

CITY OF JACKSON MICHIGAN



2025

ANNUAL FINANCIAL REPORT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

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CITY OF JACKSON, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2025**

Prepared by:

Heather Ehnis, Finance Director

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INTRODUCTORY SECTION

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December 16, 2025

**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, 2025.

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, 2025, 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, 2025, 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 has wrestled with population decline and manufacturing losses over the last decade. However, the local economy has been adapting, with growth in service-oriented sectors. The transition has been slow, and while challenges remain, there is also evidence of gradual evolution toward a more diversified economic base. 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 2025 included street reconstruction on Elm Street (North Street to Floral Avenue), MLK Jr. Drive (South Street to Morrell Street), and S. Cooper Street (Washington Avenue to Michigan Avenue); signal replacements on Lansing Avenue and Clinton Road; and MLK Trail Reconstruction. These projects accounted for \$6.4 million in expenditures, making up 77% of the major street construction costs for the fiscal year. Federal funds contributed \$6.2 million, or 81%, of the total project costs. In addition to road reconstruction, the projects also included enhancements to crosswalks, as well as the installation of new water mains and sanitary sewers.

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

- The South Cooper Street Bridge Reconstruction Project involves replacing the existing bridge over the Grand River to improve structural integrity, enhance safety, and extend the service life of this critical transportation link. The project includes demolition of the existing structure, construction of a new bridge, approach work, and associated roadway, water main, and drainage improvements. Construction began in early 2025 and is expected to be completed in fiscal year 2025/26. Total project costs are estimated at \$11.9 million, funded primarily by state participation through the Michigan Department of Transportation (MDOT).
- The Pearl Loop Transmission Main project involves replacing the water transmission main, associated distribution mains, and lead service lines, along with targeted sanitary sewer upgrades. The project also includes surface restoration in areas affected by the underground work. These improvements will modernize aging infrastructure, enhance system reliability, and reduce long-term maintenance needs. Construction began in early 2025 and is expected to be completed in fiscal year 2025/26. The total project cost is estimated at \$7.5 million, funded in part by a \$1.76 million grant from the Environmental Protection Agency and the balance from the City's water fund.
- The Hupp–Morrell Transmission Main Project includes installation of approximately 1.12 miles of new 16-inch water transmission mains along Hupp Avenue and Morrell Street, along with related valves, gate wells, and appurtenances. The project also includes lead service line replacement and full pavement restoration in areas impacted by construction. These improvements are designed to strengthen system capacity, reduce the risk of service interruptions, and enhance long-term reliability. The project was awarded in early 2025 at a total cost of approximately \$4.3 million, funded primarily by a \$3.45 million grant from the Environmental Protection Agency, with the remaining costs supported by the City's water fund. It is expected to be completed in fiscal year 2025/26.
- The City of Jackson's Drinking Water State Revolving Fund (DWSRF) Phase II projects focus on modernizing the water distribution system and enhancing water quality by replacing antiquated and undersized water mains. The work includes replacement of water mains and removal of lead service lines. These improvements are intended to ensure regulatory compliance, improve system reliability, and reduce long-term maintenance and operational costs. Construction began in 2025, with funding of \$2.4 million provided primarily through low-interest DWSRF financing administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). Phase II projects are expected to be completed in fiscal year 2025/26.
- The MLK Jr. Drive Reconstruction Project involves full replacement of the roadway from South Street to Morrell Street, including pavement reconstruction, curb and gutter, sidewalk improvements, and upgrades to underlying water and sewer infrastructure. The project is intended to modernize aging streets and utilities, improve safety for motorists and pedestrians, replace antiquated water mains and sewers, and reduce long-term maintenance costs. Construction began in 2025 and is expected to be completed in fiscal year 2026/27, with total project costs estimated at \$16.7 million, funded through a combination of City funds and federal transportation grant.

- Under Phase I, the City received DWSRF financing to implement major water system improvements, including replacement of water mains, upgrades to water treatment and storage infrastructure, and systematic replacement of lead service lines. The scope of work included replacement of approximately 6,369 linear feet of water main and associated lead service lines. Water treatment plant upgrades encompassed installation of mechanical mixers in elevated storage tanks, replacement of well-pump motors, updates to chemical feed and treatment supply lines, and other enhancements to ensure safe and reliable water treatment. The lead service line replacement component addressed service lines to reduce health risks and ensure compliance with state requirements. These improvements were funded through a combination of low-interest DWSRF financing, state grants, and City water-system funds, totaling \$7.3 million. Phase I projects will begin in fiscal year 2025/26 and are expected to be completed in fiscal year 2026/27, supporting the City's long-term effort to modernize its water infrastructure while minimizing impacts on water rates.
- The Ganson Street Reconstruction Project involves resurfacing of the roadway from Elm Avenue to the east city limits, including surface milling and repaving, curb and gutter repairs, sidewalk improvements, and upgrades to underlying water and sewer infrastructure. The project is designed to modernize aging streets and utilities, enhance safety, and reduce long-term maintenance costs. Construction is scheduled to begin in mid-2026 and is expected to be completed in fiscal year 2026/27. The total project cost is estimated at \$3.2 million, funded in part by MDOT, with the balance finance through the City's street and water funds.
- The Phase III of the city's DWSRF program continues the city's comprehensive water-system upgrade efforts. Under this phase, the City will undertake lead service line replacements to reduce health risks and ensure compliance with state requirements. Anticipated costs for these improvements are \$5.0 million and will be funded with DWSRF low-interest financing and state grants. Construction for the projects will begin in fiscal year 2026/27 and is estimated to be completed in fiscal year 2027/28.

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 increased nearly 57% since fiscal year 2002 to over \$752 million. The City experienced, as did other communities in Michigan and as across the country, a decline in property values in the years following where the ad valorem values declined to approximately \$589 million for the 2016 tax year (fiscal year 2017). Taxable values have since rebounded in recent years to \$823 million in tax year 2025 (39.9% increase). State equalized values (50% of estimated true market values) also declined in a similar pattern from 2002 to 2009, however, these values have increased by 79% from 2016 to 2025. Market values, especially in the residential sector, have shown slow but steady growth which should continue into the next few years as real estate sales prices improve and developers invest in new housing in the City.

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 can 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 \$32,045 (0.6%) in total to \$5,489,833. This increase was comprised of a decrease of \$58,208 in constitutional and an increase of \$90,253 in the statutory component.

Income taxes, one of the City's major revenue categories, show a strong long-term upward trend, rising from approximately \$6.5 million in fiscal year 2010 to a peak of \$11.4 million in fiscal year 2023. Revenues grew steadily through the early and mid- 2010's, with only a modest decline in fiscal year 2016, before continuing their upward trajectory. A significant increase occurred between fiscal years 2021 and 2023 as the economy recovered from the COVID-19 pandemic. Although revenues decreased to \$11.0 million in fiscal year 2024 and to \$10.4 million in fiscal year 2025, they remain well above pre-2020 levels, demonstrating overall stability.

Statewide forecasts from the Michigan Department of Treasury project continued wage growth, with wages and salaries expected to rise by approximately 4.1% in 2025 and 3.3–3.5% annually through 2027. Because income tax receipts are closely tied to wages, sustained growth in earnings—combined with stable employment—supports expectations for continued revenue increases. Broader economic indicators, including personal and disposable income, are also forecast to rise modestly. Based on historical trends and current economic projections, a reasonable forecast anticipates moderate income tax revenue growth of approximately 2–4% annually over the next several fiscal years, absent significant economic disruptions.

The City implemented a self-funded health insurance program on July 1, 2014, to better control healthcare costs. However, rising healthcare costs continue to pose a significant financial challenge for the City. Increasing medical and prescription expenses, higher utilization, and broader inflationary pressures have contributed to sustained growth in overall healthcare spending. These rising costs affect both active employees and retirees, placing upward pressure on the City's operating budget and long-term financial obligations. Management continues to evaluate cost-containment strategies, monitor claims, and adjust plan design as needed to ensure the City can maintain quality coverage while safeguarding its financial stability.

Property and liability insurance costs have also continued to rise, reflecting broader market conditions that include higher claim activity, increased construction and replacement costs, and more restrictive underwriting practices. Municipalities nationwide are experiencing premium increases as insurers respond to elevated risks associated with aging infrastructure, cybersecurity threats, severe weather events, and evolving liability exposures. As a result, the City's insurance expenditures have grown, and future budgets will need to account for continued pressure in this area. Management will continue to monitor market trends, evaluate coverage levels, and implement risk-management strategies to help control costs while ensuring adequate protection of City assets and operations.

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. During the fiscal year, the City of Jackson advanced several key initiatives aimed at strengthening community services, improving infrastructure, and supporting long-term economic vitality. These efforts reflect the City's commitment to responsible stewardship of public resources and the continual improvement of residents' quality of life. Major projects undertaken during the fiscal year focused on enhancing public facilities, upgrading essential services, and investing in strategic priorities that align with the City's long-term planning goals.

- **100 Homes Program** - Launched in late 2023, this ambitious initiative aims to build 100 new single-family homes on vacant city lots, offering income-qualified buyers down-payment assistance to help make home ownership more accessible. Home prices are capped to encourage affordability and the program has already completed 26 homes and 16 are under construction. It is funded by the Coronavirus State and Local Fiscal Recovery funds allocated by the City Council in March 2023 in the amount of \$2.5 million to provide down payment assistance to eligible households.
- **East-side Infrastructure & Road Improvements** - In fiscal year 2025, the city secured a substantial federal grant to help fund the East Side Commerce Corridor Improvement Project, roughly \$12 million effort to reconstruct and resurface key roadways, replace water and sewer mains, and remove and replace lead service lines on the City's east side (including parts of E. Washington Avenue, S. Elm Avenue, and Page Avenue). The work is designed to improve safety, connectivity, and support future economic growth and neighborhood revitalization.
- **Corridor Revitalization on S. MLK Drive** - The city began work on redeveloping the S. MLK Drive corridor to enhance streetscape, pedestrian access, traffic flow, and community appeal. This project also includes the replacement of water and sewer mains, as well as the removal and replacement of lead service lines. These effort tie to a broader strategy to revitalize south-side neighborhoods and stimulate redevelopment.
- **Community Development & Utility Upgrades** - Through its multi-year planning efforts, the city has advanced infrastructure and utility projects, including sewer main rehabilitation and replacement, wastewater treatment plant upgrades, and undersized water-main replacements. These efforts support sustainable growth and improved public service.
- **Recreation, Parks, and Neighborhood Improvement** - The city is investing in parks and recreation amenities: playground and pavilion upgrades at city recreation centers, resurfacing and restriping of courts and fields, new tennis court surfaces, expanded green surfaces, and launching a Curb Appeal Program to help homeowners improve exterior home conditions and supporting neighborhood stability and quality of life.

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, 2024. This was the thirty-third 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.

