170,744
Net change in fund balance	8,680	(53,745)	(62,425)	115,135
Fund balance, beginning of year	157,939	157,939	-	42,804
Fund balance, end of year	<u>\$ 166,619</u>	<u>\$ 104,194</u>	<u>\$ (62,425)</u>	<u>\$ 157,939</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Affordable Housing Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 250,000	\$ 134,540	\$ (115,460)	\$ -
Expenditures				
Current - community enrichment and development:				
Personnel services	5,327	-	(5,327)	-
Contractual and other services	244,673	134,540	(110,133)	-
Total expenditures	250,000	134,540	(115,460)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Public Improvement Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Property taxes	\$ 1,138,000	\$ 1,137,442	\$ (558)	\$ 1,109,447
Intergovernmental	89,146	98,390	9,244	89,979
Investment income	5,000	6,050	1,050	3,293
Total revenues	1,232,146	1,241,882	9,736	1,202,719
Expenditures				
Current - community enrichment and development	64,905	26,980	(37,925)	288,667
Revenues over expenditures	1,167,241	1,214,902	47,661	914,052
Other financing uses				
Transfers out	(1,070,114)	(1,223,633)	153,519	(1,138,895)
Net change in fund balance	97,127	(8,731)	(105,858)	(224,843)
Fund balance, beginning of year	485,785	485,785	-	710,628
Fund balance, end of year	\$ 582,912	\$ 477,054	\$ (105,858)	\$ 485,785

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Building Department Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 560,867	\$ 569,470	\$ 8,603	\$ 534,242
Investment income	2,000	1,755	(245)	2,502
Miscellaneous	-	-	-	27,398
Total revenues	<u>562,867</u>	<u>571,225</u>	<u>8,358</u>	<u>564,142</u>
Expenditures				
Current - public safety:				
Personnel services	430,800	410,519	(20,281)	390,330
Materials and supplies	15,800	10,980	(4,820)	8,796
Contractual and other services	67,573	40,609	(26,964)	51,148
Debt service -				
Lease principal	-	7,626	7,626	-
Total expenditures	<u>514,173</u>	<u>469,734</u>	<u>(44,439)</u>	<u>450,274</u>
Revenues over expenditures	48,694	101,491	52,797	113,868
Other financing uses				
Transfers out	<u>(119,000)</u>	-	<u>(119,000)</u>	-
Net change in fund balance	<u>(70,306)</u>	<u>101,491</u>	<u>171,797</u>	<u>113,868</u>
Fund balance, beginning of year	<u>580,353</u>	<u>580,353</u>	-	<u>466,485</u>
Fund balance, end of year	<u>\$ 510,047</u>	<u>\$ 681,844</u>	<u>\$ 171,797</u>	<u>\$ 580,353</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Building Demolitions Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 55,861	\$ 55,861	\$ -	\$ -
Charges for services	16,556	194,944	178,388	163,315
Investment income (loss)	1,000	(5,937)	(6,937)	699
Miscellaneous	500	-	(500)	398
Total revenues	73,917	244,868	170,951	164,412
Expenditures				
Current - public safety - Contractual and other services	294,156	337,456	43,300	466,413
Revenues under expenditures	(220,239)	(92,588)	127,651	(302,001)
Other financing sources				
Transfers in	120,000	120,000	-	-
Net change in fund balance	(100,239)	27,412	127,651	(302,001)
Fund balance, beginning of year	156,802	156,802	-	458,803
Fund balance, end of year	\$ 56,563	\$ 184,214	\$ 127,651	\$ 156,802

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Drug Law Enforcement Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Investment income	\$ 96	\$ 138	\$ 42	\$ 68
Miscellaneous	25,000	26,018	1,018	14,299
Total revenues	<u>25,096</u>	<u>26,156</u>	<u>1,060</u>	<u>14,367</u>
Expenditures				
Current - public safety:				
Personnel services	17,677	17,704	27	17,311
Materials and supplies	570	1,595	1,025	402
Contractual and other services	-	-	-	15
Total expenditures	<u>18,247</u>	<u>19,299</u>	<u>1,052</u>	<u>17,728</u>
Revenues over expenditures	6,849	6,857	8	(3,361)
Other financing sources				
Sale of capital assets	500	2,743	2,243	-
Net change in fund balance	<u>7,349</u>	<u>9,600</u>	<u>2,251</u>	<u>(3,361)</u>
Fund balance, beginning of year	<u>27,707</u>	<u>27,707</u>	<u>-</u>	<u>31,068</u>
Fund balance, end of year	<u>\$ 35,056</u>	<u>\$ 37,307</u>	<u>\$ 2,251</u>	<u>\$ 27,707</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Recreation Activity Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 167,000	\$ 210,632	\$ 43,632	\$ 86,435
Investment income	1,000	1,473	473	647
Miscellaneous	-	-	-	4,770
Total revenues	<u>168,000</u>	<u>212,105</u>	<u>44,105</u>	<u>91,852</u>
Expenditures				
Current - culture and recreation:				
Personnel services	54,536	62,421	7,885	31,766
Materials and supplies	25,000	54,355	29,355	27,082
Contractual and other services	50,323	59,645	9,322	16,735
Total expenditures	<u>129,859</u>	<u>176,421</u>	<u>46,562</u>	<u>75,583</u>
Net change in fund balance	38,141	35,684	(2,457)	16,269
Fund balance, beginning of year	<u>287,536</u>	<u>287,536</u>	-	<u>271,267</u>
Fund balance, end of year	<u>\$ 325,677</u>	<u>\$ 323,220</u>	<u>\$ (2,457)</u>	<u>\$ 287,536</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Community Development Block Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 3,458,279	\$ 1,343,585	\$ (2,114,694)	\$ 2,371,135
Miscellaneous	1,783,983	202,835	(1,581,148)	157,167
Total revenues	<u>5,242,262</u>	<u>1,546,420</u>	<u>(3,695,842)</u>	<u>2,528,302</u>
Expenditures				
Current -				
Community enrichment and development:				
Rehabilitation	497,059	322,242	(174,817)	261,156
Administration	423,000	144,637	(278,363)	184,513
Public services	547,733	26,226	(521,507)	170,199
Culture and recreation	1,943,254	178,279	(1,764,975)	538,457
Street construction	1,564,191	466,491	(1,097,700)	928,648
Public facility demolition	961,846	408,545	(553,301)	445,329
Total expenditures	<u>5,937,083</u>	<u>1,546,420</u>	<u>(4,390,663)</u>	<u>2,528,302</u>
Net change in fund balance	(694,821)	-	694,821	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ (694,821)</u>	<u>\$ -</u>	<u>\$ 694,821</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Community Development Home Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 1,548,125	\$ 426,165	\$ (1,121,960)	\$ 217,213
Miscellaneous	151,839	47,393	(104,446)	37,702
Total revenues	<u>1,699,964</u>	<u>473,558</u>	<u>(1,226,406)</u>	<u>254,915</u>
Expenditures				
Current - community enrichment and development - Community housing development organizations	<u>1,519,204</u>	<u>473,558</u>	<u>(1,045,646)</u>	<u>254,915</u>
Net change in fund balance	180,760	-	(180,760)	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 180,760</u>	<u>\$ -</u>	<u>\$ (180,760)</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Housing Code Enforcement Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 772,880	\$ 1,062,520	\$ 289,640	\$ 1,050,160
Investment income	3,000	4,685	1,685	3,874
Miscellaneous	60,000	61,413	1,413	100,681
Total revenues	835,880	1,128,618	292,738	1,154,715
Expenditures				
Current -				
Community enrichment and development	1,075,848	1,065,351	(10,497)	1,029,309
Debt service -				
Lease principal	-	20,046	20,046	-
Total expenditures	1,075,848	1,085,397	9,549	1,029,309
Revenues over (under) expenditures	(239,968)	43,221	283,189	125,406
Other financing sources				
Transfers in	119,000	-	(119,000)	-
Net change in fund balance	(120,968)	43,221	164,189	125,406
Fund balance, beginning of year	126,405	126,405	-	999
Fund balance, end of year	\$ 5,437	\$ 169,626	\$ 164,189	\$ 126,405

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Recreation Millage Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 645,000	\$ 644,681	\$ (319)	\$ 608,860
Investment income	1,000	855	(145)	443
Miscellaneous	-	-	-	41,374
Total revenues	<u>646,000</u>	<u>645,536</u>	<u>(464)</u>	<u>650,677</u>
Expenditures				
Current - culture and recreation:				
Personnel services	461,609	466,925	5,316	309,624
Materials and supplies	154,000	139,262	(14,738)	71,176
Contractual and other services	27,600	19,006	(8,594)	16,552
Total expenditures	<u>643,209</u>	<u>625,193</u>	<u>(18,016)</u>	<u>397,352</u>
Net change in fund balance	2,791	20,343	17,552	253,325
Fund balance, beginning of year	<u>384,525</u>	<u>384,525</u>	-	<u>131,200</u>
Fund balance, end of year	<u>\$ 387,316</u>	<u>\$ 404,868</u>	<u>\$ 17,552</u>	<u>\$ 384,525</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Cortland Street Redevelopment Projects Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ -	\$ 9,796	\$ 9,796	\$ -
Investment income	408	405	(3)	68
Miscellaneous	-	-	-	1,000
Total revenues	408	10,201	9,793	1,068
Expenditures				
Current -				
Community enrichment and development - Economic development	25,587	40,020	14,433	39,838
Revenues under expenditures	(25,179)	(29,819)	(4,640)	(38,770)
Other financing sources				
Sale of capital assets	-	-	-	497,850
Net change in fund balance	(25,179)	(29,819)	(4,640)	459,080
Fund balance, beginning of year	464,080	464,080	-	5,000
Fund balance, end of year	\$ 438,901	\$ 434,261	\$ (4,640)	\$ 464,080

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Byrne/JAG Program Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 53,907	\$ 25,428	\$ (28,479)	\$ 47,173
Expenditures				
Current - public safety -				
Contractual and other services	53,907	25,428	(28,479)	47,173
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

CESF Program Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 5,362	\$ 5,362	\$ -	\$ 1,528
Expenditures				
Current - public safety -				
Contractual and other services	5,362	5,362	-	1,528
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

SAFER Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 194,072	\$ 192,526	\$ (1,546)	\$ -
Expenditures				
Current - public safety - Personnel services	194,072	192,526	(1,546)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Amended Budget and Actual

Project Safe Neighborhood Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	2022			2021 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 55,901	\$ 57,189	\$ 1,288	\$ 13,487
Expenditures				
Current - public safety:				
Personnel services	-	14,415	14,415	3,888
Community enrichment	55,901	42,774	(13,127)	9,599
Total expenditures	55,901	57,189	1,288	13,487
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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CITY OF JACKSON, MICHIGAN

Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

2001 DDA TIF Debt Service Fund - This fund is used to record principal and interest payments on the \$17,998,577 Downtown Development Authority bonds, used to finance the City's share of land acquisition and infrastructure improvements associated with the construction of the new Consumers Energy headquarters.

2013 City Hall Refunding Debt Service Fund - This fund is used to record principal and interest payments on the \$8,275,000 Refunding Bonds dated February 5, 2013.

2016 Capital Improvement Bonds Debt Service Fund - This fund is used to record principal and interest payments on the \$1,300,000 Bonds dated April 20, 2016.

2017 Brownfield Refunding Debt Service Fund - This fund is used to record principal and interest payments on the \$9,080,000 Refunding Bonds dated April 26, 2017.

2017 Michigan Transportation Bonds Debt Service Fund - This fund is used to record principal and interest payments on the \$8,970,000 Bonds dated June 27, 2017.

2019 Downtown Development Authority Refunding Debt Service Fund - This fund is used to record principal and interest payments on the \$5,715,000 Refunding Bonds dated December 19, 2019.

2020 Capital Improvement Bonds Debt Service Fund - This fund is used to record principal and interest payments on the \$2,000,000 City of Jackson 2020 Capital Improvement Bonds, dated May 28, 2020. These Bonds were issued to provide funds to pay the cost of renovations to the City Martin Luther King Center and related bond issuance costs.

Special Assessment Debt Service Fund - This Fund is used to account for the collection of special assessments that have been pledged and for the subsequent payment of the related debt service.

2021 City Hall Refunding Debt Service Fund - This fund is used to record principal and interest payments on the \$4.382 million City of Jackson 2021 Unlimited Tax General Obligation (City Hall) Refunding Bonds, dated March 24, 2021. These Bonds were issued to refinance the 2013 Unlimited Tax General Obligation (City Hall) Refunding Bonds and paying the costs incidental to the issuance of the Bonds.