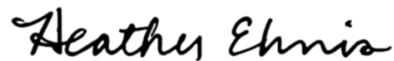
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Heather Ehnis, City Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

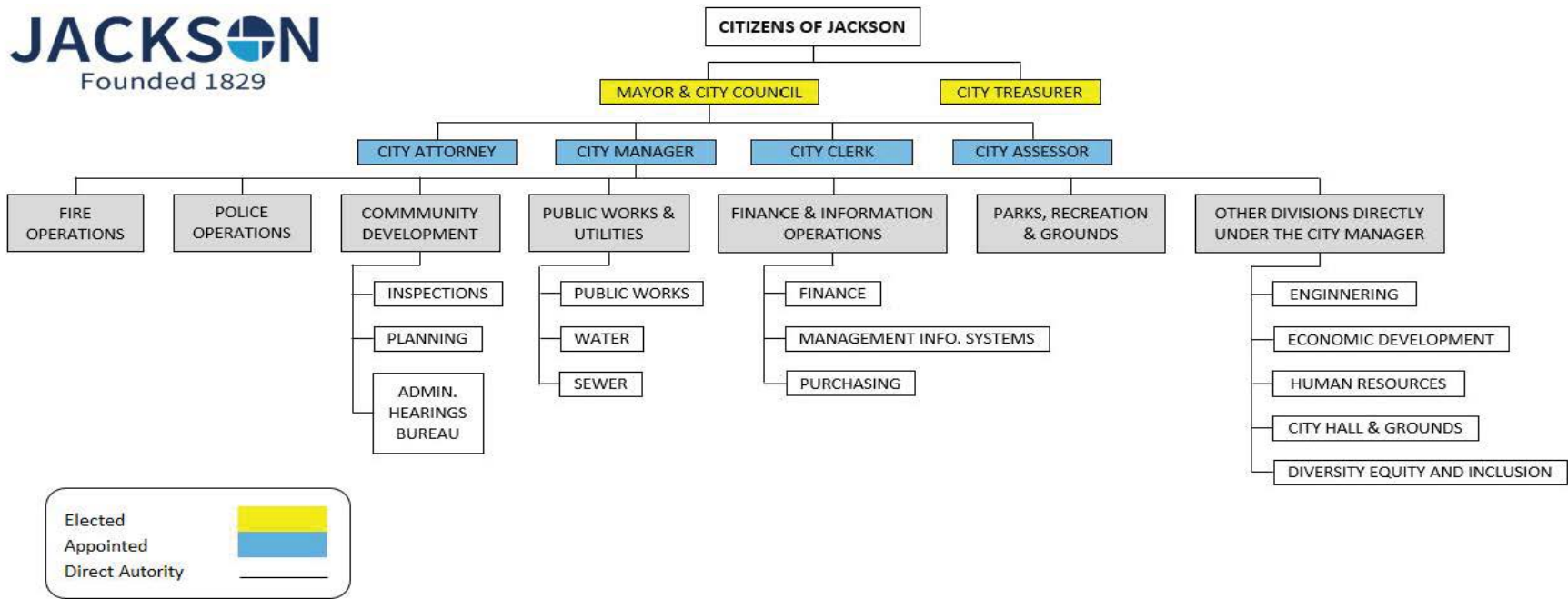
**City of Jackson
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

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 V. Gunn	3rd Ward
Conner Wood	4th Ward
Christy May Davis	5th Ward
Will Forgrave	6th Ward

CITY OFFICIALS

Jonathan Greene, City Manager

Heather Ehnis	Director of Finance
Martin J. Griffin	City Treasurer & Income Tax Administrator
Matthew Hagerty	City Attorney
Elmer Hitt	Director of Police and Fire Services
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 16, 2025

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, 2025, 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, 2025, 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.

Implementation of GASB Statement No. 101

As described in Note 25, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, in the current year. Accordingly, beginning net position of the governmental activities was restated. Our opinion is not modified with respect to this matter.

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, under separate cover, dated December 16, 2025, 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 Loborn 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, 2025. 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	\$ 247,090,480
• Change in total net position	35,608,933
• Fund balances, governmental funds	38,265,897
• Change in fund balances, governmental funds	4,327,682
• Unassigned fund balance, general fund	17,974,485
• Change in fund balance, general fund	3,021,593
• Bonds and installment purchase agreements outstanding	43,367,100
• Change in bonds and installment purchase agreements outstanding	(1,918,410)

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, and the special assessment capital projects 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 two major enterprise funds to account for its sanitary sewer and water purification and distribution operations while the operations of the City's 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 \$247,090,480 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	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 58,030,180	\$ 61,582,524	\$ 56,348,589	\$ 55,942,000	\$ 114,378,769	\$ 117,524,524
Capital assets, net	134,884,232	130,343,454	118,949,625	99,254,330	253,833,857	229,597,784
Total assets	192,914,412	191,925,978	175,298,214	155,196,330	368,212,626	347,122,308
Deferred outflows of resources	3,044,339	4,501,184	252,965	227,552	3,297,304	4,728,736
Liabilities						
Long-term liabilities	80,502,041	93,531,452	21,720,333	18,165,572	102,222,374	111,697,024
Other liabilities	12,108,970	17,520,384	5,355,613	2,930,097	17,464,583	20,450,481
Total liabilities	92,611,011	111,051,836	27,075,946	21,095,669	119,686,957	132,147,505
Deferred inflows of resources	4,544,100	5,453,416	188,393	833,702	4,732,493	6,287,118
Net position						
Net investment in capital assets	99,636,436	90,360,863	106,399,229	93,742,001	206,035,665	184,102,864
Restricted	19,879,080	18,947,145	-	-	19,679,270	18,947,145
Unrestricted (deficit)	(20,711,876)	(29,386,098)	41,887,611	39,752,510	21,375,545	10,366,412
Total net position	\$ 98,803,640	\$ 79,921,910	\$ 148,286,840	\$ 133,494,511	\$ 247,090,480	\$ 213,416,421

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 9,819,592	\$ 8,943,744	\$ 21,960,298	\$ 20,541,370	\$ 31,779,890	\$ 29,485,114
Operating grants and contributions	8,577,802	9,453,056	1,858,193	852,729	10,435,995	10,305,785
Capital grants and contributions	7,236,407	3,715,222	-	-	7,236,407	3,715,222
General revenues:						
Property taxes	14,936,676	14,245,203	-	-	14,936,676	14,245,203
Income taxes	10,401,384	11,020,164	-	-	10,401,384	11,020,164
Grants and contributions not restricted to specific programs	11,779,104	10,835,164	6,430,809	7,522,263	18,209,913	18,357,427
Other	1,923,172	2,010,452	2,383,603	2,804,934	4,306,775	4,815,386
Total revenues	64,674,137	60,223,005	32,632,903	31,721,296	97,307,040	91,944,301
Expenses						
Legislative	114,795	94,687	-	-	114,795	94,687
General government	5,049,440	4,985,971	-	-	5,049,440	4,985,971
Public safety	15,557,325	15,319,528	-	-	15,557,325	15,319,528
Public works	8,508,741	7,511,167	-	-	8,508,741	7,511,167
Culture and recreation	4,855,567	4,035,916	-	-	4,855,567	4,035,916
Community enrichment and development	7,127,970	7,031,925	-	-	7,127,970	7,031,925
Interest and fiscal charges	3,404,281	3,155,084	-	-	3,404,281	3,155,084
Sewer	-	-	5,546,881	4,983,190	5,546,881	4,983,190
Water	-	-	10,816,032	8,684,677	10,816,032	8,684,677
Parking system	-	-	717,075	891,633	717,075	891,633
Total expenses	44,618,119	42,134,278	17,079,988	14,559,500	61,698,107	56,693,778
Change in net position before transfers	20,056,018	18,088,727	15,552,915	17,161,796	35,608,933	35,250,523
Transfers	760,586	807,066	(760,586)	(807,066)	-	-
Change in net position	20,816,604	18,895,793	14,792,329	16,354,730	35,608,933	35,250,523
Net position:						
Beginning of year	79,921,910	61,026,117	133,494,511	117,139,781	213,416,421	178,165,898
Restatement for implementation of GASB 101	(1,934,874)	-	-	-	(1,934,874)	-
Net position, end of year	\$ 98,803,640	\$ 79,921,910	\$ 148,286,840	\$ 133,494,511	\$ 247,090,480	\$ 213,416,421

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City's net position by \$20,816,604 during fiscal year 2025 compared to an increase of \$18,895,793 during fiscal 2024. Some significant elements of this change from prior year to current year are as follows:

- Charges for services increased by \$876,000, driven primarily by the sale of two City-owned properties which generated net proceeds of \$1.55 million in the general fund. This increase was partially offset by a \$678,000 decline in the housing code enforcement fund, as the three-year inspection cycle concluded during the fiscal year.
- Operating grants and contributions decreased by \$875,000, primarily attributable to the debt service requirements for the City's 2017 and 2021 brownfield refunding bonds.
- Capital grants and contributions increased by \$3.5 million, reflecting a significant rise in federal funding awarded for major street improvement projects. This increase is primarily attributable to the timing and scale of federally supported infrastructure work completed during the fiscal year.
- Property taxes increased \$691,000 as a result of an increase in collections primarily due to growth in the taxable value of real and personal property. Rising market values, property sales that reset taxable values under Michigan's "uncapping" provisions, and improvements to existing properties contributed to a larger tax base. Even properties without ownership changes experienced modest taxable-value increases tied to the annual inflation adjustment allowed under state law. Although the City's operating millage was slightly reduced from the previous year, the significant expansion of the tax base more than offset the decrease, resulting in higher overall revenues. Additionally, the Act 345 millage generated increased collections due to a higher actuarially determined pension contribution for public safety employees, further contributing to the year-over-year growth in property-tax revenue.
- Income tax revenues decreased by \$619,000, primarily due to reduced enforcement activity under the City's delinquent tax compliance program. The Treasurer's office did not actively pursue collections at the same level as in recent years, resulting in lower recoveries from past-due accounts.
- Grants and contributions not restricted to specific programs increased \$944,000, primarily reflecting American Rescue Plan Act - State and Local Fiscal Recovery Funds (ARPA - SLFRF) used for general government purposes, including completion of the City Center and public safety wages totaling \$1.8 million, partially offset by a \$837,000 prior-year fire truck purchase.
- Other revenues decreased by \$87,000, primarily due to lower investment earnings in fiscal year 2024/25, which resulted from a reduced pooled cash balance as previously received grant funds were expended and interest rates declined over the past year.
- Legislative expenses increased by \$20,000, primarily due to a wage adjustment recommended by the Local Officers Compensation Commission. Additional costs also resulted from expanded education and travel opportunities for City Council members to participate in professional development during the fiscal year. Furthermore, the City incurred higher expenditures to support community events, including the annual MLK Breakfast and the State of the City Address, contributing to the overall increase in legislative spending.
- General government expenses increased by \$63,000, primarily due to higher contractual costs for City Hall and grounds, including \$231,000 for new cleaning services and emergency HVAC repairs, as well as a \$90,000 increase in management information systems for upgrades to the City's ERP system. These increases were partially offset by a \$210,000 decrease in finance department expenditures resulting from the prior year's implementation of GASB 96 related to software subscription accounting.
- Public safety expenses increased by \$238,000, primarily driven by higher salaries and related payroll costs, which rose by \$1.0 million in fiscal year 2024/25. This increase includes an additional \$207,000 in actuarial contributions to the Act 345 pension plan and approximately \$500,000 in staffing-related costs as both the Police and Fire departments continue efforts to achieve full staffing levels. These payroll increases were partially offset by lower expenditures on public safety vehicles of \$120,000 in 2024/25 and by the absence of \$1.0 million in grant-funded equipment purchases that occurred in the prior year.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

- Public works expenses increased by \$998,000, primarily due to an additional \$2.7 million in major streets construction activities. This increase was partially offset by a \$1.4 million decrease in street and bridge construction compared to the prior fiscal year with the completion of the two segments of the MLK Trail system. Additionally, transfers to other funds rose by \$458,000 to support debt service requirements associated with the new 2024 Michigan transportation fund bonds.
- Culture and recreation expenses increased by \$820,000, driven primarily by the application of GASB 87 related to the acquisition of four vehicles, totaling \$283,000. At Ella W. Sharp Park, costs rose by approximately \$158,000 due to the addition of a new staff position and the re-implementation of a deer cull. The recreation activity also experienced higher expenditures, including roughly \$120,000 for expanded senior travel programming and \$90,000 for new playground materials.
- Community enrichment and development expenses increased by \$96,000, primarily due to the completion of construction at the City Center, totaling \$1.03 million in fiscal year 2024/25 and funded through the ARPA – SLFRF. These costs were largely offset by a \$638,000 reduction in projects supported by capital project funds and a \$488,000 decrease in the use of Community Development Block Grant funds, as the Boos Center CDBG-funded project was completed in the prior fiscal year.
- Interest and fiscal charges increased by \$249,000, primarily due to new debt activity and rising interest costs. The issuance of the 2024 Michigan Transportation Fund bonds resulted in additional interest obligations during the fiscal year. In addition, higher interest expenses related to the ongoing debt service for the 2001 DDA TIF bonds contributed to the overall increase.

Business-type activities. Business-type activities increased the City's net position by \$14,792,329 during fiscal year 2025 compared to an increase of \$16,354,730 during fiscal year 2024. Key elements of this change are as follows:

- The sewage increase in net position is attributable to several factors. These include the annual sewer rate increase approved by the City Council and progress on the Michigan Department of Environment, Great Lakes, and Energy's Clean Water State Revolving Fund (CWSRF)-supported infrastructure projects. Improvements at the wastewater treatment plant, originally scheduled for completion in fiscal year 2025, will carry over into the next fiscal year, resulting in lower current-year capital spending. In addition, several operating expenses, including biosolid hauling, electrical supplies for the ultraviolet treatment channels, and consulting services related to the unfunded CWSRF project plan, were below initial estimates, further contributing to the positive net position.
- The water increase in net position is attributable to several factors. These include the annual water rate increase approved by the City Council and ongoing grant-funded infrastructure improvements. In fiscal year 2025, the city began work on Environmental Protection Agency-funded water transmission projects along the Pearl Loop, Hupp Avenue, and Morrell Street, which will improve water flow and system reliability in those areas. The city also secured bond and grant funding through the Michigan Department of Environment, Great Lakes, and Energy's Drinking Water State Revolving Fund to support major infrastructure upgrades at the water treatment plant and to continue the lead service line replacement program.

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 \$38,265,897, an increase of \$4,327,682 from the prior year. Approximately 43.6% of this total amount, or \$16,696,055 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 \$346,124, prepaid items \$853,981, funds advanced on a long-term basis \$50,000, cemetery perpetual care \$2,164,734 and endowments related to Ella Sharp Park and facilities \$1,420,666; 2) restricted to indicate limitations on its use imposed by grants or legislation, which total \$15,172,444; and 3) committed which indicate funds that have self-imposed limitations, which total \$1,561,893. 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 \$17,974,485, while total fund balance was \$18,837,547. 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 54.9% of total general fund expenditures and transfers out while total fund balance represents 57.4% of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased by \$3,021,593 during the current fiscal year. This increase reflects several significant revenue gains, most notably \$1.6 million from the sale of two City-owned parcels. Property tax revenues rose by \$474,000 due to taxable value growth, and marihuana excise taxes increased by \$172,000 as distributions from the State continued to expand. State revenue sharing also increased by \$89,000, supporting ongoing governmental operations. In addition, transfers to capital projects were reduced by \$689,000 compared to the prior year, further contributing to the overall fund balance growth. These positive factors were partially offset by a \$600,000 decline in income tax revenues, driven largely by reduced delinquent tax collection efforts throughout the year. Overall, general fund results reflect strong one-time revenues and moderate operational revenue growth, tempered by pressures in income tax collections.

The major streets special revenue fund's fund balance increased \$1,187,993 from the prior fiscal year leaving a total surplus of \$2,339,703 at fiscal year-end. A decrease of \$147,551 was budgeted in fiscal year 2025. 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 \$541,609. This fund, which has a deficit by its nature, recorded \$494,065 in new assessment rolls receivable during the fiscal year while receiving collections on such receivables totaling \$1,031,357.

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 \$10,167,624 and \$30,707,036, respectively. The sewage fund had an increase in net position for the year of \$2,313,110, and the water fund had an increase of \$12,920,276. 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 \$3,962,153. These amendments were largely related to and increase in federal grant revenue of \$1.6 million; the sale of city-owned property of \$1.45 million; increased interest income earned on investments of \$315,000; increased marihuana excise tax received of \$171,000; the application of GASB 87 for new purchasing software of \$126,000; income taxes of \$100,000; and miscellaneous cemetery revenue of \$93,000.

Actual revenues were less than final amended budgeted amounts by \$580,165. This is largely due to an unanticipated decrease in income tax revenue of approximately \$600,000.

Differences between the original and final amended budgeted expenditures totaled \$1,293,519. These amendments were related to replacement vehicles for the parks and recreation department of \$244,000; increased forestry work of \$203,000; a contribution to the motor pool for fire apparatus of \$200,000; increased administrative hearings bureau uncollectibles of 169,000; payroll and related expenses of \$129,000; the application of GASB 87 for new purchasing software of \$126,000; the acquisition of property on the east-side for strategic development of \$110,000; and new duty weapons for the police department of \$108,000.

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Actual expenditures were less than final amended budgeted amounts by \$3,238,712. This is primarily due to lower spending across several departments. The largest variances occurred in the police department (\$882,000), driven by lower personnel costs and equipment purchases that did not occur before year-end. Other notable savings included the forestry department (\$445,000) due to reduced service needs; cemeteries (\$227,000) from lower machinery and contractual service costs; unallocated (\$209,000) from reduced bad-debt expenses; City Hall and grounds (\$136,000) from lower building maintenance and utility costs; the Administrative Hearing Bureau (\$126,000) due to fewer uncollectible expenses; and the personnel department (\$124,000) from lower training and contractual service requirements.

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, 2025, amounted to \$253,833,857 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, systems, infrastructure, land improvements, buildings and improvements, park and recreation facilities, machinery and equipment, lease vehicles, and subscription assets. The total net increase in the City's investment in capital assets for the current fiscal year was \$24,236,073 or 10.6%.

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

- Governmental activities largest changes include approximately \$8.5 million in various street reconstruction and infrastructure, \$6.0 million for the completion of the City Center renovation (former Masonic Temple), and \$1.8 million for the renovation of the Boos Center.
- Business-type activities largest increases include \$4.3 million for improvements to the Myrtle Lift Station, \$4.3 million for upgrades to the east pipe gallery, and \$3.4 million for new sewer construction.

	Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,481,290	\$ 2,395,280	\$ 8,956,886	\$ 8,956,886	\$ 11,438,176	\$ 11,352,166
Construction in progress	473,098	6,014,171	12,928,090	15,003,117	13,401,188	21,017,288
Systems	-	-	66,318,957	56,691,769	66,318,957	56,691,769
Infrastructure	91,603,149	89,025,719	-	-	91,603,149	89,025,719
Land improvements	9,229,210	9,546,601	3,231,858	3,393,640	12,461,068	12,940,241
Buildings and improvements	9,864,912	10,191,321	12,552,974	8,731,199	22,417,886	18,922,520
Park and recreation facilities	15,860,674	8,317,494	-	-	15,860,674	8,317,494
Machinery and equipment	4,645,403	4,229,656	14,743,936	6,210,103	19,389,339	10,439,759
Lease vehicles	563,546	465,532	216,924	267,616	780,470	733,148
Subscription assets	162,950	157,680	-	-	162,950	157,680
Total	\$ 134,884,232	\$ 130,343,454	\$ 118,949,625	\$ 99,254,330	\$ 253,833,857	\$ 229,597,784

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

CITY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$43,367,100, all of which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 34,949,335	\$ 40,411,368	\$ 8,417,765	\$ 4,759,336	\$ 43,367,100	\$ 45,170,704
Installment purchase agreement	-	114,806	-	-	-	114,806
Total	\$ 34,949,335	\$ 40,526,174	\$ 8,417,765	\$ 4,759,336	\$ 43,367,100	\$ 45,285,510

The City made principal payments on existing agreements in the amount of \$5,974,839 during the current fiscal year. Additionally, the City made draws of \$4,056,429 on the Water and Sewer System Junior Lien Revenue Bonds.

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 10% of its total assessed valuation. The current debt limitation for the City is \$117,899,463, which is significantly in excess of the City’s outstanding general obligation debt of \$43,367,100.

Additional information related to long-term debt can be found in Note 12 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the City’s budget for the 2025/2026 fiscal year:

- The City's unemployment rate is currently 10.7% (August 2025), which is a 0.7% increase from a rate of 10.0% one year ago. While the City’s unemployment rate remains above the state and national averages of 5.0% and 4.5%, respectively, modest improvement is expected over the next 12 months. Statewide economic forecasts anticipate gradual job growth and stabilization in key industries, which may help reduce unemployment at the local level. However, due to Jackson’s concentration in slower-growing, legacy industries and ongoing labor-force challenges, any improvement is expected to be incremental rather than rapid. As a result, the City anticipates a slight decline in unemployment but recognizes that the rate may continue to exceed broader state and national levels in the near term.
- Ad valorem (real and personal) taxable values increased 6.6% from the prior fiscal year, while state equalized values rose 5.0%, marking the eleventh consecutive year of growth since 2014. In addition, the City is advancing multiple residential and commercial development initiatives—including new housing projects, the East Side neighborhood redevelopment, and the revitalization of The Hayes in the downtown district. These projects are expected to strengthen the City’s tax base upon completion and support continued gradual growth in taxable values in future years.
- Inflationary trends in the region compare unfavorably to national indices. The City administration will continue to focus on economic diversification, supporting local businesses, investing in infrastructure, and promoting affordability to create a more stable environment that is better equipped to handle the pressures of inflation.

Unassigned fund balance in the general fund increased from \$15,624,676 to \$17,974,485 during fiscal year 2025. The fiscal year 2025/26 adopted budget anticipates utilizing a portion of this balance, projecting a \$4.5 million decrease primarily to support planned operating and capital needs.