2021 Brownfield Refunding Debt Service Fund - This fund is used to record principal and interest payments on the \$4.272 million City of Jackson Brownfield Redevelopment Authority Tax Increment Refunding Bonds, Series 2021, dated March 24, 2021. These Bonds were issued for the purpose refunding the Authority's Tax Increment Bonds, Series 2012, dated March 14, 2012 (the "Prior Bonds"), consisting of bonds maturing June 1, 2022 through June 1, 2024, and June 1, 2030 through June 16, 2031, inclusive, and paying the costs incidental to the issuance of the Bonds.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2022

	2001 DDA TIF	2013 City Hall Refunding	2016 Capital Improvement Bonds	2017 Brownfield Refunding
Assets				
Pooled cash and investments	\$ 637	\$ -	\$ -	\$ 1,900
Due from other funds	-	3,142	-	-
Total assets	<u>\$ 637</u>	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 1,900</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balances				
Restricted for debt service	<u>637</u>	<u>3,142</u>	<u>-</u>	<u>1,900</u>
Total liabilities and fund balances	<u>\$ 637</u>	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 1,900</u>

2017 Michigan Transportation Bonds	2019 DDA Refunding	2020 Capital Improvement Bonds	Special Assessment	2021 City Hall Refunding	2021 Brownfield Refunding	Totals
\$ -	\$ 211	\$ 7,088	\$ -	\$ 151,547	\$ 618	\$ 162,001
-	-	-	-	-	-	3,142
<u>\$ -</u>	<u>\$ 211</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 151,547</u>	<u>\$ 618</u>	<u>\$ 165,143</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,246	\$ -	\$ 2,246
-	211	7,088	-	149,301	618	162,897
<u>\$ -</u>	<u>\$ 211</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 151,547</u>	<u>\$ 618</u>	<u>\$ 165,143</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Fiscal Year Ended June 30, 2022

	2001 DDA TIF	2013 City Hall Refunding	2016 Capital Improvement Bonds	2017 Brownfield Refunding
Revenues				
Property taxes	\$ -	\$ 3,142	\$ -	\$ -
Intergovernmental	-	-	-	415,704
Total revenues	<u>-</u>	<u>3,142</u>	<u>-</u>	<u>415,704</u>
Expenditures				
Debt service:				
Principal retirement	804,697	-	956,000	195,000
Interest and fiscal charges	1,793,290	-	630,277	220,704
Total expenditures	<u>2,597,987</u>	<u>-</u>	<u>1,586,277</u>	<u>415,704</u>
Revenues over (under) expenditures	(2,597,987)	3,142	(1,586,277)	-
Other financing sources				
Transfers in	<u>2,597,987</u>	<u>-</u>	<u>1,586,277</u>	<u>-</u>
Net change in fund balances	-	3,142	-	-
Fund balances, beginning of year	<u>637</u>	<u>-</u>	<u>-</u>	<u>1,900</u>
Fund balances, end of year	<u>\$ 637</u>	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 1,900</u>

2017 Michigan Transportation Bonds	2019 DDA Refunding	2020 Capital Improvement Bonds	Special Assessment	2021 City Hall Refunding	2021 Brownfield Refunding	Totals
\$ -	\$ -	\$ -	\$ -	\$ 645,732	\$ -	\$ 648,874
-	-	-	-	104,646	758,700	1,279,050
-	-	-	-	750,378	758,700	1,927,924
600,000	35,000	186,000	136,000	687,000	668,000	4,267,697
161,350	170,630	37,533	21,358	45,722	90,700	3,171,564
761,350	205,630	223,533	157,358	732,722	758,700	7,439,261
(761,350)	(205,630)	(223,533)	(157,358)	17,656	-	(5,511,337)
761,350	205,630	230,621	157,358	-	-	5,539,223
-	-	7,088	-	17,656	-	27,886
-	211	-	-	131,645	618	135,011
\$ -	\$ 211	\$ 7,088	\$ -	\$ 149,301	\$ 618	\$ 162,897

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CITY OF JACKSON, MICHIGAN

■ Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects Fund - This fund is used to account for monies set aside to fund various capital building and land improvements not otherwise funded by bond proceeds.

2020 Capital Improvements Bond Construction Fund - This fund accounts for monies set aside to fund various capital building and land improvements funded by the 2020 capital improvements bonds.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2022

	Capital Projects	2020 Capital Improvements Bonds Construction	Totals
Assets			
Pooled cash and investments	\$ 68,140	\$ -	\$ 68,140
Liabilities			
Accounts payable	\$ 2,750	\$ -	\$ 2,750
Fund balances			
Committed for capital projects	65,390	-	65,390
Total liabilities and fund balances	\$ 68,140	\$ -	\$ 68,140

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2022

	Capital Projects	2020 Capital Improvements Bonds Construction	Totals
Revenues			
Investment income	\$ 255	\$ 12	\$ 267
Expenditures			
Current -			
Community enrichment and development	121,594	873	122,467
Revenues under expenditures	(121,339)	(861)	(122,200)
Other financing sources (uses)			
Transfers in	115,594	-	115,594
Transfers out	-	(7,088)	(7,088)
Total other financing sources (uses)	115,594	(7,088)	108,506
Net change in fund balances	(5,745)	(7,949)	(13,694)
Fund balances, beginning of year	71,135	7,949	79,084
Fund balances, end of year	\$ 65,390	\$ -	\$ 65,390

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CITY OF JACKSON, MICHIGAN

Nonmajor Permanent Funds

Ella W. Sharp Park Endowment Fund - This fund is used to account for monies received from the estate of Ella W. Sharp.

Cemetery Perpetual Maintenance Fund - This fund is used to account for money held in trust for the perpetual care of certain cemetery lots.

Lloyd E. Mount Endowment Fund - This fund is used to account for monies received from the estate of Lloyd E. Mount.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Permanent Funds

June 30, 2022

	Ella W. Sharp Park Endowment	Cemetery Perpetual Maintenance	Lloyd E. Mount Endowment	Total
Assets				
Pooled cash and investments - restricted	\$ 1,100,840	\$ 2,072,889	\$ 286,605	\$ 3,460,334
Fund balances				
Nonspendable for:				
Perpetual care	\$ -	\$ 2,072,889	\$ -	\$ 2,072,889
Endowment	1,100,840	-	286,605	1,387,445
Total fund balances	<u>\$ 1,100,840</u>	<u>\$ 2,072,889</u>	<u>\$ 286,605</u>	<u>\$ 3,460,334</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

For the Fiscal Year Ended June 30, 2022

	Ella W. Sharp Park Endowment	Cemetery Perpetual Maintenance	Lloyd E. Mount Endowment	Total
Revenues				
Charges for services	\$ -	\$ 38,584	\$ -	\$ 38,584
Investment income (loss)	(32,465)	6,387	(12,480)	(38,558)
Total revenues	(32,465)	44,971	(12,480)	26
Other financing uses				
Transfers out	(14,239)	(6,387)	(5,237)	(25,863)
Net change in fund balances	(46,704)	38,584	(17,717)	(25,837)
Fund balances, beginning of year	1,147,544	2,034,305	304,322	3,486,171
Fund balances, end of year	<u>\$ 1,100,840</u>	<u>\$ 2,072,889</u>	<u>\$ 286,605</u>	<u>\$ 3,460,334</u>

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CITY OF JACKSON, MICHIGAN

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's commission is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered through user charges or where the government's commission has decided that periodic determination of net income is appropriate for accountability purposes.

Automobile Parking System Fund - This fund is used to account for the operation of the downtown parking garage and capital improvements to the City's parking system.

Parking Assessment Fund - This fund is used to account for the revenues and expenses of the City's meterless parking system.

CITY OF JACKSON, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2022

	Automobile Parking System	Parking Assessment	Totals
Assets			
Current assets:			
Pooled cash and investments	\$ 187,419	\$ 286,769	\$ 474,188
Due from other funds	-	368	368
Total current assets	<u>187,419</u>	<u>287,137</u>	<u>474,556</u>
Noncurrent assets:			
Capital assets not being depreciated	1,682,727	-	1,682,727
Capital assets being depreciated, net	2,744,437	-	2,744,437
Total noncurrent assets	<u>4,427,164</u>	<u>-</u>	<u>4,427,164</u>
Total assets	<u>4,614,583</u>	<u>287,137</u>	<u>4,901,720</u>
Liabilities			
Current liabilities:			
Accounts payable	4,650	2,133	6,783
Accrued payroll	-	3,002	3,002
Total liabilities	<u>4,650</u>	<u>5,135</u>	<u>9,785</u>
Net position			
Investment in capital assets	4,427,164	-	4,427,164
Unrestricted	182,769	282,002	464,771
Total net position	<u>\$ 4,609,933</u>	<u>\$ 282,002</u>	<u>\$ 4,891,935</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2022

	Automobile Parking System	Parking Assessment	Totals
Operating revenues			
Charges for sales and services	\$ 1,774	\$ 122,107	\$ 123,881
Other	-	29,820	29,820
Total operating revenues	<u>1,774</u>	<u>151,927</u>	<u>153,701</u>
Operating expenses			
Personal services	396	43,836	44,232
Materials and supplies	124	-	124
Contractual and other services	12,068	121,733	133,801
Depreciation	144,970	-	144,970
Total operating expenses	<u>157,558</u>	<u>165,569</u>	<u>323,127</u>
Operating loss	(155,784)	(13,642)	(169,426)
Nonoperating revenues			
Investment income	825	1,736	2,561
Income (loss) before transfers	(154,959)	(11,906)	(166,865)
Transfers in	92,143	81,712	173,855
Transfers out	(105,195)	(92,143)	(197,338)
Change in net position	<u>(168,011)</u>	<u>(22,337)</u>	<u>(190,348)</u>
Net position, beginning of year	<u>4,777,944</u>	<u>304,339</u>	<u>5,082,283</u>
Net position, end of year	<u>\$ 4,609,933</u>	<u>\$ 282,002</u>	<u>\$ 4,891,935</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2022

	Automobile Parking System	Parking Assessment	Totals
Cash flows from operating activities			
Receipts from customers and users	\$ 1,774	\$ 151,849	\$ 153,623
Payments to employees	(396)	(43,836)	(44,232)
Payments to vendors and claimants	(7,542)	(122,418)	(129,960)
Net cash used in operating activities	<u>(6,164)</u>	<u>(14,405)</u>	<u>(20,569)</u>
Cash flows from noncapital financing activities			
Transfers in	92,143	81,712	173,855
Transfers out	(105,195)	(92,143)	(197,338)
Net cash used in noncapital financing activities	<u>(13,052)</u>	<u>(10,431)</u>	<u>(23,483)</u>
Cash flows from investing activities			
Interest received on investments	825	1,736	2,561
Net change in cash and cash equivalents	(18,391)	(23,100)	(41,491)
Cash and cash equivalents, beginning of year	205,810	309,869	515,679
Cash and cash equivalents, end of year	<u>\$ 187,419</u>	<u>\$ 286,769</u>	<u>\$ 474,188</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (155,784)	\$ (13,642)	\$ (169,426)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	144,970	-	144,970
Change in operating assets and liabilities that provided (used) cash:			
Accounts receivable	-	290	290
Due from other funds	-	(368)	(368)
Accounts payable	4,650	663	5,313
Accrued payroll	-	1,787	1,787
Unearned revenue	-	(3,135)	(3,135)
Net cash used in operating activities	<u>\$ (6,164)</u>	<u>\$ (14,405)</u>	<u>\$ (20,569)</u>

CITY OF JACKSON, MICHIGAN

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost

Workers' Compensation Fund - This fund is used to record the activity of the City's self-insured workers' compensation program. Revenues are supplied by charges to various City funds.

Self Insurance Health Fund - This fund is used to record the activity of the City's self-insured health program. Revenues are supplied by charges to various City funds.

Motor Pool And Garage Fund - This fund is used to record the operations of the City's motor vehicle pool at the Department of Public Works. Revenues are supplied by equipment rental charges to other funds of the City.

Public Works Administration Fund - This fund is used to account for the administrative operations of the City's Department of Public Works.

Engineering Administration Fund - This fund is used to account for the administrative operations of the City's Engineering Department.

Local Site Remediation Revolving Fund - This Fund is used to record the receipt and disbursement of money available under Section 13(5) of the Brownfield Redevelopment Financing Act (Act 381 of 1996) and may also consist of money appropriated or otherwise made available from public or private sources.