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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF JACKSON, MICHIGAN

Statement of Net Position

June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 35,017,126	\$ 47,738,161	\$ 82,755,287	\$ 1,465,884
Restricted cash:				
Cash on hand with agents	46,000	-	46,000	-
Pooled cash and investments	11,539,295	-	11,539,295	-
Receivables, net	10,175,595	7,716,128	17,891,723	50,489
Internal balances	(149,925)	149,925	-	-
Inventories and prepaid items	1,202,279	744,375	1,946,654	-
Net pension asset	199,810	-	199,810	-
Capital assets not being depreciated/amortized	2,954,388	21,884,976	24,839,364	-
Capital assets being depreciated/amortized, net	131,929,844	97,064,649	228,994,493	-
Total assets	192,914,412	175,298,214	368,212,626	1,516,373
Deferred outflows of resources				
Deferred charge on bond refunding	357,082	-	357,082	-
Deferred pension amounts	2,580,976	145,346	2,726,322	-
Deferred OPEB amounts	106,281	107,619	213,900	-
Total deferred outflows of resources	3,044,339	252,965	3,297,304	-
Liabilities				
Accounts payable and accrued liabilities	3,966,423	5,355,613	9,322,036	68,024
Unearned revenue	8,142,547	-	8,142,547	110,573
Bonds, notes and other long-term liabilities:				
Due within one year	8,017,576	803,621	8,821,197	-
Due in more than one year	32,430,307	8,253,831	40,684,138	-
Net pension liability (due in more than one year)	28,543,349	1,007,123	29,550,472	-
Net OPEB liability (due in more than one year)	11,510,809	11,655,758	23,166,567	-
Total liabilities	92,611,011	27,075,946	119,686,957	178,597
Deferred inflows of resources				
Deferred pension amounts	4,181,864	71,089	4,252,953	-
Deferred OPEB amounts	115,846	117,304	233,150	-
Deferred lease amounts	246,390	-	246,390	-
Total deferred inflows of resources	4,544,100	188,393	4,732,493	-
Net position				
Net investment in capital assets	99,636,436	106,399,229	206,035,665	-
Restricted for:				
Debt service	31,086	-	31,086	-
Highways and streets	6,041,778	-	6,041,778	-
Public improvement and recreation	7,343,688	-	7,343,688	-
Public safety	1,664,631	-	1,664,631	-
Opioid settlement	995,815	-	995,815	-
Act 345 Pension	16,872	-	16,872	-
Perpetual care -				
Endowments (nonspendable)	3,585,400	-	3,585,400	-
Pension	199,810	-	199,810	-
Unrestricted (deficit)	(20,711,876)	41,887,611	21,375,545	1,337,776
Total net position	\$ 98,803,640	\$ 148,286,840	\$ 247,090,480	\$ 1,337,776

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, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 114,795	\$ -	\$ -	\$ -	\$ (114,795)
General government	5,049,440	3,426,621	1,805,942	-	183,123
Public safety	15,557,325	2,477,352	937,306	-	(12,142,667)
Public works	8,508,741	336,977	5,576,873	7,236,407	4,641,516
Culture and recreation	4,855,567	1,474,056	10,555	-	(3,370,956)
Community enrichment and development	7,127,970	2,104,586	247,126	-	(4,776,258)
Interest and fiscal charges	3,404,281	-	-	-	(3,404,281)
Total governmental activities	44,618,119	9,819,592	8,577,802	7,236,407	(18,984,318)
Business-type activities:					
Sewer	5,546,881	7,334,865	98,289	-	1,886,273
Water	10,816,032	14,379,464	1,715,552	-	5,278,984
Parking system	717,075	245,969	44,352	-	(426,754)
Total business-type activities	17,079,988	21,960,298	1,858,193	-	6,738,503
Total primary government	\$ 61,698,107	\$ 31,779,890	\$ 10,435,995	\$ 7,236,407	\$ (12,245,815)
Component units					
Brownfield redevelopment authority	\$ 2,466,616	\$ -	\$ -	\$ -	\$ (2,466,616)
MLK corridor improvement authority	790,205	-	-	-	(790,205)
Downtown development authority	295,192	122,454	-	-	(172,738)
Total component units	\$ 3,552,013	\$ 122,454	\$ -	\$ -	\$ (3,429,559)

continued...

CITY OF JACKSON, MICHIGAN

Statement of Activities

For the Fiscal Year Ended June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net revenues (expenses)	<u>\$ (18,984,318)</u>	<u>\$ 6,738,503</u>	<u>\$ (12,245,815)</u>	<u>\$ (3,429,559)</u>
General revenues				
Property taxes	14,936,676	-	14,936,676	1,768,856
Income taxes	10,401,384	-	10,401,384	-
Grants and contributions not restricted to specific purposes	11,779,104	6,430,809	18,209,913	985,517
Unrestricted interest earnings	1,906,380	2,383,603	4,289,983	78,998
Transfers - internal activities	760,586	(760,586)	-	-
Gain on sale of capital assets	16,792	-	16,792	-
Total general revenues and transfers	<u>39,800,922</u>	<u>8,053,826</u>	<u>47,854,748</u>	<u>2,833,371</u>
Change in net position	<u>20,816,604</u>	<u>14,792,329</u>	<u>35,608,933</u>	<u>(596,188)</u>
Net position, beginning of year, as previously reported	79,921,910	133,494,511	213,416,421	1,933,964
Restatement for change in accounting principle	(1,934,874)	-	(1,934,874)	-
Net position, beginning of year, as restated	<u>77,987,036</u>	<u>133,494,511</u>	<u>211,481,547</u>	<u>1,933,964</u>
Net position, end of year	<u>\$ 98,803,640</u>	<u>\$ 148,286,840</u>	<u>\$ 247,090,480</u>	<u>\$ 1,337,776</u>

concluded.

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, 2025

	General	Major Streets	American Rescue Plan Act	Special Assessment Capital Projects	Nonmajor Governmental Funds	Totals
Assets						
Pooled cash and investments	\$ 14,452,734	\$ 1,844,156	\$ -	\$ 279,713	\$ 19,295,106	\$ 35,871,709
Restricted pooled cash and investments	-	-	7,904,215	-	-	7,904,215
Accounts receivables, net	1,005,518	23,344	-	-	927,921	1,956,783
Interest receivable	47,564	-	-	4,317	48,012	99,893
Taxes receivable, net	2,515,663	-	-	-	-	2,515,663
Special assessment receivables	-	-	-	3,057,732	-	3,057,732
Leases receivable	244,207	-	-	-	2,183	246,390
Due from other governments	966,429	737,536	-	-	513,995	2,217,960
Due from other funds	1,562,525	-	-	-	98,890	1,661,415
Inventories	-	330,624	-	-	15,500	346,124
Prepaid items	796,190	-	-	-	57,791	853,981
Long-term advances to other funds	50,000	-	-	-	-	50,000
Total assets	\$ 21,640,830	\$ 2,935,660	\$ 7,904,215	\$ 3,341,762	\$ 20,959,398	\$ 56,781,865
Liabilities						
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 274,749	\$ 274,749
Accounts payable	1,343,006	591,201	-	-	732,209	2,666,416
Accrued payroll	301,055	4,756	-	-	77,141	382,952
Other liabilities	61,800	-	-	-	393,615	455,415
Unearned revenue	-	-	7,904,215	-	238,332	8,142,547
Due to other funds	5,876	-	-	1,562,460	93,014	1,661,350
Long-term advances from other funds	-	-	-	-	50,000	50,000
Total liabilities	1,711,737	595,957	7,904,215	1,562,460	1,859,060	13,633,429
Deferred inflows of resources						
Unavailable revenue - Administrative Hearings Bureau	847,339	-	-	-	-	847,339
Unavailable revenue - special assessment receivable	-	-	-	3,057,732	-	3,057,732
Unavailable revenue - opioid settlement	-	-	-	-	731,078	731,078
Deferred lease amounts	244,207	-	-	-	2,183	246,390
Total deferred inflows of resources	1,091,546	-	-	3,057,732	733,261	4,882,539
Fund balances						
Nonspendable	846,190	330,624	-	-	3,658,691	4,835,505
Restricted	16,872	2,009,079	-	-	13,146,493	15,172,444
Committed	-	-	-	-	1,561,893	1,561,893
Unassigned (deficit)	17,974,485	-	-	(1,278,430)	-	16,696,055
Total fund balances (deficit)	18,837,547	2,339,703	-	(1,278,430)	18,367,077	38,265,897
Total liabilities, deferred inflows of resources and fund balances	\$ 21,640,830	\$ 2,935,660	\$ 7,904,215	\$ 3,341,762	\$ 20,959,398	\$ 56,781,865

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, 2025

Fund balances - total governmental funds	\$ 38,265,897
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.</p>	
Capital assets not being depreciated/amortized	2,954,388
Capital assets being depreciated/amortized, net	131,929,844
Less: capital assets accounted for in the internal service funds	(2,363,970)
<p>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.</p>	
Unavailable Administrative Hearings Bureau receivables	847,339
Unavailable special assessments	3,057,732
Unavailable opioid settlement	731,078
<p>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.</p>	
Net pension asset	199,810
Net pension liability	(28,543,349)
Deferred outflows related to the net pension liability	2,580,976
Deferred inflows related to the net pension liability	(4,181,864)
Net OPEB liability	(11,510,809)
Deferred outflows related to the net OPEB liability	106,281
Deferred inflows related to the net OPEB liability	(115,846)
<p>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.</p>	
Net position of governmental activities accounted for in the internal service funds	5,381,158
Portion of the internal service funds net position attributed to business-type activities	(149,990)
<p>Certain liabilities and deferred outflows of resources, such as bonds, notes and other long-term liabilities, 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.</p>	
Unamortized deferred charge on refunding	357,082
Bonds, notes and other long-term liabilities	(35,677,916)
Less: bonds, notes and other long-term liabilities accounted for in the internal service funds	5,673
Unamortized bond premium	(1,210,052)
Compensated absences	(3,559,915)
Accrued interest on long-term liabilities	(299,907)
Net position of governmental activities	\$ 98,803,640