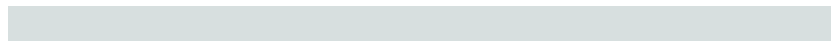
CITY OF JACKSON, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2022

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Assets			
Current assets:			
Pooled cash and investments	\$ 741,899	\$ 428,869	\$ 584,384
Accounts receivable	-	-	218
Restricted cash -			
Cash on hand with agents	46,000	-	-
Total current assets	<u>787,899</u>	<u>428,869</u>	<u>584,602</u>
Noncurrent assets:			
Capital assets being depreciated/amortized, net	-	-	993,826
Total assets	<u>787,899</u>	<u>428,869</u>	<u>1,578,428</u>
Liabilities			
Current liabilities:			
Accounts payable	17,850	14,687	13,274
Accrued payroll	-	-	10,308
Estimated claims payable	113,235	-	-
Current portion of leases payable	-	-	30,069
Current portion of installment purchase agreement	-	-	146,210
Total current liabilities	<u>131,085</u>	<u>14,687</u>	<u>199,861</u>
Noncurrent liabilities:			
Lease liability, net of current portion	-	-	61,728
Installment purchase agreement, net of current portion	-	-	264,996
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>326,724</u>
Total liabilities	<u>131,085</u>	<u>14,687</u>	<u>526,585</u>
Net position			
Net investment in capital assets	-	-	490,823
Unrestricted	656,814	414,182	561,020
Total net position	<u>\$ 656,814</u>	<u>\$ 414,182</u>	<u>\$ 1,051,843</u>



Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 336,620	\$ 264,962	\$ 208,703	\$ 2,565,437
29,198	9,870	-	39,286
-	-	-	46,000
<u>365,818</u>	<u>274,832</u>	<u>208,703</u>	<u>2,650,723</u>
-	-	-	993,826
<u>365,818</u>	<u>274,832</u>	<u>208,703</u>	<u>3,644,549</u>
14,738	3,772	-	64,321
16,292	8,394	-	34,994
-	-	-	113,235
-	-	-	30,069
-	-	-	146,210
<u>31,030</u>	<u>12,166</u>	<u>-</u>	<u>388,829</u>
-	-	-	61,728
-	-	-	264,996
-	-	-	326,724
<u>31,030</u>	<u>12,166</u>	<u>-</u>	<u>715,553</u>
-	-	-	490,823
<u>334,788</u>	<u>262,666</u>	<u>208,703</u>	<u>2,438,173</u>
<u>\$ 334,788</u>	<u>\$ 262,666</u>	<u>\$ 208,703</u>	<u>\$ 2,928,996</u>

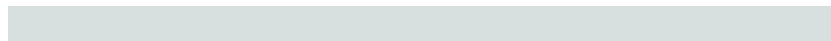
CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2022

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Operating revenues			
Charges for services	\$ 85,132	\$ 5,012,661	\$ 157,723
Miscellaneous	-	-	1,079,708
Total operating revenues	<u>85,132</u>	<u>5,012,661</u>	<u>1,237,431</u>
Operating expenses			
Personal services	-	-	263,181
Administration	-	-	-
Materials and supplies	-	-	401,583
Contractual and other services	14,877	5,351,841	146,855
Benefit payments	292,893	-	-
Depreciation/amortization	-	-	223,869
Total operating expenses	<u>307,770</u>	<u>5,351,841</u>	<u>1,035,488</u>
Operating income (loss)	(222,638)	(339,180)	201,943
Nonoperating revenues			
Investment income	<u>3,207</u>	<u>4,085</u>	<u>2,556</u>
Income (loss) before transfers	(219,431)	(335,095)	204,499
Transfers out	<u>-</u>	<u>-</u>	<u>(53,391)</u>
Change in net position	(219,431)	(335,095)	151,108
Net position, beginning of year	<u>876,245</u>	<u>749,277</u>	<u>900,735</u>
Net position, end of year	<u>\$ 656,814</u>	<u>\$ 414,182</u>	<u>\$ 1,051,843</u>



Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 356,395	\$ 256,962	\$ 64,811	\$ 5,933,684
-	-	-	1,079,708
<u>356,395</u>	<u>256,962</u>	<u>64,811</u>	<u>7,013,392</u>
314,778	198,910	-	776,869
71,453	65,864	-	137,317
-	-	-	401,583
-	-	-	5,513,573
-	-	-	292,893
-	-	-	223,869
<u>386,231</u>	<u>264,774</u>	<u>-</u>	<u>7,346,104</u>
(29,836)	(7,812)	64,811	(332,712)
<u>6,305</u>	<u>1,393</u>	<u>700</u>	<u>18,246</u>
(23,531)	(6,419)	65,511	(314,466)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,391)</u>
(23,531)	(6,419)	65,511	(367,857)
<u>358,319</u>	<u>269,085</u>	<u>143,192</u>	<u>3,296,853</u>
<u>\$ 334,788</u>	<u>\$ 262,666</u>	<u>\$ 208,703</u>	<u>\$ 2,928,996</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2022

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Cash flows from operating activities			
Receipts for interfund services provided	\$ 85,132	\$ 5,012,661	\$ 1,237,370
Payments to employees	-	-	(262,043)
Payments to vendors and claimants	(272,094)	(5,348,004)	(560,526)
Net cash provided by (used in) operating activities	<u>(186,962)</u>	<u>(335,343)</u>	<u>414,801</u>
Cash flows from noncapital financing activities			
Transfers out	-	-	(53,391)
Cash flows from capital and related financing activities			
Principal paid on long-term debt	-	-	(142,349)
Principal paid on leases payable	-	-	(28,879)
Repayment received from advances to other funds	419,367	-	-
Net cash provided by (used in) capital and related financing activities	<u>419,367</u>	<u>-</u>	<u>(171,228)</u>
Cash flows from investing activities			
Interest received on investments	3,207	4,085	2,556
Net change in cash and cash equivalents	235,612	(331,258)	192,738
Cash and cash equivalents, beginning of year	552,287	760,127	391,646
Cash and cash equivalents, end of year	<u>\$ 787,899</u>	<u>\$ 428,869</u>	<u>\$ 584,384</u>
Statement of net position classification of cash			
Cash and cash equivalents	\$ 741,899	\$ 428,869	\$ 584,384
Restricted cash and cash equivalents	46,000	-	-
	<u>\$ 787,899</u>	<u>\$ 428,869</u>	<u>\$ 584,384</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (222,638)	\$ (339,180)	\$ 201,943
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	-	-	223,869
Change in operating assets and liabilities that provided (used) cash:			
Accounts receivable	-	-	(61)
Accounts payable	(3,155)	3,837	(12,088)
Accrued payroll	-	-	1,138
Estimated claims payable	38,831	-	-
Net cash provided by (used in) operating activities	<u>\$ (186,962)</u>	<u>\$ (335,343)</u>	<u>\$ 414,801</u>

Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 343,827	\$ 247,292	\$ 64,811	\$ 6,991,093
(311,947)	(193,905)	-	(767,895)
(69,172)	(67,553)	-	(6,317,349)
(37,292)	(14,166)	64,811	(94,151)
-	-	-	(53,391)
-	-	-	(142,349)
-	-	-	(28,879)
-	-	-	419,367
-	-	-	248,139
6,305	1,393	700	18,246
(30,987)	(12,773)	65,511	118,843
367,607	277,735	143,192	2,492,594
<u>\$ 336,620</u>	<u>\$ 264,962</u>	<u>\$ 208,703</u>	<u>\$ 2,611,437</u>
\$ 336,620	\$ 264,962	\$ 208,703	\$ 2,565,437
-	-	-	46,000
<u>\$ 336,620</u>	<u>\$ 264,962</u>	<u>\$ 208,703</u>	<u>\$ 2,611,437</u>
\$ (29,836)	\$ (7,812)	\$ 64,811	\$ (332,712)
-	-	-	223,869
(12,568)	(9,670)	-	(22,299)
2,281	(1,689)	-	(10,814)
2,831	5,005	-	8,974
-	-	-	38,831
<u>\$ (37,292)</u>	<u>\$ (14,166)</u>	<u>\$ 64,811</u>	<u>\$ (94,151)</u>

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CITY OF JACKSON, MICHIGAN

Custodial Funds

Custodial funds are used to account for assets held by the government as an agent for individuals, private organizations, and/or other governments.

Jeopardy Tax Fund - This fund is used to account for advance personal property payments from dissolved businesses.

County And School Tax Collection Fund - This fund is used to record transactions arising from the collection of taxes for the County of Jackson, Jackson Community College, Jackson Transit Authority and Jackson Public Schools.

CITY OF JACKSON, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2022

	Jeopardy Tax	County and School Tax Collection	Total
Assets			
Pooled cash and investments	\$ 20,450	\$ -	\$ 20,450
Liabilities			
Due to other governments	20,450	-	20,450
Net position			
Restricted for payments to other governments	\$ -	\$ -	\$ -

CITY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Fiscal Year Ended June 30, 2022

	Jeopardy Tax	County and School Tax Collection	Total
Additions			
Taxes collected for other governments	\$ 24,104	\$ 26,802,394	\$ 26,826,498
Deductions			
Payments of taxes to other governments	<u>24,104</u>	<u>26,802,394</u>	<u>26,826,498</u>
Change in net position	-	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF JACKSON, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

June 30, 2022

	Capital Projects		
	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Pooled cash and investments	\$ 1,422,370	\$ -	\$ 1,422,370
Liabilities			
Accounts payable	\$ 13,080	-	13,080
Salaries payable	912	-	912
Total liabilities	13,992	-	13,992
Fund balance			
Committed	1,408,378	(1,408,378)	-
Total liabilities and fund balance	\$ 1,422,370		
Net position - unrestricted		\$ 1,408,378	\$ 1,408,378

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Fiscal Year Ended June 30, 2022

	Capital Projects		
	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 1,510,059	\$ -	\$ 1,510,059
Interest revenue	5,995	-	5,995
Total revenues	1,516,054	-	1,516,054
Expenditures/Expenses			
Community enrichment	1,444,191	-	1,444,191
Net change in fund balance	71,863	(71,863)	-
Change in net position	-	71,863	71,863
Fund balance / net position, beginning of year	1,336,515	-	1,336,515
Fund balance / net position, end of year	<u>\$ 1,408,378</u>	<u>\$ -</u>	<u>\$ 1,408,378</u>

CITY OF JACKSON, MICHIGAN

Balance Sheet / Statement of Net Position

MLK Corridor Improvement Authority Component Unit

June 30, 2022

	MLK Corridor Improvement Authority	Adjustments	Statement of Net Position
Assets			
Pooled cash and investments	\$ 16,191	\$ -	\$ 16,191
Liabilities			
Accounts payable	\$ 16,191	-	16,191
Fund balance			
Committed	-	-	-
Total liabilities and fund balance	<u>\$ 16,191</u>		
Net position - unrestricted		<u>\$ -</u>	<u>\$ -</u>

CITY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities

MLK Corridor Improvement Authority Component Unit

For the Fiscal Year Ended June 30, 2022

	MLK Corridor Improvement Authority	Adjustments	Statement of Activities
Revenues			
Miscellaneous	\$ 97,045	\$ -	\$ 97,045
Expenditures/Expenses			
Community enrichment	97,045	-	97,045
Net change in fund balance	-	-	-
Change in net position	-	-	-
Fund balance / net position, beginning of year	-	-	-
Fund balance / net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATISTICAL SECTION

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CITY OF JACKSON, MICHIGAN

Statistical Section (Unaudited)

This part of the City of Jackson's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends (schedules 1 thru 5)	184
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These schedules contain trend information to help the reader understand how the financial performance and well-being have changed over time.

Revenue Capacity (schedules 6 thru 9)	195
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These schedules contain information to help the reader assess the government's most local sources: property taxes and water and wastewater usage fees.

Debt Capacity (schedules 10 thru 12)	200
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.

Demographic and Economic Information (schedules 13 and 14)	204
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (schedules 15 thru 28)	206
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF JACKSON, MICHIGAN

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 36,771,568	\$ 37,303,547	\$ 38,234,548	\$ 41,858,320
Restricted	6,439,037	7,181,966	7,972,469	7,208,873
Unrestricted (deficit)	(6,970,145)	(11,088,913)	(62,538,673)	(67,681,747)
Total governmental activities net position	\$ 36,240,460	\$ 33,396,600	\$ (16,331,656)	\$ (18,614,554)
Business-type activities				
Net investment in capital assets	\$ 57,446,945	\$ 57,537,510	\$ 59,159,505	\$ 62,021,038
Restricted	62,500	62,500	62,500	-
Unrestricted	22,506,870	23,712,577	22,498,646	22,422,024
Total business-type activities net position	\$ 80,016,315	\$ 81,312,587	\$ 81,720,651	\$ 84,443,062
Primary government				
Net investment in capital assets	\$ 94,218,513	\$ 94,841,057	\$ 97,394,053	\$ 103,879,358
Restricted	6,501,537	7,244,466	8,034,969	7,208,873
Unrestricted (deficit)	15,536,725	12,623,664	(40,040,027)	(45,259,723)
Total primary government net position	\$ 116,256,775	\$ 114,709,187	\$ 65,388,995	\$ 65,828,508

Source: City of Jackson Finance Department

2017	2018	2019	2020	2021	2022
\$ 46,037,381	\$ 51,108,178	\$ 54,931,404	\$ 53,606,187	\$ 56,712,552	\$ 62,821,769
7,592,831	12,047,542	12,471,809	19,370,145	15,698,597	14,813,873
(64,742,170)	(64,345,914)	(58,450,664)	(63,759,803)	(51,690,787)	(44,248,934)
<u>\$ (11,111,958)</u>	<u>\$ (1,190,194)</u>	<u>\$ 8,952,549</u>	<u>\$ 9,216,529</u>	<u>\$ 20,720,362</u>	<u>\$ 33,386,708</u>
\$ 64,851,145	\$ 68,554,581	\$ 72,433,199	\$ 76,607,394	\$ 78,429,317	\$ 80,891,095
-	-	-	-	-	-
23,100,849	3,005,828	7,188,718	14,797,454	19,866,402	24,914,171
<u>\$ 87,951,994</u>	<u>\$ 71,560,409</u>	<u>\$ 79,621,917</u>	<u>\$ 91,404,848</u>	<u>\$ 98,295,719</u>	<u>\$ 105,805,266</u>
\$ 110,888,526	\$ 119,662,759	\$ 127,364,603	\$ 130,213,581	\$ 135,141,869	\$ 143,712,864
7,592,831	12,047,542	12,471,809	19,370,145	15,698,597	14,813,873
(41,641,321)	(61,340,086)	(51,261,946)	(48,962,349)	(31,824,385)	(19,334,763)
<u>\$ 76,840,036</u>	<u>\$ 70,370,215</u>	<u>\$ 88,574,466</u>	<u>\$ 100,621,377</u>	<u>\$ 119,016,081</u>	<u>\$ 139,191,974</u>

CITY OF JACKSON, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2013	2014	2015	2016
Revenue				
Governmental activities:				
Program revenues:				
Charges for services	\$ 6,587,602	\$ 4,848,628	\$ 5,552,879	\$ 6,865,865
Operating grants and contributions	7,603,364	4,954,371	8,168,083	8,528,481
Capital grants and contributions	4,434,092	1,715,400	2,616,526	4,382,916
General revenues:				
Property taxes	9,495,893	9,347,632	9,848,721	10,098,963
Income taxes	8,017,329	8,080,526	8,806,662	8,269,968
Grants and contributions not restricted to specific programs	4,218,247	4,350,343	4,473,462	4,529,640
Other	88,095	205,048	220,316	273,697
Total governmental activities revenues	40,444,622	33,501,948	39,686,649	42,949,530
Business-type activities:				
Program revenues:				
Charges for services	14,550,167	12,747,090	12,157,199	12,950,095
Operating grants and contributions	-	748,050	-	-
General revenues:				
Grants and contributions not restricted to specific programs	274,432	502,598	494,502	484,125
Other	185,949	91,290	79,121	65,603
Total business-type activities revenues	15,010,548	14,089,028	12,730,822	13,499,823
Total primary government revenues	55,455,170	47,590,976	52,417,471	56,449,353
Expenses				
Governmental activities:				
Legislative	81,079	80,442	77,646	86,196
General government	4,774,616	5,316,441	4,430,955	4,919,166
Public safety	18,980,031	18,040,231	20,342,158	23,831,644
Public works	6,157,790	5,909,656	6,078,035	6,008,799
Culture and recreation	2,392,391	2,592,620	2,925,356	3,001,248
Community enrichment & development	3,281,198	3,049,440	2,955,101	3,853,316
Interest on long-term debt	1,595,962	1,275,528	1,212,116	2,224,745
Total governmental activities expenses	37,263,067	36,264,358	38,021,367	43,925,114
Business-type activities:				
Sewer	4,622,944	4,528,885	4,269,366	4,697,987
Water	6,079,526	6,388,397	6,671,055	6,837,381
Stormwater utilities	1,441,642	524,814	679,023	-
Parking system	625,116	633,440	590,951	507,451
Golf practice center	53,471	50,620	53,489	41,907
Total business-type activities expenses	12,822,699	12,126,156	12,263,884	12,084,726
Total primary government expenses	50,085,766	48,390,514	50,285,251	56,009,840
Change in net position	5,369,404	(799,538)	2,132,220	439,513
Net position, beginning of year, as restated	110,887,371	116,256,775	63,256,775	65,388,995
Net position, end of year	\$ 116,256,775	\$ 115,457,237	\$ 65,388,995	\$ 65,828,508

Source: City of Jackson Finance Department.

2017	2018	2019	2020	2021	2022
\$ 7,230,063	\$ 7,633,281	\$ 8,518,198	\$ 7,212,485	\$ 8,863,355	\$ 7,918,596
8,057,043	7,188,154	10,617,226	7,342,490	8,476,639	8,906,042
4,912,701	8,725,585	3,304,842	4,332,079	2,044,314	3,163,971
11,107,219	11,426,851	11,897,574	12,634,482	13,179,820	13,541,770
9,021,888	9,042,070	9,882,250	9,056,222	9,217,674	11,252,147
4,587,193	4,667,253	4,769,735	5,309,368	7,045,117	6,228,557
236,961	353,866	856,080	778,808	259,416	151,005
45,153,068	49,037,060	49,845,905	46,665,934	49,086,335	51,162,088
14,689,369	15,207,460	16,191,522	17,252,403	18,884,512	19,501,003
-	-	1,441,018	1,379,553	1,357,416	748,050
482,229	556,648	-	-	-	-
74,213	137,466	361,329	339,176	77,735	175,133
15,245,811	15,901,574	17,993,869	18,971,132	20,319,663	20,424,186
60,398,879	64,938,634	67,839,774	65,637,066	69,405,998	71,586,274
88,390	108,282	103,078	100,797	97,924	96,556
4,757,600	(191,739)	3,452,770	4,454,511	4,203,847	3,784,852
16,974,653	14,191,120	18,321,150	19,210,546	14,862,879	15,836,142
6,217,969	7,401,586	3,832,094	5,672,141	7,619,674	8,358,239
3,386,015	3,137,477	3,209,702	3,083,804	1,581,726	3,465,676
3,622,160	4,965,201	5,420,109	5,344,897	7,058,777	4,571,346
2,501,062	2,496,690	3,127,526	3,137,665	3,057,159	3,237,005
37,547,849	32,108,617	37,466,429	41,004,361	38,481,986	39,349,816
4,545,319	2,759,909	3,702,480	5,438,938	5,254,598	6,619,284
6,761,160	4,001,789	7,874,503	6,538,937	6,693,155	4,832,133
-	-	-	-	-	-
498,772	559,056	536,176	568,341	581,555	609,148
34,251	33,139	55,935	39,578	-	-
11,839,502	7,353,893	12,169,094	12,585,794	12,529,308	12,060,565
49,387,351	39,462,510	49,635,523	53,590,155	51,011,294	51,410,381
11,011,528	25,476,124	18,204,251	12,046,911	18,394,704	20,175,893
65,828,508	44,894,091	70,370,215	88,574,466	100,621,377	119,016,081
\$ 76,840,036	\$ 70,370,215	\$ 88,574,466	\$ 100,621,377	\$ 119,016,081	\$ 139,191,974

CITY OF JACKSON, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
General fund				
Nonspendable	\$ 62,482	\$ 60,073	\$ 66,122	\$ 67,427
Restricted	-	-	-	-
Unassigned	4,188,560	4,757,198	5,475,601	6,041,453
Total general fund	<u>\$ 4,251,042</u>	<u>\$ 4,817,271</u>	<u>\$ 5,541,723</u>	<u>\$ 6,108,880</u>
All other governmental funds				
Nonspendable	\$ 3,156,635	\$ 3,185,209	\$ 3,312,687	\$ 3,472,264
Restricted	3,282,402	3,996,757	4,951,422	4,137,161
Committed	685,861	812,627	2,026,938	956,075
Unassigned (deficit)	(1,149,377)	(1,054,511)	(1,100,354)	(1,134,975)
Total all other governmental funds	<u>5,975,521</u>	<u>6,940,082</u>	<u>9,190,693</u>	<u>7,430,525</u>
Total governmental funds	<u>\$ 10,226,563</u>	<u>\$ 11,757,353</u>	<u>\$ 14,732,416</u>	<u>\$ 13,539,405</u>

Source: City of Jackson Finance Department.

2017	2018	2019	2020	2021	2022
\$ 99,168	\$ 95,466	\$ 80,802	\$ 64,330	\$ 78,847	\$ 761,772
-	-	297,934	192,808	56,761	17,316
<u>7,199,991</u>	<u>8,881,658</u>	<u>7,877,478</u>	<u>7,042,296</u>	<u>10,521,234</u>	<u>12,399,625</u>
<u>\$ 7,299,159</u>	<u>\$ 8,977,124</u>	<u>\$ 8,256,214</u>	<u>\$ 7,299,434</u>	<u>\$ 10,656,842</u>	<u>\$ 13,178,713</u>
\$ 3,629,388	\$ 3,612,791	\$ 3,692,649	\$ 3,759,457	\$ 3,809,681	\$ 3,754,418
11,876,369	21,283,514	19,537,130	11,968,434	9,478,645	9,028,078
808,067	1,084,236	1,608,967	2,412,325	1,828,750	1,947,249
<u>(791,262)</u>	<u>(509,505)</u>	<u>(2,834,910)</u>	<u>(3,315,558)</u>	<u>(1,881,815)</u>	<u>(1,570,952)</u>
<u>15,522,562</u>	<u>25,471,036</u>	<u>22,003,836</u>	<u>14,824,658</u>	<u>13,235,261</u>	<u>13,158,793</u>
<u>\$ 22,821,721</u>	<u>\$ 34,448,160</u>	<u>\$ 30,260,050</u>	<u>\$ 22,124,092</u>	<u>\$ 23,892,103</u>	<u>\$ 26,337,506</u>

CITY OF JACKSON, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Taxes	\$ 17,321,868	\$ 17,428,158	\$ 18,655,383	\$ 18,368,931
Licenses and permits	271,848	265,297	269,871	269,932
Intergovernmental	16,139,922	10,841,106	15,052,090	17,545,877
Charges for services	5,133,688	3,588,723	3,794,081	3,581,590
Fines and forfeits	223,947	184,411	251,069	291,348
Special assessments	403,688	288,255	372,646	347,218
Donations	-	-	-	-
Investment income	121,539	186,120	208,663	294,770
Miscellaneous	660,058	771,598	1,077,636	2,273,206
Total revenues	40,276,558	33,553,668	39,681,439	42,972,872
Expenditures				
Legislative	81,079	80,442	77,646	86,196
General government	4,334,482	4,111,567	4,265,628	4,381,350
Public safety	17,766,806	15,829,087	17,659,079	19,869,088
Public works	8,036,993	5,044,025	5,483,350	9,533,378
Culture and recreation	2,684,768	2,545,604	2,634,120	2,943,178
Community enrichment and development	2,260,186	2,002,541	3,474,674	3,938,264
Capital outlay	641,945	781,655	434,097	-
Debt service:				
Principal	1,600,000	710,000	765,000	1,694,125
Principal - leases	-	-	-	-
Interest & fiscal charges	1,458,980	1,272,030	1,187,255	2,184,775
Other	-	-	-	-
Total expenditures	38,865,239	32,376,951	35,980,849	44,630,354
Excess of revenues over (under) expenditures	1,411,319	1,176,717	3,700,590	(1,657,482)
Other financing sources (uses)				
Sale of capital assets	16,996	12,140	8,939	12,292
Insurance recovery	-	-	-	-
Issuance of long-term debt	8,275,000	-	-	1,759,493
Premium on bonds	415,396	-	-	-
Payment to refunding escrow agent	(8,644,152)	(8,995,000)	-	-
Transfers in	5,005,390	3,059,835	3,550,761	5,308,321
Transfers out	(5,085,937)	(2,717,902)	(4,285,227)	(6,615,635)
Total other financing sources (uses)	(17,307)	(8,640,927)	(725,527)	464,471
Net change in fund balances	\$ 1,394,012	\$ (7,464,210)	\$ 2,975,063	\$ (1,193,011)
Debt service as a percentage of noncapital expenditures	9.3%	6.8%	6.4%	10.7%

Source: City of Jackson Finance Department.