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, 2025

	General	Major Streets	American Rescue Plan Act	Special Assessment Capital Projects	Nonmajor Governmental Funds	Totals
Revenues						
Property taxes	\$ 11,026,667	\$ -	\$ -	\$ -	\$ 3,910,009	\$ 14,936,676
Income taxes	10,401,384	-	-	-	-	10,401,384
Licenses and permits	302,828	-	-	-	-	302,828
Intergovernmental	8,572,374	10,449,017	-	-	7,855,953	26,877,344
Charges for services	1,634,289	-	-	-	5,122,522	6,756,811
Fines and forfeits	304,136	-	-	-	-	304,136
Special assessments	-	-	-	1,031,357	-	1,031,357
Donations	85,855	-	-	-	-	85,855
Investment income	982,323	15,830	-	4,317	937,385	1,939,855
Miscellaneous	1,790,907	272,588	-	-	432,597	2,496,092
Total revenues	35,100,763	10,737,435	-	1,035,674	18,258,466	65,132,338
Expenditures						
Current:						
Legislative	114,795	-	-	-	-	114,795
General government	6,801,867	-	-	-	-	6,801,867
Public safety	19,657,572	-	-	-	1,297,160	20,954,732
Public works	1,551,297	10,123,138	-	-	1,731,856	13,406,291
Culture and recreation	2,461,203	-	-	-	2,501,312	4,962,515
Community enrichment and development	1,202,807	-	-	-	5,595,664	6,798,471
Debt service:						
Principal	244,013	-	-	-	5,462,033	5,706,046
Interest and fiscal charges	4,407	-	-	-	3,472,842	3,477,249
Total expenditures	32,037,961	10,123,138	-	-	20,060,867	62,221,966
Revenues over (under) expenditures	3,062,802	614,297	-	1,035,674	(1,802,401)	2,910,372
Other financing sources (uses)						
Proceeds from sale of capital assets	38,181	-	-	-	-	38,181
Insurance recovery	177,436	-	-	-	-	177,436
Issuance of bonds, notes, and other long-term liabilities	389,298	-	-	-	-	389,298
Transfers in	110,970	1,801,344	-	-	7,477,133	9,389,447
Transfers out	(757,094)	(1,227,648)	-	(494,065)	(6,098,245)	(8,577,052)
Total other financing sources (uses)	(41,209)	573,696	-	(494,065)	1,378,888	1,417,310
Net change in fund balances	3,021,593	1,187,993	-	541,609	(423,513)	4,327,682
Fund balances (deficit), beginning of year	15,815,954	1,151,710	-	(1,820,039)	18,790,590	33,938,215
Fund balances (deficit), end of year	\$ 18,837,547	\$ 2,339,703	\$ -	\$ (1,278,430)	\$ 18,367,077	\$ 38,265,897

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, 2025

Net change in fund balances - total governmental funds **\$ 4,327,682**

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

Governmental funds report capital outlays as expenditures. However, in the statement
of activities, the cost of those assets is allocated over their estimated useful lives and
reported as depreciation/amortization expense.

Capital assets purchased/constructed	12,056,174
Proceeds from sale of capital assets	(38,181)
Loss on disposal of capital assets	(30,091)
Depreciation/amortization expense	(7,753,388)

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	203,092
Change in special assessments receivable	(790,378)
Change in opioid settlement receivable	(46,261)

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 bonds, notes and other long-term liabilities	5,706,046
Issuance of bonds, notes and other long-term liabilities	(389,298)

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	(2,820)
Amortization of bond premium	147,205
Amortization of deferred charge on bond refunding	(71,417)
Change in net OPEB liability and related deferred amounts	1,907,888
Change in net pension liability and related deferred amounts	5,641,976
Change in the accrual of compensated absences	44,260

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	(352,902)
Net operating income attributable to business-type activities	103,700
Interest revenue from governmental internal service funds	158,243
Gain on sale of capital assets from governmental internal service funds	46,883
Transfers out from governmental internal service funds	(51,809)

Change in net position of governmental activities **\$ 20,816,604**

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025					2024 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget		
Revenues						
Property taxes	\$ 11,110,297	\$ 11,010,500	\$ 11,026,667	\$ 16,167	\$ 10,570,956	
Income taxes	10,900,000	11,000,000	10,401,384	(598,616)	11,020,164	
Licenses and permits	352,015	298,510	302,828	4,318	329,426	
Intergovernmental	6,692,238	8,391,942	8,572,374	180,432	8,555,785	
Charges for services	1,535,849	1,717,386	1,634,289	(83,097)	1,446,727	
Fines and forfeits	355,640	375,375	304,136	(71,239)	173,290	
Donations	10,000	80,737	85,855	5,118	8,735	
Investment income	490,000	887,000	982,323	95,323	993,343	
Miscellaneous	272,736	1,919,478	1,790,907	(128,571)	583,906	
Total revenues	31,718,775	35,680,928	35,100,763	(580,165)	33,682,332	
Expenditures						
Current:						
Legislative - City Council	121,212	123,772	114,795	(8,977)	94,687	
General government:						
Charter commission	2,500	2,500	-	(2,500)	-	
City manager	547,902	616,720	573,184	(43,536)	538,786	
Finance	692,384	662,280	644,634	(17,646)	767,487	
City clerk	418,878	389,878	365,780	(24,098)	339,092	
Management information services	462,336	552,850	482,877	(69,973)	392,800	
Purchasing	126,943	254,587	219,112	(35,475)	165,331	
City treasurer	458,257	444,952	386,932	(58,020)	412,671	
City income tax administration	269,322	245,522	223,605	(21,917)	219,276	
City assessor	536,951	562,560	546,499	(16,061)	481,320	
City clerk - elections	204,033	189,033	164,583	(24,450)	178,437	
City hall and grounds	822,246	785,386	649,282	(136,104)	418,375	
City attorney	870,007	887,566	861,202	(26,364)	783,050	
Personnel	637,912	548,762	425,150	(123,612)	438,582	
Unallocated	835,290	870,978	662,450	(208,528)	817,686	
Administrative hearings bureau	218,549	352,273	228,300	(123,973)	106,737	
Cemeteries	533,853	595,312	368,277	(227,035)	394,376	
Total general government	7,637,363	7,961,159	6,801,867	(1,159,292)	6,454,006	
Public safety:						
Police:						
General	12,265,445	12,031,767	11,149,276	(882,491)	10,685,907	
Office of Highway Safety program	13,114	33,190	23,988	(9,202)	3,660	
Consortium training	36,000	53,935	49,638	(4,297)	50,064	
In-service training	16,000	18,000	12,034	(5,966)	12,400	
MCOLES training	-	22,500	17,165	(5,335)	-	
Fire - suppression	6,466,972	6,453,407	6,449,739	(3,668)	6,782,741	
Police and fire - unallocated	1,937,698	1,962,305	1,955,732	(6,573)	1,989,980	
Total public safety	20,735,229	20,575,104	19,657,572	(917,532)	19,524,752	

continued...

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Expenditures (concluded)					
Current (concluded):					
Public works:					
Sidewalk construction	\$ 152,254	\$ 152,254	\$ 48,086	\$ (104,168)	\$ 33,261
Drains at large	109,921	116,845	37,341	(79,504)	29,347
Street lighting	630,230	735,973	732,484	(3,489)	556,263
Weed control	106,644	112,496	91,979	(20,517)	78,680
Grounds maintenance	505,346	462,229	412,557	(49,672)	398,343
Tax property maintenance	229,478	169,251	110,840	(58,411)	135,373
Civic affairs	142,987	190,463	141,127	(49,336)	102,689
Reimbursements	(25,000)	(20,000)	(23,117)	3,117	(14,426)
Total public works	1,851,860	1,919,511	1,551,297	(368,214)	1,319,530
Culture and recreation:					
Forestry	873,773	1,081,572	636,426	(445,146)	717,760
Parks and recreation administration	347,158	360,441	349,851	(10,590)	331,046
Lt. Nixon Memorial pool	116,975	272,774	161,120	(111,654)	261,230
Parks and facilities maintenance	1,116,868	1,318,215	1,291,238	(26,977)	1,124,787
City center	-	65,982	14,521	(51,461)	-
Historical district	14,574	8,444	8,047	(397)	13,152
Total culture and recreation	2,469,348	3,107,428	2,461,203	(646,225)	2,447,975
Community enrichment and development:					
Planning	272,477	244,044	222,685	(21,359)	234,145
Economic development	140,500	385,000	358,710	(26,290)	126,160
Diversity, equity and inclusion	409,181	522,235	521,412	(823)	308,881
Reimbursements	190,000	190,000	100,000	(90,000)	250,000
Total community enrichment and development	1,012,158	1,341,279	1,202,807	(138,472)	919,186
Debt service:					
Principal	155,984	244,013	244,013	-	225,238
Interest and fiscal charges	-	4,407	4,407	-	-
Total debt service	155,984	248,420	248,420	-	225,238
Total expenditures	33,983,154	35,276,673	32,037,961	(3,238,712)	30,985,374
Revenues over (under) expenditures	(2,264,379)	404,255	3,062,802	2,658,547	2,696,958
Other financing sources (uses)					
Proceeds from sale of capital assets	-	168,362	38,181	(130,181)	3,943
Insurance recovery	23,500	95,585	177,436	81,851	81,079
Issuance of bonds, notes, and other long-term liabilities	-	-	389,298	389,298	169,108
Transfers in	25,000	25,000	110,970	85,970	199,393
Transfers out	(400,199)	(1,096,238)	(757,094)	(339,144)	(1,267,478)
Total other financing source (uses)	(351,699)	(807,291)	(41,209)	766,082	(813,955)
Net change in fund balance	(2,616,078)	(403,036)	3,021,593	3,424,629	1,883,003
Fund balance, beginning of year	15,815,954	15,815,954	15,815,954	-	13,932,951
Fund balance, end of year	\$ 13,199,876	\$ 15,412,918	\$ 18,837,547	\$ 3,424,629	\$ 15,815,954

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025				
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2024 Actual
Revenues					
Intergovernmental	\$ 10,944,982	\$ 10,110,839	\$ 10,449,017	\$ 338,178	\$ 6,775,785
Investment income	5,000	14,000	15,830	1,830	22,243
Miscellaneous	192,000	187,000	272,588	85,588	208,784
Total revenues	11,141,982	10,311,839	10,737,435	425,596	7,006,812
Expenditures					
Current -					
Public works:					
Street construction	2,594,746	1,617,611	1,553,675	(63,936)	2,918,848
Street maintenance	817,533	694,284	462,602	(231,682)	509,268
Traffic services	742,921	831,582	754,762	(76,820)	716,703
Winter maintenance	393,161	419,865	356,647	(63,218)	241,253
Trunkline maintenance	228,424	238,509	251,499	12,990	90,423
State highway construction	9,353,078	7,247,673	6,743,953	(503,720)	4,009,022
Total expenditures	14,129,863	11,049,524	10,123,138	(926,386)	8,485,517
Revenues under expenditures	(2,987,881)	(737,685)	614,297	1,351,982	(1,478,705)
Other financing sources (uses)					
Transfers in	3,375,790	1,821,065	1,801,344	(19,721)	1,901,293
Transfers out	(781,397)	(1,230,931)	(1,227,648)	(3,283)	(770,120)
Total other financing sources (uses)	2,594,393	590,134	573,696	(16,438)	1,131,173
Net change in fund balance	(393,488)	(147,551)	1,187,993	1,335,544	(347,532)
Fund balance, beginning of year	1,151,710	1,151,710	1,151,710	-	1,499,242
Fund balance, end of year	\$ 758,222	\$ 1,004,159	\$ 2,339,703	\$ 1,335,544	\$ 1,151,710

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Revenues					
Intergovernmental	\$ 75,000	\$ -	\$ -	\$ -	\$ 12,555
Expenditures					
Current -					
Public safety -					
Contractual and other services	75,000	5,000	-	(5,000)	12,555
Net change in fund balance	-	(5,000)	-	5,000	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 5,000</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, 2025