	2017	2018	2019	2020	2021	2022
\$	20,129,107	\$ 20,468,921	\$ 21,779,824	\$ 21,690,704	\$ 22,397,494	\$ 24,859,574
	269,406	264,555	258,778	314,806	373,098	418,412
	15,330,415	19,675,248	14,775,492	15,304,535	16,800,484	17,575,809
	4,460,375	4,876,739	6,613,293	5,773,117	5,929,899	6,133,395
	470,675	550,696	398,997	862,897	441,684	278,458
	377,824	491,945	839,022	1,026,392	633,416	1,104,061
	296,103	405	20,000	-	254	20,422
	199,316	313,662	870,659	804,907	251,341	91,745
	2,879,191	2,587,444	1,022,657	747,410	2,458,936	1,151,608
	<u>44,412,412</u>	<u>49,229,615</u>	<u>46,578,722</u>	<u>46,524,768</u>	<u>49,286,606</u>	<u>51,633,484</u>
	88,390	108,282	103,078	100,797	97,924	96,556
	4,631,716	4,640,313	5,443,624	5,927,302	4,974,574	5,220,243
	17,310,595	16,182,352	16,768,693	17,540,680	17,669,489	19,751,167
	10,698,179	17,146,093	9,847,476	11,913,597	11,164,104	9,889,310
	3,093,474	3,226,680	3,386,304	3,143,300	2,544,686	3,278,216
	3,910,791	5,607,003	6,200,895	5,918,174	6,731,676	4,251,586
	-	-	-	-	-	-
	1,980,346	2,810,675	3,699,841	3,732,415	4,039,044	4,328,281
	-	-	-	-	-	157,357
	2,387,036	2,472,640	3,164,727	3,203,796	3,139,798	3,175,416
	-	-	-	75,302	137,608	-
	<u>44,100,527</u>	<u>52,194,038</u>	<u>48,614,638</u>	<u>51,555,363</u>	<u>50,498,903</u>	<u>50,148,132</u>
	311,885	(2,964,423)	(2,035,916)	(5,030,595)	(1,212,297)	1,485,352
	18,054	13,056	13,895	21,625	618,744	2,743
	-	-	15,005	26,909	26,189	49,843
	18,050,000	14,890,000	-	7,719,000	10,150,000	-
	-	1,721,868	-	-	-	-
	(8,995,000)	-	-	(5,638,737)	(8,769,759)	-
	7,341,083	9,001,694	15,332,834	10,568,423	10,108,706	6,942,825
	<u>(7,443,706)</u>	<u>(11,035,756)</u>	<u>(17,513,928)</u>	<u>(15,802,583)</u>	<u>(9,153,572)</u>	<u>(6,035,360)</u>
	<u>8,970,431</u>	<u>14,590,862</u>	<u>(2,152,194)</u>	<u>(3,105,363)</u>	<u>2,980,308</u>	<u>960,051</u>
\$	<u>9,282,316</u>	<u>\$ 11,626,439</u>	<u>\$ (4,188,110)</u>	<u>\$ (8,135,958)</u>	<u>\$ 1,768,011</u>	<u>\$ 2,445,403</u>
	<u>12.2%</u>	<u>14.3%</u>	<u>18.5%</u>	<u>17.5%</u>	<u>17.7%</u>	<u>18.2%</u>

CITY OF JACKSON, MICHIGAN

Changes in Fund Balances - General Fund

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Taxes	\$ 14,797,663	\$ 15,034,328	\$ 16,185,035	\$ 15,925,081
Licenses and permits	271,848	265,297	269,871	269,932
Intergovernmental	4,403,887	4,244,084	4,382,628	4,417,029
Charges for services	1,216,088	1,218,086	1,077,458	1,231,701
Fines and forfeits	223,947	184,411	251,069	291,348
Donations	-	-	-	-
Investment income	30,887	26,901	28,652	26,733
Miscellaneous	198,786	167,695	180,446	110,815
Total revenues	21,143,106	21,140,802	22,375,159	22,272,639
Expenditures				
Legislative	81,079	80,442	77,646	86,196
General government	4,334,482	4,111,567	4,265,628	4,381,350
Public safety	12,900,639	12,731,670	13,376,704	13,647,101
Public works	593,487	693,097	574,188	799,946
Culture and recreation	1,582,946	1,454,265	1,460,110	1,436,002
Community enrichment and development	113,533	254,537	316,852	662,416
Debt service:				
Principal	-	-	-	-
Principal - leases	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	19,606,166	19,325,578	20,071,128	21,013,011
Excess of revenues over (under) expenditures	1,536,940	1,815,224	2,304,031	1,259,628
Other financing sources (uses)				
Sale of capital assets	16,996	12,140	8,939	12,292
Insurance recovery	-	-	-	-
Transfers in	46,406	30,353	28,133	24,755
Transfers (out)	(776,472)	(1,291,488)	(1,616,651)	(729,518)
Total other financing sources (uses)	(713,070)	(1,248,995)	(1,579,579)	(692,471)
Net change in fund balances	\$ 823,870	\$ 566,229	\$ 724,452	\$ 567,157

Source: City of Jackson Finance Department.

	2017	2018	2019	2020	2021	2022
\$	17,230,302	\$ 17,443,707	\$ 18,587,398	\$ 18,475,449	\$ 19,001,018	\$ 21,322,816
	269,406	264,555	258,778	314,806	373,098	418,412
	4,470,342	4,608,142	4,688,571	4,867,735	6,636,974	6,824,753
	1,502,943	1,558,627	1,512,139	1,542,890	1,240,254	1,253,986
	470,675	550,696	398,997	862,897	441,684	278,458
	-	-	20,000	-	254	20,422
	58,743	218,608	223,003	194,980	120,140	79,146
	204,103	150,098	430,720	130,769	1,591,010	492,061
	<u>24,206,514</u>	<u>24,794,433</u>	<u>26,119,606</u>	<u>26,389,526</u>	<u>29,404,432</u>	<u>30,690,054</u>
	88,390	108,282	103,078	100,797	97,924	96,556
	4,631,716	4,640,313	5,443,624	5,927,302	4,974,574	5,220,243
	14,241,448	14,501,003	14,711,218	16,255,519	16,651,896	18,489,934
	809,563	810,425	1,177,920	1,482,846	1,339,518	1,405,826
	1,541,764	1,697,173	1,793,059	1,699,989	1,305,894	1,579,516
	716,768	604,840	585,620	586,760	1,465,395	842,250
	-	-	-	56,962	58,745	60,584
	-	-	-	-	-	129,685
	-	-	-	7,558	17,517	3,852
	<u>22,029,649</u>	<u>22,362,036</u>	<u>23,814,519</u>	<u>26,117,733</u>	<u>25,911,463</u>	<u>27,828,446</u>
	<u>2,176,865</u>	<u>2,432,397</u>	<u>2,305,087</u>	<u>271,793</u>	<u>3,492,969</u>	<u>2,861,608</u>
	18,054	13,056	13,895	21,625	120,894	-
	-	-	15,005	22,725	26,189	49,843
	24,015	43,876	82,279	79,133	4,393	6,387
	<u>(1,028,655)</u>	<u>(811,364)</u>	<u>(3,137,176)</u>	<u>(1,352,056)</u>	<u>(287,037)</u>	<u>(395,967)</u>
	<u>(986,586)</u>	<u>(754,432)</u>	<u>(3,025,997)</u>	<u>(1,228,573)</u>	<u>(135,561)</u>	<u>(339,737)</u>
\$	<u>1,190,279</u>	<u>\$ 1,677,965</u>	<u>\$ (720,910)</u>	<u>\$ (956,780)</u>	<u>\$ 3,357,408</u>	<u>\$ 2,521,871</u>

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Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Year (1)	Taxable Value by Property Type (2)					Estimated Actual Value (2)	Total Direct Tax Rate
	Real Property			Personal Property	Total		
	Residential	Commercial	Industrial				
2013	\$ 267,840,044	\$ 164,156,082	\$ 105,319,947	\$ 85,933,700	\$ 623,249,773	\$ 1,272,223,600	15.0889
2014	260,629,651	157,464,395	50,709,410	138,432,300	607,235,756	1,246,337,100	15.9789
2015	259,617,797	156,947,201	50,781,342	136,449,200	603,795,540	1,258,852,000	16.0329
2016	256,822,054	157,682,846	50,813,506	123,390,100	588,708,506	1,265,986,800	17.0389
2017	258,931,116	157,765,502	51,505,371	122,673,195	590,875,184	1,298,063,488	17.1889
2018	264,837,207	161,141,590	52,987,175	118,474,471	597,440,443	1,326,602,400	17.3389
2019	273,350,081	168,809,994	31,720,237	143,333,400	617,213,712	1,413,481,042	19.0945
2020	283,118,157	173,123,903	32,763,016	143,117,300	632,122,376	1,520,362,400	19.3945
2021	293,126,186	179,526,626	34,397,923	141,552,200	648,602,935	1,576,317,500	19.2445
2022	314,557,042	191,252,505	35,796,106	149,676,128	691,281,781	1,747,623,218	18.2420

(1) The tax year 2022 taxable values are for the tax year beginning July 1, 2022, i.e... for the fiscal year ending June 30, 2023.

(2) Amounts include Ad Valorem values only.

Source: Michigan Department of Treasury Form L-4022

CITY OF JACKSON, MICHIGAN

Property Tax Rates - Direct and Overlapping

Last Ten Years
(rate per \$1,000 of taxable value)

	2013	2014	2015	2016
City direct rates				
Operating	6.7192	6.7192	6.7192	6.7192
Public Improvement	1.7197	1.9197	1.9197	1.9197
City hall debt	1.0100	1.0600	1.0640	1.1700
Act 345 pension	5.6400	6.2800	6.3300	7.2300
Total direct rate	15.0889	15.9789	16.0329	17.0389
Overlapping rates				
Jackson County:				
Operating	5.1187	5.1187	5.1187	5.1187
Jail debt	0.4851	0.4851	0.4851	0.4851
Medical care facility	0.1398	0.1398	0.1398	0.2500
Senior services	0.2500	0.2500	0.2500	0.2500
Lifeways	-	-	-	-
County Parks	-	-	-	-
Animal Control	-	-	-	-
District library	1.2593	1.2593	1.2593	1.2593
	7.2529	7.2529	7.2529	7.3631
Intermediate School District:				
Operating	0.3422	0.3422	0.3422	0.3422
Special & vocational education	8.4178	8.4178	8.4178	8.4178
	8.7600	8.7600	8.7600	8.7600
Jackson Community College:	1.1446	1.1446	1.1446	1.1446
Jackson Transit Authority - operating	1.0000	1.0000	1.0000	1.0000
Downtown Dev. Authority - operating	1.9996	1.9996	1.9996	1.9996
Jackson Public Schools:				
Operating	18.0000	18.0000	18.0000	18.0000
State education tax (SET)	6.0000	6.0000	6.0000	6.0000
Debt	3.1000	3.2500	3.2500	3.2500
Recreation	0.2000	0.2000	0.5000	0.5000
	27.3000	27.4500	27.7500	27.7500
East Jackson Public Schools:				
Operating	18.0000	18.0000	18.0000	18.0000
State education tax (SET)	6.0000	6.0000	6.0000	6.0000
Debt	7.0000	7.0000	7.0000	7.0000
	31.0000	31.0000	31.0000	31.0000
Michigan Center Public Schools:				
Operating	18.0000	18.0000	18.0000	18.0000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000
Debt	-	-	-	2.9900
	24.0000	24.0000	24.0000	26.9900
Northwest Public Schools:				
Operating	18.0000	18.0000	18.0000	18.0000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000
Debt	4.7973	4.8145	4.7690	4.7879
	28.7973	28.8145	28.7690	28.7879

Note: Levy shown is as of July 1. The July 1, 2021 levy is for the fiscal year ending June 30, 2022.

Non-Principal residences are subject to all rates shown within their jurisdiction. Principal residences are subject to all rates shown within their jurisdiction with the exception of the 18

Source: City of Jackson Finance Department.

2017	2018	2019	2020	2021	2022
6.7192	6.7192	6.7158	6.7158	6.7158	6.6828
1.9197	1.9197	1.9187	1.9187	1.9187	1.9092
1.2500	1.2500	1.2500	1.2500	1.0000	0.9500
7.3000	7.4500	9.2100	9.5100	9.6100	8.7000
17.1889	17.3389	19.0945	19.3945	19.2445	18.2420
5.1187	5.1187	5.1120	5.0941	5.0767	5.0660
0.4851	0.4851	0.4844	0.4827	0.4810	-
0.2500	0.2500	0.2496	0.2491	0.2482	0.2476
0.2500	0.2500	0.2496	0.6000	0.5979	0.5966
-	0.5000	0.4993	0.4975	0.4958	0.4947
-	0.5000	0.4993	0.4982	0.4965	0.4954
-	0.2500	0.2496	0.2491	0.2482	0.2476
1.7593	1.7593	1.7570	1.7508	1.7448	1.7411
7.8631	9.1131	9.1008	9.4215	9.3891	8.8890
0.3422	0.3422	0.3422	0.3415	0.3404	0.3400
8.4178	8.4178	8.4178	8.4025	8.3755	8.3678
8.7600	8.7600	8.7600	8.7440	8.7159	8.7078
1.1446	1.1446	1.1431	1.1390	1.1351	1.1327
1.0000	1.0000	0.9995	0.9995	0.9995	0.9946
1.9996	1.9996	1.9996	1.9996	1.9996	1.9996
18.0000	18.0000	17.8920	17.8920	18.0000	18.0000
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
3.2500	6.2000	6.2000	6.2000	6.2000	6.2000
0.5000	0.5000	0.4982	0.4982	0.4977	0.4952
27.7500	30.7000	30.5902	30.5902	30.6977	30.6952
18.0000	18.0000	17.8893	18.0000	18.0000	18.0000
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
7.0000	7.0000	7.0000	7.0000	7.0000	7.0000
31.0000	31.0000	30.8893	31.0000	31.0000	31.0000
18.0000	18.0000	18.0000	18.0000	18.0000	18.0000
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
2.9900	2.9900	2.9900	2.9900	2.9000	2.9000
26.9900	26.9900	26.9900	26.9900	26.9000	26.9000
18.0000	18.0000	18.0000	18.0000	18.0000	18.0000
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
4.6949	4.6627	4.2992	4.1835	4.0787	4.0787
28.6949	28.6627	28.2992	28.1835	28.0787	28.0787

Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayer	2022			2013		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy/Kinder Morgan/Alphagen	\$ 159,741,194	1	23.11%	\$ 136,003,263	1/2	21.82%
Jackson Crossing Realty (Ramco)	7,855,965	2	1.14%	9,363,573	3	1.50%
Objective E. Washington, LLC	5,035,700	3	0.73%	-	-	-
Allegiance/Henry Ford/Foote/Health Center	4,016,614	4	0.58%	7,254,652	5	1.16%
Jackson Downtown Partners	3,782,445	5	0.55%	-	-	-
Alro Steel Corporation	3,581,044	6	0.52%	5,599,959	6	0.90%
Wolverine Technologies/Certainteed	3,504,486	7	0.51%	7,528,338	4	1.21%
Comcast of Michigan LLC	3,272,800	8	0.47%	-	-	-
Wood Jackson (1100 W. Argyle St.)	2,750,420	9	0.40%	-	-	-
GGD Oakdale LLC	2,544,800	10	0.37%	-	-	-
Jackson Iron & Metal/Omnisource	-	-	-	4,941,068	7	0.79%
Aeroquip (Eaton Corp.)	-	-	-	3,773,216	8	0.61%
Equestor Partners LLC/Production Engineering	-	-	-	3,487,786	9	0.56%
Sears Roebuck & Company	-	-	-	3,233,368	10	0.52%
	<u>\$ 196,085,468</u>		<u>28.37%</u>	<u>\$ 181,185,223</u>		<u>29.07%</u>

Note 1: Total Ad Valorem Taxable Valuation as of June 30, 2022 = \$ 691,281,781 (valuation for fiscal year 2023). Total Ad Valorem Taxable Valuation as of June 30, 2013 = \$ 623,249,773 (valuation for fiscal year 2014).

Note 2: Consumers Energy acquired Kinder Morgan/Alphagen in tax year 2015. Those values are reported together in 2013 for comparison purposes.

Source: City of Jackson Assessors Department.

Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Year of Levy	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2013	2012	\$ 8,640,462	\$ 7,890,861	91.32%	\$ 717,852	\$ 8,608,713	99.63%
2014	2013	8,667,986	7,955,742	91.78%	686,515	8,642,257	99.70%
2015	2014	9,272,624	8,581,310	92.54%	660,859	9,242,169	99.67%
2016	2015	9,557,929	8,902,668	93.14%	621,360	9,524,028	99.65%
2017	2016	9,948,595	9,313,775	93.62%	609,008	9,922,783	99.74%
2018	2017	10,045,840	9,389,864	93.47%	640,182	10,030,046	99.84%
2019	2018	10,294,880	9,617,747	93.42%	659,592	10,277,339	99.83%
2020	2019	11,728,666	10,952,950	93.39%	756,692	11,709,642	99.84%
2021	2020	12,198,401	11,442,904	93.81%	727,194	12,170,098	99.77%
2022	2021	12,751,868	12,054,159	94.53%	689,149	12,743,308	99.93%

Source: City of Jackson Assessors Department.

Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities		Business-type Activities	Total Primary Government	% of Personal Income	Total Outstanding Debt Per Capita
	General Obligation Bonds (1)	Notes from Direct Borrowings/Placements	Revenue Bonds			
2013	\$ 40,274,525	\$ -	\$ 300,000	\$ 40,574,525	3.68%	\$ 1,213
2014	39,535,749	-	200,000	39,735,749	3.48%	1,188
2015	38,741,973	-	100,000	38,841,973	3.25%	1,161
2016	38,379,072	399,493	-	38,778,565	3.11%	1,159
2017	45,526,527	426,636	-	45,953,163	3.63%	1,374
2018	59,348,022	321,394	-	59,669,416	4.53%	1,784
2019	55,555,368	266,161	-	55,821,529	4.13%	1,669
2020	54,097,620	873,895	-	54,971,515	3.92%	1,760
2021	51,235,055	676,619	-	51,911,674	n/a	1,662
2022	46,852,567	473,686	-	47,326,253	n/a	1,515

(1) Amount is presented net of the related premium(s)/discount(s).

Source: City of Jackson Finance Department and U.S. Bureau of Economic Analysis.
 Personal Income statistics not available for the City of Jackson. Data used is for Jackson County.
 Personal Income statistics not available for 2021 or 2022.

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted to Repaying Principal	Total	% of Personal Income	% of Ad Valorem Taxable Value of Property	Per Capita
2013	\$ 40,274,525	\$ -	\$ 40,274,525	3.67%	6.46%	\$ 1,204
2014	39,535,749	-	39,535,749	3.48%	6.51%	1,182
2015	38,741,973	-	38,741,973	3.25%	6.42%	1,158
2016	38,379,072	-	38,379,072	3.07%	6.52%	1,148
2017	45,526,527	-	45,526,527	3.60%	7.70%	1,361
2018	59,348,022	53,120	59,294,902	4.50%	9.92%	1,774
2019	55,555,368	42,810	55,512,558	4.11%	8.99%	1,661
2020	54,097,620	122,245	53,975,375	3.85%	8.54%	1,732
2021	51,235,055	135,011	51,100,044	n/a	7.88%	1,640
2022	46,852,567	-	46,852,567	n/a	6.78%	1,500

(1) Amount is presented net of the related premium(s)/discount(s).

Source: City of Jackson Finance Department and U.S. Bureau of Economic Analysis.

Personal Income statistics not available for the City of Jackson. Data used is for Jackson County.

Personal Income statistics not available for 2021 or 2022.

Computation of Net Direct and Overlapping Debt
June 30, 2022

	Debt Outstanding	Percentage Applicable to City	Estimated Share of Overlapping Debt
Direct debt			
General obligation bonds (1)	\$ 46,852,567	100%	\$ 46,852,567
Notes from direct borrowings/placements	<u>473,686</u>	100%	<u>473,686</u>
Net direct debt	<u>\$ 47,326,253</u>		<u>47,326,253</u>
Overlapping debt			
School Districts:			
Jackson School District	\$ 95,660,000	50.06%	47,887,396
East Jackson School District	28,128,199	0.09%	25,315
Michigan Center School District	8,800,000	1.25%	110,000
Northwest School District	31,450,000	0.20%	<u>62,900</u>
			48,085,611
Jackson County at large	116,255,000	13.85%	16,101,318
Jackson College	30,980,000	13.85%	4,290,730
Jackson County Intermediate School District	6,295,000	13.69%	<u>861,786</u>
Net overlapping debt			<u>69,339,444</u>
Total direct and overlapping debt			<u>\$ 116,665,697</u>
Per capita debt: (31,235 from 2020 Census)			
Gross direct debt			\$ 1,515.17
Net direct debt			1,415.05
Net overlapping debt			2,219.93
Total net direct and overlapping debt			3,735.10
Percent of taxable valuation: (\$694,962,009 total taxable valuation at 6/30/22)			
Net direct debt			6.81%
Net overlapping debt			<u>9.98%</u>
Total net debt			<u>16.79%</u>

(1) Amount is presented net of the related premium(s)/discount(s).

Note: The percentage of overlapping debt applicable is estimated using taxable values. Applicable percentages were estimated by dividing the portion of the county's taxable value that is within the City's boundaries and dividing it by the county's total taxable value.

Source: City of Jackson Finance Department and Municipal Advisory Council of Michigan.

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for 2022

State equalized value as of December 31, 2021 (for taxes levied by the City on July 1, 2022)	\$	880,333,309
Act 198 Adjustment - one-half of the IFT taxable value amount abated		585,750
State Revenue Sharing Adjustment (1)		273,926,940
Personal Property Tax Reimbursement Adjustment for 2022 (2)		21,607,818
Total 2022 state equalized value, as adjusted	<u>\$</u>	<u>1,176,453,817</u>
 Debt limit (10% of state equalized value)	 \$	 117,645,382
 Total debt - (See Schedule 11)	 \$	 47,326,253
Less Exempt obligations		
2017 Michigan Transportation Fund Bonds	<u>(6,095,000)</u>	<u>41,231,253</u>
 Legal debt margin	 <u>\$</u>	 <u>76,414,129</u>
 Non-exempt debt outstanding as a percentage of 2022 state equalized valuation, as adjusted		 <u>3.50%</u>

(1) The 2022 constitutional and statutory revenue sharing of \$ 5,271,587 divided by the millage rate of 19.2445.

(2) Represents Assessed Value Equivalent of Personal Property Taxes reimbursed under the Local Community Stabilization Authority Act, Public Act 86 of 2014, as per State Treasury Numbered Letter 2018-4.

Source: City of Jackson Finance Department.

Demographic and Economic Statistics
Last Ten Years

Fiscal Year	(1) Population	(2) Labor Force	(2) Employment	(2) Unemployment	(2) Unemployment Rate	(3) Total Personal Income (000's)	(3) Per Capita Income
2013	33,445	14,578	12,462	2,116	14.5%	\$ 1,102,481	\$ 32,964
2014	33,445	14,363	12,752	1,611	11.2%	1,143,250	34,183
2015	33,445	14,183	12,848	1,335	9.4%	1,196,261	35,768
2016	33,445	14,411	13,205	1,206	8.4%	1,248,468	37,329
2017	33,445	14,081	12,968	1,113	7.9%	1,264,689	37,814
2018	33,445	14,180	13,144	1,036	7.3%	1,316,362	39,359
2019	33,445	14,009	13,056	953	6.8%	1,351,613	40,413
2020	31,235	15,238	12,345	2,893	19.0%	1,402,108	44,889
2021	31,235	13,656	12,326	1,330	9.7%	n/a	n/a
2022	31,235	13,976	12,823	1,153	8.2%	n/a	n/a

All labor force statistics are as of June of the fiscal year shown, i.e. fiscal year 2022 represents June, 2022.

- (1) Population shown is based on the most recent preceding year's actual.
- (2) Source: Michigan Bureau of Labor Market Information & Strategic Initiatives.
- (3) Source: Bureau of Economic Analysis. Data shown for the City is based on data for Jackson County. Data is not yet available for 2021 or 2022.

Principal Employers

Current Year and Nine Years Ago

Employer	2022			2013			
	(1) Total Employees	Rank	% of Total City Labor Force	Employees		Rank	% of Workforce
Henry Ford Allegiance Health System	3,620	1	21.47%	3,620	(a)	1	20.58%
Consumers Energy	2,400	2	9.30%	2,400	(b)	2	8.92%
Great Lakes Home Health/Hospice	1,118	3	8.00%	1,118		3	7.67%
Local Government	870	4	6.22%	870		4	5.97%
Jackson Public Schools	782	5	5.60%	782		5	5.36%
Eaton Corporation	598	6	4.28%	598		6	4.10%
Alro Steel Corporation	325	7	2.33%	325		7	2.23%
Anesthesia Business Consultants	260	8	1.86%	260		8	1.78%
Center for Family Health	219	9	1.57%	-		-	-
Elm Plating	208	10	1.49%	-		-	-
Way Bakeries	-		-	152		9	1.04%
Certainteed / Wolverine Vinyl Siding	-		-	147		10	1.01%
	<u>10,400</u>		<u>62.11%</u>	<u>10,272</u>			<u>58.66%</u>

(1) Total employees in Jackson County. Most of the employees shown are within the City of Jackson unless noted below.

(a) Approximately 3,000 of total shown work in the City...percentage adjusted to reflect.

(b) Approximately 1,300 of total shown work in the City...percentage adjusted to reflect.

Source: The Enterprise Group, Jackson County.

Full-time Equivalent City Government Employees by Function/Program
By Function/Program
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
City manager	2	3	3	3	3	4	4	5	3	3
Finance	4	4	4	4	4	4	4	4	4	4
City assessor	3	3	3	5	4	5	5	5	4	4
City attorney	3	4	5	5	5	4	4	5	4	5
City clerk/elections	1	1	1	2	2	2	2	2	3	3
Personnel	1	1	2	2	1	1	2	1	1	2
Purchasing/city hall	1	1	1	1	1	1	1	1	1	1
City treasurer/income tax	4	3	3	3	4	4	5	5	5	5
Mgt. information services	3	3	2	2	2	2	2	2	2	2
Public safety:										
Police - civilian	13	10	10	11	11	16	13	9	8	8
Police - enforcement	46	47	42	43	46	46	46	45	42	45
Fire - civilian	1	-	-	-	-	-	-	-	-	-
Fire - protection	26	26	26	17	26	23	26	20	24	31
Emergency measures	1	-	-	-	-	-	-	-	-	-
Public works:										
Public works	24	15	16	11	12	16	12	13	15	12
Engineering	10	8	8	8	6	6	7	8	5	5
Culture & recreation:										
Parks, recreation & grounds	16	15	13	15	13	14	15	8	15	14
Diversity, equity & inclusion	-	-	-	-	-	-	-	-	1	2
Neighborhood Economic Operations:										
Public safety/community enrichment & development	10	11	9	14	13	14	14	5	12	14
Building inspection	6	5	6	3	3	3	2	2	2	3
Enterprise funds:										
Sewer	15	11	12	12	13	12	12	13	13	13
Water	24	26	26	28	28	29	29	29	27	31
Total	214	197	192	189	197	206	205	182	191	207

Source: City of Jackson Finance Department payroll records.