	Enterprise Funds - Business-type Activities				Governmental Activities
	Sewage	Water	Nonmajor Funds	Totals	Internal Service
Assets					
Current assets:					
Pooled cash and investments	\$ 13,320,174	\$ 33,587,150	\$ 830,837	\$ 47,738,161	\$ 3,055,246
Accounts receivable, net	1,519,693	3,526,637	33,793	5,080,123	71,039
Interest receivable	46,821	122,098	2,869	171,788	10,135
Due from other governments	155,004	2,309,213	-	2,464,217	-
Inventories	-	733,149	-	733,149	-
Prepaid items	767	10,459	-	11,226	2,174
Restricted cash and cash equivalents - Cash on hand with agents	-	-	-	-	46,000
Total current assets	15,042,459	40,288,706	867,499	56,198,664	3,184,594
Noncurrent assets:					
Capital assets not being depreciated/amortized	11,062,031	2,079,375	8,743,570	21,884,976	-
Capital assets being depreciated/amortized, net	32,332,210	55,060,507	9,671,932	97,064,649	2,363,970
Total noncurrent assets	43,394,241	57,139,882	18,415,502	118,949,625	2,363,970
Total assets	58,436,700	97,428,588	19,283,001	175,148,289	5,548,564
Deferred outflows of resources					
Deferred pension amounts	53,140	92,206	-	145,346	-
Deferred OPEB amounts	33,007	74,612	-	107,619	-
Total deferred outflows of resources	86,147	166,818	-	252,965	-
Liabilities					
Current liabilities:					
Accounts payable	1,260,737	3,753,260	2,404	5,016,401	81,407
Accrued payroll	31,928	49,313	2,069	83,310	25,534
Due to other funds	-	-	65	65	-
Estimated claims payable	-	-	-	-	54,792
Accrued interest on bonds, notes, and other long-term liabilities	37,302	-	-	37,302	-
Customer deposits	-	218,600	-	218,600	-
Current portion of:					
Compensated absences	72,314	128,731	-	201,045	-
Bonds, notes and other long-term liabilities	430,805	171,771	-	602,576	5,673
Total current liabilities	1,833,086	4,321,675	4,538	6,159,299	167,406
Noncurrent liabilities:					
Compensated absences, net of current portion	76,704	129,109	-	205,813	-
Bonds, notes and other long-term liabilities	7,759,920	288,098	-	8,048,018	-
Net pension liability	368,214	638,909	-	1,007,123	-
Net OPEB liability	3,574,840	8,080,918	-	11,655,758	-
Total noncurrent liabilities	11,779,678	9,137,034	-	20,916,712	-
Total liabilities	13,612,764	13,458,709	4,538	27,076,011	167,406
Deferred inflows of resources					
Deferred pension amounts	25,991	45,098	-	71,089	-
Deferred OPEB amounts	35,977	81,327	-	117,304	-
Total deferred inflows of resources	61,968	126,425	-	188,393	-
Net position					
Net investment in capital assets	34,680,491	53,303,236	18,415,502	106,399,229	2,358,297
Unrestricted	10,167,624	30,707,036	862,961	41,737,621	3,022,861
Total net position	\$ 44,848,115	\$ 84,010,272	\$ 19,278,463	\$ 148,136,850	\$ 5,381,158

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, 2025

Net position - enterprise funds \$ 148,136,850

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

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.

149,990

Net position of business-type activities \$ 148,286,840

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, 2025

	Enterprise Funds - Business-type Activities				Governmental Activities
	Sewage	Water	Nonmajor Funds	Totals	Internal Service
Operating revenues					
Charges for sales and services	\$ 7,334,865	\$ 14,379,464	\$ 245,969	\$ 21,960,298	\$ 7,760,618
Other	98,289	250,766	44,352	393,407	1,491,033
Total operating revenues	<u>7,433,154</u>	<u>14,630,230</u>	<u>290,321</u>	<u>22,353,705</u>	<u>9,251,651</u>
Operating expenses					
Personnel services	802,877	3,881,630	109,303	4,793,810	1,106,887
Administration	-	-	-	-	241,834
Materials and supplies	467,776	2,219,688	-	2,687,464	399,751
Contractual and other services	2,467,920	3,180,349	195,504	5,843,773	7,097,992
Benefit payments	-	-	-	-	233,117
Depreciation/amortization	1,654,437	1,468,696	407,914	3,531,047	524,972
Total operating expenses	<u>5,393,010</u>	<u>10,750,363</u>	<u>712,721</u>	<u>16,856,094</u>	<u>9,604,553</u>
Operating income (loss)	<u>2,040,144</u>	<u>3,879,867</u>	<u>(422,400)</u>	<u>5,497,611</u>	<u>(352,902)</u>
Nonoperating revenues (expenses)					
Intergovernmental	282,131	7,613,464	-	7,895,595	-
Investment income	686,953	1,657,004	39,646	2,383,603	158,243
Interest expense	(119,738)	(456)	-	(120,194)	-
Gain on sale of capital assets	-	-	-	-	46,883
Total nonoperating revenues (expenses)	<u>849,346</u>	<u>9,270,012</u>	<u>39,646</u>	<u>10,159,004</u>	<u>205,126</u>
Income (loss) before transfers	<u>2,889,490</u>	<u>13,149,879</u>	<u>(382,754)</u>	<u>15,656,615</u>	<u>(147,776)</u>
Transfers in	-	361,302	239,618	600,920	-
Transfers out	<u>(576,380)</u>	<u>(590,905)</u>	<u>(194,221)</u>	<u>(1,361,506)</u>	<u>(51,809)</u>
Change in net position	<u>2,313,110</u>	<u>12,920,276</u>	<u>(337,357)</u>	<u>14,896,029</u>	<u>(199,585)</u>
Net position, beginning of year	<u>42,535,005</u>	<u>71,089,996</u>	<u>19,615,820</u>	<u>133,240,821</u>	<u>5,580,743</u>
Net position, end of year	<u>\$ 44,848,115</u>	<u>\$ 84,010,272</u>	<u>\$ 19,278,463</u>	<u>\$ 148,136,850</u>	<u>\$ 5,381,158</u>

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, 2025

Net change in net position - total enterprise funds \$ 14,896,029

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 income attributable to those funds is reported with business-type activities.

(103,700)

Change in net position of business-type activities \$ 14,792,329

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, 2025

	Enterprise Funds - Business-type Activities				Governmental Activities
	Sewage	Water	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities					
Receipts from customers and users	\$ 8,238,248	\$ 13,173,623	\$ 312,047	\$ 21,723,918	\$ -
Receipts for interfund services provided	-	-	-	-	9,222,574
Payments to employees	(2,014,902)	(3,387,845)	(109,303)	(5,512,050)	(1,094,370)
Payments to vendors and claimants	(2,703,899)	(3,344,518)	(217,735)	(6,266,152)	(7,954,122)
Net cash provided by (used in) operating activities	<u>3,519,447</u>	<u>6,441,260</u>	<u>(14,991)</u>	<u>9,945,716</u>	<u>174,082</u>
Cash flows from noncapital financing activities					
Intergovernmental revenue	282,131	7,613,464	-	7,895,595	-
Transfers in	-	361,302	239,618	600,920	-
Transfers out	(576,380)	(590,905)	(194,221)	(1,361,506)	(51,809)
Net cash provided by (used in) noncapital financing activities	<u>(294,249)</u>	<u>7,383,861</u>	<u>45,397</u>	<u>7,135,009</u>	<u>(51,809)</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	(9,696,805)	(13,480,953)	-	(23,177,758)	(831,236)
Proceeds from sale of capital assets	-	-	-	-	46,883
Proceeds from issuance of bonds	3,760,751	295,678	-	4,056,429	-
Principal paid on bonds, notes, and other long-term liabilities	(430,588)	(63,386)	-	(493,974)	(139,551)
Interest paid on bonds, notes, and other long-term liabilities	(100,189)	(456)	-	(100,645)	-
Net cash used in capital and related financing activities	<u>(6,466,831)</u>	<u>(13,249,117)</u>	<u>-</u>	<u>(19,715,948)</u>	<u>(923,904)</u>
Cash flows from investing activities					
Interest received on investments	694,942	1,655,037	39,595	2,389,574	161,422
Net change in cash and cash equivalents	<u>(2,546,691)</u>	<u>2,231,041</u>	<u>70,001</u>	<u>(245,649)</u>	<u>(640,209)</u>
Cash and cash equivalents, beginning of year	15,866,865	31,356,109	760,836	47,983,810	3,741,455
Cash and cash equivalents, end of year	<u>\$ 13,320,174</u>	<u>\$ 33,587,150</u>	<u>\$ 830,837</u>	<u>\$ 47,738,161</u>	<u>\$ 3,101,246</u>
Classified on the statement of net position as:					
Pooled cash and investments	\$ 13,320,174	\$ 33,587,150	\$ 830,837	\$ 47,738,161	\$ 3,055,246
Restricted cash -					
Cash on hand with agents	-	-	-	-	46,000
	<u>\$ 13,320,174</u>	<u>\$ 33,587,150</u>	<u>\$ 830,837</u>	<u>\$ 47,738,161</u>	<u>\$ 3,101,246</u>

continued...

CITY OF JACKSON, MICHIGAN

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2025

	Enterprise Funds - Business-type Activities				Governmental Activities
	Sewage	Water	Nonmajor Funds	Totals	Internal Service
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 2,040,144	\$ 3,879,867	\$ (422,400)	\$ 5,497,611	\$ (352,902)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	1,654,437	1,468,696	407,914	3,531,047	524,972
Change in operating assets and liabilities that provided (used) cash:					
Accounts receivable, net	193,394	(279,400)	21,661	(64,345)	(29,077)
Due from other governments	611,700	(1,188,307)	-	(576,607)	-
Inventories	-	(123,489)	-	(123,489)	-
Prepaid items	1,106	1,362	-	2,468	898
Deferred outflows of resources - pension	17,670	24,427	-	42,097	-
Deferred outflows of resources - OPEB	(17,435)	(50,075)	-	(67,510)	-
Accounts payable	230,691	2,177,646	(22,745)	2,385,592	2,512
Accrued payroll	4,309	4,452	514	9,275	12,517
Due to other funds	-	-	65	65	-
Customer deposits	-	11,100	-	11,100	-
Estimate claims payable	-	-	-	-	15,162
Compensated absences	35,567	(21,924)	-	13,643	-
Net pension liability	29,172	80,471	-	109,643	-
Net OPEB liability	(1,020,151)	840,586	-	(179,565)	-
Deferred inflows of resources - pension	5,988	12,151	-	18,139	-
Deferred inflows of resources - OPEB	(267,145)	(396,303)	-	(663,448)	-
Net cash provided by (used in) operating activities	<u>\$ 3,519,447</u>	<u>\$ 6,441,260</u>	<u>\$ (14,991)</u>	<u>\$ 9,945,716</u>	<u>\$ 174,082</u>

concluded.

Non-cash item: Capital assets acquired through leases payable in the amount of \$48,584.