Operating Indicators by Function/Program
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police:										
Physical arrests	2,649	2,645	2,514	2,887	2,779	2,714	2,595	2,607	1,695	1,594
Traffic violations	6,784	5,578	3,976	5,111	5,333	3,502	3,529	3,382	2,415	3,192
Engineering - Traffic Division:										
Parking violations	2,490	2,123	1,966	1,982	2,056	2,245	2,456	1,186	747	901
Fire:										
Calls answered	4,345	4,540	4,662	4,259	4,863	4,808	5,088	5,125	4,532	5,397
Inspections conducted	122	97	172	43	79	40	42	76	31	62
Sewer system										
Service connections	12,860	11,620	11,449	11,407	11,330	11,923	12,118	12,156	11,806	11,032
Daily average treatment (mg)	10.2	11.2	9.3	9.6	10.1	9.0	11.2	11.4	9.8	12.3
Maximum daily capacity (mg)	19	19	19	19	19	19	19	19	19	19
Township service (bulk metering)	5	5	5	5	5	5	5	5	5	5
Water system										
Service connections	15,654	14,314	14,307	14,549	14,112	14,879	15,855	15,893	15,252	15,460
Daily average consumption (mg)	6.57	6.64	6.47	7.66	7.58	7.57	7.36	6.71	6.92	6.26
Maximum daily capacity (mg)	24	24	24	24	24	24	24	24	24	24

mg = million gallons

Source: Various City Departments.

Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	29	29	29	31	32	22	22	22
Fire:										
Stations (1)	3	3	3	3	3	3	3	3	3	3
Response vehicles	11	11	11	11	11	9	10	10	5	5
Culture and recreation										
Parks:										
Number	27	26	26	26	26	26	26	27	27	27
Acreage	638	639	639	639	639	639	639	645	645	645
Community centers	2	2	2	2	2	2	2	2	2	2
Golf courses:										
18 hole	1	1	1	1	1	1	1	1	1	1
Mini	1	1	1	1	1	1	1	1	1	1
Disc Golf	-	-	-	-	-	1	1	1	1	1
Inline skate rink	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Basketball courts	14	14	14	14	14	14	14	16	16	16
Tennis courts	14	14	14	14	14	14	14	13	12	12
Public works										
Miles of streets	171	171	171	171	171	171	171	171	171	171
Street lights	2,719	2,719	2,719	2,719	2,719	2,863	2,839	2,975	3,026	3,026
Sewer system										
Miles of sanitary sewers	165	165	165	165	165	165	165	165	165	165
Miles of storm sewers	110	110	110	110	110	110	110	110	110	110
Treatment plants	1	1	1	1	1	1	1	1	1	1
Water system										
Miles of water mains	244	244	244	244	244	244	244	242	244	244
Treatment plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,156	2,156

(1) Only one station actively in use since June 30, 2012. All three stations were in use during the COVID-19 Pandemic in 2020 and 2021. Two stations were in use during fiscal year 2022.

Source: City of Jackson Finance Department.

Schedule of Insurance

As of June 30, 2022

Type of Coverage	Name of Company	Policy Period	Premium	Description
<u>Building and Contents</u>		7/1/21-6/30/22	\$ 212,826	All risk coverage on buildings and contents. \$182,231,946. limit with \$2,500 deductible per occurrence.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Automobile</u>		7/1/21-6/30/22	96,720	\$5,000,000 liability limit per occurrence, \$1,000,000 property protection, \$100,000 uninsured motorist protection. \$1,000 comprehensive and collision deductibles.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Liability</u>		7/1/21-6/30/22	283,157	Law Enforcement, Public Officials, Municipal General and Employee Benefit Liability coverages. \$5,000,000 limit per occurrence with a \$2,500 deductible.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Crime/Bonds</u>		7/1/21-6/30/22	Included	Employee dishonesty and faithful performance blanket, loss inside/outside premises, depositors forgery, money order/ counterfeit paper coverages. \$100,000 liability limit.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Workers Compensation</u>		9/1/20-8/31/22	70,646	Excess insurance above \$450,000 retention.
	<i>Midwest Employers Casualty</i>			
	<i>Broadspire Services</i>	9/1/20-8/31/22	12,766	TPA for claims service.
<u>Community Blue-PPO</u>		Monthly	Varies	City's self-insured PPO offers primary care physicians, network hospitals, affiliated laboratories and other providers within the particular PPO network. Employee is responsible for co-pay amounts at time of service. Available to all full-time and substantially all retired City personnel.
<u>Health & Prescription Drug Coverage</u>				
	<i>Blue Cross / Blue Shield</i>			
<u>Life</u>		Monthly	Varies	Covers death of employee and/or AD&D. City pays for coverage of 1X annual salary. All full-time employees are covered.
	<i>Hartford Life Insurance Company</i>			
<u>Long-term Disability</u>		Monthly	Varies	60% of monthly salary with various elimination periods. All full-time employees are covered.
	<i>Hartford Life Insurance Company</i>			

Source: City of Jackson Finance Department.

State Equalized Valuation/Taxable Valuation

Fiscal Years Ended June 30, 2014 Through 2023

Assessed Value as of December 31	Year of State Equalization and Tax Levy	Fiscal Year Ended June 30	Total State Equalized Valuation	Ad Valorem Taxable Value	Total Taxable Valuation (1)
2012	2013	2014	\$ 636,111,800	\$ 623,249,773	\$ 631,760,110
2013	2014	2015	623,168,550	607,235,756	615,976,761
2014	2015	2016	637,756,650	603,793,360	611,997,165
2015	2016	2017	639,245,000	588,708,506	594,000,645
2016	2017	2018	654,348,144	590,875,184	594,858,908
2017	2018	2019	667,008,150	597,440,443	600,472,705
2018	2019	2020	711,206,421	617,213,712	620,658,183
2019	2020	2021	765,486,300	632,122,376	635,697,097
2020	2021	2022	793,962,150	648,602,935	652,098,929
2021	2022	2023	880,333,309	691,281,781	694,962,009

Per capita 2022 ad valorem taxable valuation is \$22,132 and per capita 2022 total taxable valuation is \$22,249 based on the City's 2020 U. S. census population of 31,235.

(1) Includes special acts, i.e...tax abatements under Act 198, neighborhood enterprise zones, renaissance zones, and obsolete property rehabilitation act properties.

	Breakdown of Total Taxable Valuation by Use and Class							
	Year of State Equalization and Tax Levy							
	2015	2016	2017	2018	2019	2020	2021	2022
Use:								
Commercial	29.88%	30.88%	26.72%	30.97%	31.42%	31.49%	31.66%	31.63%
Industrial	27.65%	25.81%	29.70%	24.88%	24.50%	23.93%	23.34%	23.07%
Residential	42.47%	43.31%	43.58%	44.15%	44.08%	44.58%	45.00%	45.30%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Class:								
Real	76.89%	78.80%	79.14%	80.11%	76.82%	77.41%	78.24%	78.44%
Personal	23.11%	21.20%	20.86%	19.89%	23.18%	22.59%	21.76%	21.56%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: City of Jackson - Forms L-4022.

Revenue Bonds Coverage - Sewer Enterprise Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest and Fiscal Charges	Total	
2013	\$ 4,906,631	\$ 3,571,289	\$ 1,335,342	\$ 100,000	\$ 18,650	\$ 118,650	11.25
2014	4,892,681	3,426,285	1,466,396	100,000	13,475	113,475	12.92
2015	4,628,308	3,168,719	1,459,589	100,000	8,725	108,725	13.42
2016	4,969,880	3,699,778	1,270,102	100,000	2,675	102,675	12.37
2017	6,055,859	3,444,716	2,611,143	-	-	-	-
2018	6,129,721	1,769,989	4,359,732	-	-	-	-
2019	6,859,025	2,566,228	4,292,797	-	-	-	-
2020	6,582,488	4,334,267	2,248,221	-	-	-	-
2021	6,491,221	3,998,766	2,492,455	-	-	-	-
2022	6,873,961	5,332,355	1,541,606	-	-	-	-

- (1) Total revenues including interest, excluding intergovernmental revenues.
- (2) Total operating expenses, excluding depreciation.
- (3) Includes principal, interest and fiscal charges of revenue bonds only. It does not include general obligation debt reported in debt service funds to which operating transfers are made or debt defeasance transactions.

Revenue Bonds Coverage - Water Enterprise Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest and Fiscal Charges	Total	
2013	\$ 8,416,601	\$ 5,326,058	\$ 3,090,543	\$ 273,000	\$ 9,282	\$ 282,282	10.95
2014	7,965,592	5,571,764	2,393,828	-	-	-	-
2015	7,711,143	5,729,201	1,981,942	-	-	-	-
2016	8,246,397	6,034,429	2,211,968	-	-	-	-
2017	9,010,408	5,865,944	3,144,464	-	-	-	-
2018	9,607,688	3,147,702	6,459,986	-	-	-	-
2019	10,034,736	6,849,046	3,185,690	-	-	-	-
2020	11,138,541	5,389,222	5,749,319	-	-	-	-
2021	12,993,526	5,564,456	7,429,070	-	-	-	-
2022	12,922,376	3,664,750	9,257,626	-	-	-	-

- (1) Total revenues including interest.
- (2) Total operating expenses, excluding depreciation.
- (3) Includes principal, interest and fiscal charges of revenue bonds only. It does not include general obligation debt reported in debt service funds to which operating transfers are made or debt defeasance transactions.

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CITY OF JACKSON, MICHIGAN

Water Supply System

Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2013	2014	2015	2016	2017
Water pumped vs. water sold: (in million gallons)					
Pumped	2,665	2,425	2,363	2,795	2,768
Sold	2,397	2,115	2,036	2,266	2,394
Sold as a % of pumped	89.94%	87.22%	86.16%	81.07%	86.49%
Number of customers:					
Residential	12,254	12,231	12,166	12,060	11,986
Commercial	1,951	1,982	1,958	1,878	1,845
Industrial	176	174	172	169	171
Total	14,381	14,387	14,296	14,107	14,002
Percent of water consumption by category:					
Residential	27.00%	31.67%	30.00%	26.00%	25.20%
Commercial	46.00%	54.95%	49.00%	43.00%	41.10%
Industrial	27.00%	13.38%	21.00%	31.00%	33.70%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
History of water rates (average consumption - 22 HCF / average 5/8 inch meter)					
Metered per quarter	\$ 72.48	\$ 72.48	\$ 72.48	\$ 72.48	\$ 79.73
% Change (in average consumption)	2.59%	0.00%	0.00%	0.00%	10.00%
Water supply system annual revenues:					
Metered revenue	\$ 8,014,367	\$ 7,584,137	\$ 7,348,461	\$ 7,917,879	\$ 8,677,881
% increase (decrease)	3.55%	-5.37%	-3.11%	7.75%	9.60%
Water supply system revenues by user class:					
Residential	\$ 3,190,253	\$ 3,361,445	\$ 3,116,062	\$ 3,033,734	\$ 3,371,231
Commercial	3,535,986	3,547,818	3,332,473	3,297,299	3,657,125
Industrial	1,288,128	674,874	899,926	1,586,846	1,649,525
Sewer - billing & collection charges	252,768	248,499	264,581	251,416	223,028
Total	\$ 8,267,135	\$ 7,832,636	\$ 7,613,042	\$ 8,169,295	\$ 8,900,909
Water supply revenues by user class as a % of total revenues:					
Residential	38.59%	42.91%	40.93%	37.14%	37.88%
Commercial	42.77%	45.30%	43.77%	40.36%	41.09%
Industrial	15.58%	8.62%	11.82%	19.42%	18.53%
Sewer - billing & collection charges	3.06%	3.17%	3.48%	3.08%	2.50%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: City Water Department.