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

CITY OF JACKSON, MICHIGAN

Statement of Fiduciary Net Position - Fiduciary Funds

June 30, 2025

	Pension and Other Employee Benefits Trust Funds	County and School Tax Collection Custodial Fund
Assets		
Pooled cash and investments	\$ 734,844	\$ 5,260
Investments, at fair value:		
U.S. treasuries	2,006,437	-
Corporate bonds:		
Domestic bonds	9,399,844	-
Domestic mutual funds	31,669,767	-
Equities:		
Domestic stocks	6,365,288	-
Domestic mutual funds	39,908,456	-
International mutual funds	28,119,634	-
Money market funds	9,388,592	-
Receivables -		
Interest, dividends, and other	332,558	-
Total assets	<u>127,925,420</u>	<u>5,260</u>
Liabilities		
Refunds payable and other liabilities	845,524	5,260
Net position		
Restricted for pension	120,636,285	-
Restricted for other employee benefits	6,443,611	-
Total net position	<u>\$ 127,079,896</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, 2025

	Pension and Other Employee Benefits Trust Funds	County and School Tax Collection Custodial Fund
Additions		
Contributions:		
Employer	\$ 10,166,655	\$ -
Plan members	1,347,996	-
Other	178,720	-
Total contributions	<u>11,693,371</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	9,289,990	-
Interest	724,195	-
Dividends	1,623,640	-
Total investment income	<u>11,637,825</u>	<u>-</u>
Less: investment expense	<u>254,327</u>	<u>-</u>
Net investment income	11,383,498	-
Taxes collected for other governments	<u>-</u>	<u>30,523,195</u>
Total additions	<u>23,076,869</u>	<u>30,523,195</u>
Deductions		
Benefits	13,445,857	-
Refunds of contributions	375,944	-
Administrative expense	182,427	-
Payments of taxes to other governments	<u>-</u>	<u>30,523,195</u>
Total deductions	<u>14,004,228</u>	<u>30,523,195</u>
Change in net position	9,072,641	-
Net position, beginning of year	<u>118,007,255</u>	<u>-</u>
Net position, end of year	<u>\$ 127,079,896</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, 2025

	Brownfield Redevelopment Authority	MLK Corridor Improvement Authority	Downtown Development Authority	Totals
Assets				
Pooled cash and investments	\$ 1,181,721	\$ 41,602	\$ 242,561	\$ 1,465,884
Receivables	4,080	-	46,409	50,489
Total assets	<u>1,185,801</u>	<u>41,602</u>	<u>288,970</u>	<u>1,516,373</u>
Liabilities				
Accounts payable and accrued liabilities	26,745	27,250	14,029	68,024
Unearned revenue	-	-	110,573	110,573
Total liabilities	<u>26,745</u>	<u>27,250</u>	<u>124,602</u>	<u>178,597</u>
Net position				
Unrestricted	<u>\$ 1,159,056</u>	<u>\$ 14,352</u>	<u>\$ 164,368</u>	<u>\$ 1,337,776</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, 2025

	Brownfield Redevelopment Authority	MLK Corridor Improvement Authority	Downtown Development Authority	Totals
Expenses				
Brownfield Redevelopment Authority	\$ 2,466,616	\$ -	\$ -	\$ 2,466,616
MLK Corridor Improvement Authority	-	790,205	-	790,205
Downtown Development Authority	-	-	295,192	295,192
Total expenses	2,466,616	790,205	295,192	3,552,013
Program revenues				
Charges for services	-	-	122,454	122,454
Net program expenses	(2,466,616)	(790,205)	(172,738)	(3,429,559)
General revenues				
Property taxes	1,650,649	30,737	87,470	1,768,856
Grants and contributions not restricted to specific purposes	243,841	713,551	28,125	985,517
Unrestricted interest earnings	76,254	-	2,744	78,998
Total general revenues	1,970,744	744,288	118,339	2,833,371
Change in net position	(495,872)	(45,917)	(54,399)	(596,188)
Net position, beginning of year	1,654,928	60,269	218,767	1,933,964
Net position, end of year	\$ 1,159,056	\$ 14,352	\$ 164,368	\$ 1,337,776

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 nine 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 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.

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.

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.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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.

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.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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 \$10,000 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.

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

Notes to Financial Statements

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

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - personal and sick. The liability for compensated absences is reported as incurred in the government-wide 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 and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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.

Leases

Lessee. The City is a lessee for noncancellable leases of vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 (except for motor pool capital assets which use a \$10,000 threshold) or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The City is a lessor for noncancellable leases of land and cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA)

The City has noncancellable subscription-based information technology arrangements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$25,000 (except for motor pool capital assets which use a \$10,000 threshold) or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2025, the City did not incur expenditures in excess of the amounts appropriated.

4. FUND DEFICITS

At June 30, 2025, the special assessment capital projects fund had a fund deficit of \$1,278,430. 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, 2025:

	Primary Government	Component Units	Total
Statement of Net Position			
Pooled cash and investments	\$ 82,755,287	\$ 1,465,884	\$ 84,221,171
Restricted cash:			
Cash on hand with agents	46,000	-	46,000
Pooled cash and investments	11,539,295	-	11,539,295
Statement of Fiduciary Net Position			
Pooled cash and investments	740,104	-	740,104
Investments – pension and other employee benefits	126,858,018	-	126,858,018
Total	<u>\$ 221,938,704</u>	<u>\$ 1,465,884</u>	<u>\$ 223,404,588</u>
Deposits and investments:			
Bank deposits (checking, savings, money market accounts, and certificates of deposit)			\$ 94,642,177
Investments in securities and mutual funds:			
Cash and investment pool			1,842,198
Pension and other employee benefits trust funds			126,858,018
Cash on hand with agents			46,000
Cash on hand			<u>16,195</u>
Total			<u>\$ 223,404,588</u>

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, 2025, \$90,941,195 of the City’s total bank balance of \$94,445,087 (total book balance was \$94,642,177) 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.

Custodial Credit Risk - Investments. Following is a summary of the City’s investments as of June 30, 2025:

Michigan CLASS Investment Fund	\$ 1,828,825
Domestic equities	<u>13,373</u>
Total	<u>\$ 1,842,198</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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, 2025, 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, 2025, 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, 2025, 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, 2025, 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.

At year end, the net asset value of the City's investment in Michigan CLASS was \$1,828,825. 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.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Deposits and Investments – Pension and Other Employee Benefits Trust Funds

The City maintains three pension trust funds (see Note 19) and one other employee benefits trust fund (see Note 20) 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, 2025:

**Investments at fair value, as determined by
quoted market price:**

U.S. treasuries	\$ 2,006,437
Corporate bonds:	
Domestic bonds	9,399,844
Domestic mutual funds	31,669,767
Equities:	
Domestic stocks	6,365,288
Domestic mutual funds	39,908,456
International mutual funds	28,119,634
Money market funds	<u>9,388,592</u>
Total investments	<u>\$ 126,858,018</u>

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 were rated by Standard & Poor's ("S&P") and Moody's, as follows:

	Rating		Amount
	(S&P)	(Moody's)	
AAA	Aaa		\$ 436,131
AA+	N/A		4,281,550
A+	A1		234,607
A	A2		80,770
A-	A3		324,675
BBB+	Baa1		516,898
BBB	Baa2		945,639
BBB-	Baa3		371,334
BB+	Ba1		120,554
BB	Ba2		228,922
BB-	Ba3		302,652
B+	B1		345,691
B	B2		241,923
B-	B3		139,546
CCC+	Caa1		30,438
CCC	Caa2		17,860
Not rated	Not rated		<u>780,654</u>
Totals			<u>\$ 9,399,844</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, 2025, there were no concentrations in securities of any one issuer greater than 5% of investment fair value.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Interest Rate Risk. As of June 30, 2025, maturities of debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. treasuries	\$ 2,006,437	\$ -	\$ 792,254	\$ -	\$ 1,214,183
Domestic corporate bonds:					
Asset backed securities	5,092,435	-	525,840	22,062	4,544,533
Corporate bonds	4,307,409	39,749	2,531,245	961,332	775,083
	<u>\$ 11,406,281</u>	<u>\$ 39,749</u>	<u>\$ 3,849,339</u>	<u>\$ 983,394</u>	<u>\$ 6,533,799</u>

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

Fair Value Measurements. The pension and other employee benefits trust funds categorize 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, 2025:

	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 2,006,437	\$ -	\$ 2,006,437
Corporate bonds:				
Domestic bonds	-	9,399,844	-	9,399,844
Domestic mutual funds	-	31,669,767	-	31,669,767
Equities:				
Domestic stocks	6,365,288	-	-	6,365,288
Domestic mutual funds	39,908,456	-	-	39,908,456
International mutual funds	28,119,634	-	-	28,119,634
Money market funds	9,388,592	-	-	9,388,592
Total investments	<u>\$ 83,781,970</u>	<u>\$ 43,076,048</u>	<u>\$ -</u>	<u>\$ 126,858,018</u>