Schedule 22
Unaudited

Fiscal Year Ended June 30				
2018	2019	2020	2021	2022
2,754	2,688	2,458	2,359	2,109
2,281	2,260	2,067	2,100	1,809
82.82%	84.08%	84.09%	89.02%	85.78%
12,000	11,979	12,088	12,120	12,032
1,887	2,075	2,116	2,187	2,184
168	229	228	229	227
<u>14,055</u>	<u>14,283</u>	<u>14,432</u>	<u>14,536</u>	<u>14,443</u>
24.97%	20.95%	26.08%	26.71%	28.94%
41.55%	49.20%	40.80%	38.65%	45.16%
33.48%	29.85%	33.12%	34.64%	25.90%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
\$ 87.89	\$ 91.50	\$ 95.14	\$ 100.88	\$ 112.99
10.23%	4.11%	3.98%	6.03%	12.00%
\$ 9,316,942	\$ 10,332,492	\$ 10,451,663	\$ 12,559,104	\$ 12,647,260
7.36%	10.90%	1.15%	20.16%	0.70%
\$ 3,665,473	\$ 3,763,268	\$ 3,820,711	\$ 4,132,760	\$ 4,453,940
3,891,952	4,708,645	4,409,784	4,996,143	5,638,015
1,759,517	1,860,579	2,221,168	3,430,201	2,555,305
238,536	251,754	263,234	287,617	291,549
<u>\$ 9,555,478</u>	<u>\$ 10,584,246</u>	<u>\$ 10,714,897</u>	<u>\$ 12,846,721</u>	<u>\$ 12,938,809</u>
38.36%	35.56%	35.66%	32.17%	34.43%
40.73%	44.49%	41.16%	38.89%	43.57%
18.41%	17.58%	20.73%	26.70%	19.75%
2.50%	2.37%	2.45%	2.24%	2.25%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Water Supply System

Ten Largest Water Customers - By Usage
For the Fiscal Year Ended June 30, 2022

Customer	(1) Usage	(2) % of Total	Revenue	(3) % of Total
Consumers Energy - Jackson Generating	315,025	17.41%	\$ 1,529,830	11.82%
* Michigan Department of Corrections	202,192	11.18%	1,034,989	8.00%
Henry Ford - Allegiance Health/Health Center	33,064	1.57%	282,598	2.18%
Elm Plating Company	28,276	1.35%	224,457	1.73%
* Sun Communities Inc.	26,927	1.28%	174,592	1.35%
Eaton Aerospace	19,524	0.93%	164,207	1.27%
* JSP International LLC	19,449	0.93%	125,840	0.97%
Jackson Tumble Finish	17,243	0.82%	138,978	1.07%
* Walnut Ridge	14,662	0.70%	102,187	0.79%
* Chemtall US Inc.	11,849	0.56%	75,917	0.59%

(1) Unit = thousand gallons (TG)

(2) Based on June 30, 2022 total water sold (Schedule 22) of 1,809 MG's (million gallons).

(3) Based on June 30, 2022 water supply system revenues by user class (Schedule 22) of \$ 12,938,809.

* Located outside of City limits.

Source: City Water Department.

Industrial Facilities Tax Roll

For the Fiscal Year Ended June 30, 2022

Tax Year (1) of Transfer To Ad Valorem Tax Roll	(2) I.F.T. S.E.V. Amount
2022	\$ -
2023	-
2024	-
2025	225,800
2026	256,700
2027	17,900
2028	-
2029	-
2030	104,600
2031	566,500
	<u>\$ 1,171,500</u>

(1) Tax year shown is as of July 1. The July 1, 2022 tax year is for the fiscal year ending June 30, 2023.

(2) Represents current assessed value of abated property at time of assessment.

Personal property is excluded due to changes in the personal property exemptions.

Source: City Assessors Department.

Tax Increment Revenues, Debt Service and Debt Service Coverage

Downtown Development Authority Bonds

Fiscal Year	Tax Increment Revenues (1)	Annual Lease Service (2)	Debt Service	Excess Tax Increment Revenues	Debt Service Coverage
2013	\$ 830,014	\$ -	\$ 247,250	\$ 582,764	3.36
2014	834,327	-	246,825	587,502	3.38
2015	832,239	-	248,325	583,914	3.35
2016	784,268	1,500,000	2,094,825	189,443	1.09
2017	1,081,438	1,500,000	2,208,370	373,068	1.17
2018	1,137,449	1,500,000	2,328,325	309,124	1.13
2019	1,266,070	1,500,000	2,448,325	317,745	1.13
2020	1,498,826	1,500,000	2,561,398	437,428	1.17
2021	1,655,933	1,500,000	2,667,437	488,496	1.18
2022	1,843,805	1,500,000	2,803,617	540,188	1.19

(1) Tax increment revenues include Act 86 state grant amounts in fiscal year 2016 and the Local Community Stabilization Share Tax (personal property tax loss reimbursement) for fiscal years 2017 and later.

(2) Beginning January 1, 2016 Consumers Energy will be paying an annual lease of \$ 1.5 million which will be designated, together with the tax increment revenues, toward the payment of debt service.

Brownfield Redevelopment Authority Bonds

Fiscal Year	Tax Increment Revenues (1)	Debt Service	Excess Tax Increment Revenues	Debt Service Coverage
2013	\$ 996,467	\$ 1,100,123	\$ (103,656)	0.91
2014	963,588	1,069,023	(105,435)	0.90
2015	943,683	1,025,273	(81,590)	0.92
2016	947,673	1,023,573	(75,900)	0.93
2017	1,082,966	1,120,308	(37,342)	0.97
2018	1,107,256	1,131,636	(24,380)	0.98
2019	1,141,408	1,154,989	(13,581)	0.99
2020	1,192,814	1,174,637	18,177	1.02
2021	1,214,642	1,202,892	11,750	1.01
2022	1,271,668	1,174,404	97,264	1.08

(1) Includes only those amounts captured for the bonds.

Miscellaneous Supplemental Disclosures

General Fund - State Shared Revenues - Sales Tax (State of Michigan)

Fiscal Year	Constitutional Component	Statutory/ E.V.I.P. (1) Component	Total Revenue Sharing Payments
2013	\$ 2,451,389	\$ 1,580,556	\$ 4,031,945
2014	2,508,877	1,656,705	4,165,582
2015	2,548,282	1,707,283	4,255,565
2016	2,545,833	1,707,283	4,253,116
2017	2,692,564	1,707,283	4,399,847
2018	2,763,680	1,734,440	4,498,120
2019	2,889,722	1,734,304	4,624,026
2020	2,886,912	1,478,490	4,365,402
2021	3,273,443	1,774,193	5,047,636
2022	3,461,910	1,809,677	5,271,587

(1) EVIP payments began in FY 2012 and are based on Michigan PA 63 of 2011.

General Fund - Income Tax Net Revenues

Fiscal Year	Net Revenues	Increase (Decrease) From Prior Year
2013	\$ 8,017,633	9.87%
2014	8,080,526	0.78%
2015	8,806,662	8.99%
2016	8,269,968	(6.09%)
2017	9,021,888	9.09%
2018	9,042,070	0.22%
2019	9,882,250	9.29%
2020	9,056,222	(8.36%)
2021	9,217,674	1.78%
2022	11,252,147	22.07%

Gas and Weight Tax Revenues, Maximum Annual Debt Service and Historical Debt Service Coverage

Fiscal Year	Gas & Weight Tax Revenues	Maximum Annual Debt Service (2)	Historical Debt Service Coverage
2013	\$ 2,439,876	\$ 284,480	8.58
2014	2,514,518	-	n/a
2015	2,566,625	-	n/a
2016	2,704,803	-	n/a
2017	3,110,277	762,955	4.08
2018	3,721,054	762,955	4.88
2019	3,977,428	762,955	5.21
2020	4,155,395	762,955	5.45
2021	4,571,090	762,955	5.99
2022	4,710,942	762,955	6.17

(2) Maximum annual debt service on Michigan Transportation Fund Bonds payable from major and local street funds.

City Pension Funds - Funding Progress (1)

	Valuation Date	Actuarial Value Assets (2)	Actuarial Accrued Liability (2)	Unfunded Actuarial Accrued Liability (2)	Funding Ratio
Employees Retirement System					
	2012	\$ 32,117	\$ 48,321	\$ 16,204	66.5%
	2013	33,538	48,773	15,235	68.8%
	2014	35,921	49,373	13,452	72.8%
	2015	37,072	48,882	11,810	75.8%
	2016	38,406	48,224	9,818	79.6%
	2017	39,624	48,898	9,274	81.0%
	2018	39,886	54,888	15,002	72.7%
	2019	39,888	54,960	15,072	72.6%
	2020	40,466	55,757	15,291	72.6%
	2021	42,827	56,154	13,327	76.3%
Policemen's and Firemen's Pension					
	2012	\$ 3,245	\$ 8,481	\$ 5,236	38.3%
	2013	3,200	8,189	4,989	39.1%
	2014	3,286	8,165	4,879	40.2%
	2015	3,292	8,213	4,921	40.1%
	2016	3,305	7,912	4,607	41.8%
	2017	3,295	7,467	4,172	44.1%
	2018	3,281	7,362	4,081	44.6%
	2019	3,238	6,933	3,695	46.7%
	2020	3,334	5,815	2,481	57.3%
	2021	3,577	5,173	1,596	69.1%
Policemen's and Firemen's Pension - Act 345					
	2012	\$ 32,257	\$ 65,437	\$ 33,180	49.3%
	2013	33,996	70,375	36,379	48.3%
	2014	36,657	70,668	34,011	51.9%
	2015	37,537	75,273	37,736	49.9%
	2016	38,848	75,729	36,881	51.3%
	2017	40,356	74,700	34,344	54.0%
	2018	41,782	81,919	40,137	51.0%
	2019	43,866	85,119	41,253	51.5%
	2020	47,343	85,820	38,477	55.2%
	2021	51,725	83,656	31,931	61.8%

(1) See Note 17 for further information related to the City Pension Plans

(2) Rounded in Thousands

Source: City Actuarial Reports

Labor Contracts

The City has four employee bargaining units, in addition to the non-union group, with the following contract durations:

Employee Group:	Number of Employees	Contract Expiration Date
International Association of Firefighters	30	June 30, 2024
Police Officers Labor Council - Supervisory	9	June 30, 2024
Police Officers Labor Council - Non-Supervisory	34	June 30, 2024
Michigan Association of Public Employees	68	June 30, 2025
Non-Union	66	
	<u>207</u>	

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**SINGLE AUDIT
ACT COMPLIANCE**

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

December 5, 2022

Honorable Mayor and
Members of the City Council
City of Jackson, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Jackson, Michigan** (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements. We issued our report thereon dated December 5, 2022, which contained unmodified opinions on those financial statements. 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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CITY OF JACKSON, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Housing and Urban Development				
Community Development Block Grant - Entitlement Grants Cluster:				
Community Development Block Grant	14.218	Direct	B19MC260021	\$ 22,038
Community Development Block Grant	14.218	Direct	B20MC260021	1,172,922
Community Development Block Grant - CV	14.218	Direct	B20MW260021	148,625
				<u>1,343,585</u>
Home Investment Partnership Programs	14.239	Direct	M18MC260214	263,672
Home Investment Partnership Programs	14.239	Direct	M19MC260214	162,493
				<u>426,165</u>
Total U.S. Department of Housing and Urban Development				<u>1,769,750</u>
U.S. Department of Justice				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	Direct	n/a	5,362
Project Safe Neighborhood	16.609	Direct	n/a	57,189
Byrne Recovery Act Grant	16.804	Direct	2015-DJ-BX-0775	25,428
				<u>87,979</u>
Total U.S. Department of Justice				<u>87,979</u>
U.S. Department of Transportation				
Safe Communities Traffic Programs	20.602	R2 PC	n/a	10,292
U.S. Department of Treasury				
COVID-19 - State and Local Fiscal Recovery Fund (CSLFRF): American Rescue Plan Act - CSLFRF	21.027	Direct	n/a	1,510,385
U.S. Department of Homeland Security				
SAFER Grant	97.044	Direct	n/a	192,526
Assistance to Firefighters Grant	97.044	Direct	n/a	174,091
				<u>366,617</u>
Total U.S. Department of Homeland Security				<u>366,617</u>
Total expenditures of federal awards				<u>\$ 3,745,023</u>

See notes to schedule of expenditures of federal awards.

CITY OF JACKSON, MICHIGAN

Notes to the Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the **City of Jackson, Michigan** (the "City") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note 1 to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the City has elected not to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The City receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
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R2 PC	Region 2 Planning Commission
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

December 5, 2022

Honorable Mayor and
Members of the City Council
City of Jackson, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Jackson, Michigan** (the "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, and have issued our report thereon dated December 5, 2022.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 5, 2022

Honorable Mayor and
Members of the City Council
City of Jackson, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the compliance of the ***City of Jackson, Michigan*** (the "City") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

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



Responsibilities of Management for Compliance

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

Independent Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

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CITY OF JACKSON, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

CITY OF JACKSON, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF JACKSON, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

SECTION III - FEDERAL AWARD FINDING AND QUESTIONED COSTS

None reported.

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CITY OF JACKSON, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2022

None reported.