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	\$ 5,268,429	\$ 5,092,649	\$ 217
Allowance for uncollectible amounts	(3,240,607)	(12,526)	-
Interest receivable	110,028	171,788	4,550
Taxes receivable	2,579,985	-	-
Allowance for uncollectible amounts	(64,322)	-	-
Notes receivable	-	-	45,722
Special assessment receivables	3,057,732	-	-
Leases receivable (Note 8)	246,390	-	-
Due from other governments	2,217,960	2,464,217	-
	<u>\$ 10,175,595</u>	<u>\$ 7,716,128</u>	<u>\$ 50,489</u>
Amount not expected to be collected within one year	<u>\$ 1,285,653</u>	<u>\$ -</u>	<u>\$ 41,554</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, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	\$ 2,395,280	\$ 86,010	\$ -	\$ -	\$ 2,481,290
Construction in progress	6,014,171	2,394,922	-	(7,935,995)	473,098
	<u>8,409,451</u>	<u>2,480,932</u>	<u>-</u>	<u>(7,935,995)</u>	<u>2,954,388</u>
Capital assets being depreciated/amortized:					
Infrastructure	227,937,221	8,546,502	69,008	-	236,414,715
Land improvements	15,869,537	-	-	-	15,869,537
Buildings and improvements	19,006,783	-	3,282	-	19,003,501
Park and recreation facilities	15,326,518	-	-	7,935,995	23,262,513
Machinery and equipment	17,408,649	1,444,879	1,810,043	-	17,043,485
Lease vehicles (Note 8)	826,381	292,437	102,622	-	1,016,196
Subscription assets (Note 9)	210,459	122,660	-	-	333,119
	<u>296,585,548</u>	<u>10,406,478</u>	<u>1,984,955</u>	<u>7,935,995</u>	<u>312,943,066</u>
Less accumulated depreciation/amortization for:					
Infrastructure	138,911,502	5,916,626	16,562	-	144,811,566
Land improvements	6,322,936	317,391	-	-	6,640,327
Buildings and improvements	8,815,462	325,556	2,429	-	9,138,589
Park and recreation facilities	7,009,024	392,815	-	-	7,401,839
Machinery and equipment	13,178,993	1,014,157	1,795,068	-	12,398,082
Lease vehicles (Note 8)	360,849	194,425	102,624	-	452,650
Subscription assets (Note 9)	52,779	117,390	-	-	170,169
	<u>174,651,545</u>	<u>8,278,360</u>	<u>1,916,683</u>	<u>-</u>	<u>181,013,222</u>
Total capital assets being depreciated/amortized, net	<u>121,934,003</u>	<u>2,128,118</u>	<u>68,272</u>	<u>7,935,995</u>	<u>131,929,844</u>
Governmental activities capital assets, net	<u>\$ 130,343,454</u>	<u>\$ 4,609,050</u>	<u>\$ 68,272</u>	<u>\$ -</u>	<u>\$ 134,884,232</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	15,003,117	7,590,555	-	(9,665,582)	12,928,090
	<u>23,960,003</u>	<u>7,590,555</u>	<u>-</u>	<u>(9,665,582)</u>	<u>21,884,976</u>
Capital assets being depreciated/amortized:					
Systems	112,946,343	11,359,144	-	74,290	124,379,777
Land improvements	5,832,493	19,629	-	-	5,852,122
Buildings and improvements	14,044,430	-	-	4,312,857	18,357,287
Machinery and equipment	19,586,075	4,208,429	186,059	5,278,435	28,886,880
Lease vehicles (Note 8)	454,973	48,585	46,024	-	457,534
	<u>152,864,314</u>	<u>15,635,787</u>	<u>232,083</u>	<u>9,665,582</u>	<u>177,933,600</u>
Less accumulated depreciation/amortization for:					
Systems	56,254,574	1,806,246	-	-	58,060,820
Land improvements	2,438,853	181,411	-	-	2,620,264
Buildings and improvements	5,313,231	491,082	-	-	5,804,313
Machinery and equipment	13,375,972	953,031	186,059	-	14,142,944
Lease vehicles (Note 8)	187,357	99,277	46,024	-	240,610
	<u>77,569,987</u>	<u>3,531,047</u>	<u>232,083</u>	<u>-</u>	<u>80,868,951</u>
Total capital assets being depreciated/amortized, net	<u>75,294,327</u>	<u>12,104,740</u>	<u>-</u>	<u>9,665,582</u>	<u>97,064,649</u>
Business-type activities capital assets, net	<u>\$ 99,254,330</u>	<u>\$ 19,695,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,949,625</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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

Governmental activities	
General government	\$ 359,313
Public safety	571,831
Public works, including depreciation of general infrastructure assets	5,988,944
Culture and recreation	551,323
Community enrichment and development	281,977
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>524,972</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 8,278,360</u>
Business-type activities	
Sewage	\$ 1,654,437
Water	1,468,696
Nonmajor enterprise funds	<u>407,914</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 3,531,047</u>

Outstanding construction commitments at June 30, 2025 totaled \$40,623,968.

8. LEASES

Lessee - The City is involved in two agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets 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.

The right-to-use-asset and the related activity are included in Note 7, Capital Assets. The lease liability and related activity are presented in Note 12, Bonds, Notes and Other Long-term Liabilities.

Asset Type	Remaining Term of Agreements
Vehicles	1-5 years

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of June 30, 2025, were as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 177,296	\$ 42,364	\$ 85,076	\$ 14,622
2027	181,867	27,159	75,380	8,858
2028	138,395	11,205	55,375	3,526
2029	64,637	4,975	16,041	591
2030	38,054	963	957	6
Total	\$ 600,249	\$ 86,666	\$ 232,829	\$ 27,603

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, 2025 was \$1,489,410.

Remaining Term of Agreements

Asset Type

Land	36 years
Cell towers	6-7 years

9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City is involved in two arrangements that qualify as a long-term subscription-based information technology ("SBITA") arrangements. Below is a summary of the nature of the arrangements. This arrangements qualify as an intangible, right-to-use subscription asset as the City has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year.

The right-to-use asset and the related activity are included in Note 7, Capital Assets. The subscription liability and related activity are presented in Note 12, Bonds, Notes and Other Long-term Liabilities.

Remaining Term of Agreement

Asset Type

Subscription assets	1-3 years
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The net present value of future minimum payments as of June 30, 2025, were as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 94,073	\$ 4,246
2027	34,259	1,103
Total	\$ 128,332	\$ 5,349

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

10. 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	\$ 2,747,823	\$ 5,016,401	\$ 64,673
Accrued payroll	408,486	83,310	3,351
Other liabilities	510,207	-	-
Accrued interest on bonds, notes, and other long-term liabilities	299,907	37,302	-
Customer deposits	-	218,600	-
	<u>\$ 3,966,423</u>	<u>\$ 5,355,613</u>	<u>\$ 68,024</u>

11. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

At June 30, 2025, 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	Nonmajor Enterprise Funds	
General fund	\$ -	\$ 1,562,460	\$ -	\$ 65	\$ 1,562,525
Nonmajor governmental funds	5,876	-	93,014	-	98,890
	<u>\$ 5,876</u>	<u>\$ 1,562,460</u>	<u>\$ 93,014</u>	<u>\$ 65</u>	<u>\$ 1,661,415</u>

At June 30, 2025, long-term advances between funds were as follows:

Receivable Fund	Payable Fund
	Nonmajor Governmental Funds
General fund	<u>\$ 50,000</u>

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.

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

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

For the year ended June 30, 2025, interfund transfers consisted of the following:

Transfers Out	Transfers In		
	General Fund	Major Streets Fund	Nonmajor Governmental Funds
General fund	\$ -	\$ 112,784	\$ 644,310
Major streets fund	-	-	1,227,648
Special assessment capital projects fund	-	-	346,590
Nonmajor governmental funds	110,970	1,688,560	4,298,715
Sewage	-	-	215,078
Water	-	-	590,905
Nonmajor enterprise funds	-	-	102,078
Internal service funds	-	-	51,809
	<u>\$ 110,970</u>	<u>\$ 1,801,344</u>	<u>\$ 7,477,133</u>

Transfers Out	Transfers In		
	Water	Nonmajor Enterprise Funds	Total
General fund	\$ -	\$ -	\$ 757,094
Major streets fund	-	-	1,227,648
Special assessment capital projects fund	-	147,475	494,065
Nonmajor governmental funds	-	-	6,098,245
Sewage	361,302	-	576,380
Water	-	-	590,905
Nonmajor enterprise funds	-	92,143	194,221
Internal service funds	-	-	51,809
	<u>\$ 361,302</u>	<u>\$ 239,618</u>	<u>\$ 9,990,367</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, 2025, transfers out from the general fund consisted of operating subsidies to the Ella W. Sharp Park operating, major streets, affordable housing, and demolition special revenue funds, and the MLK Corridor Improvement Authority component unit in accordance with budgetary authorization. In addition, a debt service transfer was 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 obligations.

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

Nonmajor governmental fund transfers out 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 obligations. The local street fund also made transfers out for debt service obligations.

Sewage transfers out consist of debt service obligations and a cost-sharing transfer to the water fund for billing and collection services.

Water transfers out were solely for debt service payments.

Nonmajor enterprise fund transfers out consisted of the parking assessment fund transfer to the automobile parking system for the use of a parking lot and a transfer out from the automobile parking system 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. Capital expenses for parking lots are made through the automobile parking system.

Lastly, the internal service fund transfers out were for a motor pool and garage fund debt service obligation.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

12. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and infrastructure. General obligation bonds have been issued for governmental and business-type activities. The original amount of general obligation bonds issued for the items listed below was \$73,757,577 and \$12,320,500 for governmental and business-type activities, respectively.

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	3.700%-5.750%	\$ 17,998,577	\$ 786,335
2016 capital improvement	2026	0.750%-2.250%	1,300,000	145,000
2017 transportation bond	2031	2.410%	8,970,000	4,205,000
2017 brownfield refunding	2030	2.640%	9,080,000	6,190,000
2018 capital improvement	2033	2.500% - 5.000%	14,890,000	9,090,000
2019 downtown development refunding	2030	3.020%	5,715,000	5,495,000
2020 capital improvement	2030	2.060%	2,004,000	1,054,000
2020 special assessment	2031	1.500%	1,496,000	927,000
2021 general obligation refunding	2027	0.990%	4,382,000	1,551,000
2021 brownfield redevelopment refunding	2031	1.790%	4,272,000	2,156,000
2024 Michigan Transportation Fund bonds	2034	5.000%	3,650,000	3,350,000
			<u>\$ 73,757,577</u>	<u>\$ 34,949,335</u>
Business-type Activities				
2022 sewer system junior lien revenue bonds (5740-01)	2044	1.875%	\$ 9,548,000	\$ 8,122,087
2024 water system revenue bonds drinking water revolving bonds	2045	2.000%	2,772,500	295,678
			<u>\$ 12,320,500</u>	<u>\$ 8,417,765</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 5,668,335	\$ 3,544,818	\$ 517,500	\$ 227,013
2027	6,132,000	1,003,421	530,000	217,169
2028	5,629,000	823,034	540,000	207,088
2029	4,626,000	641,277	550,000	196,813
2030	5,137,000	469,825	560,000	186,350
2031-2035	7,757,000	622,155	2,965,000	767,738
2036-2040	-	-	3,255,000	474,819
2041-2045	-	-	3,005,000	153,038
	<u>\$ 34,949,335</u>	<u>\$ 7,104,530</u>	11,922,500	<u>\$ 2,430,028</u>
Less amount remaining to draw on outstanding projects			<u>(3,504,735)</u>	
			<u>\$ 8,417,765</u>	

During the year ended June 30, 2025, the City made draws against the Sewer System Revenue Clean Water Revolving bonds in the amount of \$3,760,751. The total amount authorized under this issue is \$9,548,000. The total amount remaining available to draw amount at June 30, 2025 was \$1,027,913. The City also made draws against the Water System Revenue Drinking Water Revolving bonds in the amount of \$295,678. The total amount authorized under this issue is \$2,772,500. The total amount remaining available to draw amount at June 30, 2025 was \$2,476,822.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Changes in bonds, notes and other long-term liabilities. Bonds, notes and other long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
General obligation bonds	\$ 40,411,368	\$ -	\$ 5,462,033	\$ 34,949,335	\$ 5,668,335
Notes from direct borrowings/ placements - Installment purchase agreements	114,806	-	114,806	-	-
Leases liability (Note 8)	488,540	292,437	180,728	600,249	177,296
Subscriptions liability (Note 9)	119,501	96,861	88,030	128,332	94,073
Compensated absences*	3,604,175	-	44,260	3,559,915	1,930,667
Deferred amounts for - Issuance premium	1,357,257	-	147,205	1,210,052	147,205
	<u>\$ 46,095,647</u>	<u>\$ 389,298</u>	<u>\$ 6,037,062</u>	<u>\$ 40,447,883</u>	<u>\$ 8,017,576</u>
Business-type activities					
General obligation bonds	\$ 4,759,336	\$ 4,056,429	\$ 398,000	\$ 8,417,765	\$ 517,500
Leases liability (Note 8)	280,218	48,585	95,974	232,829	85,076
Compensated absences*	393,215	13,643	-	406,858	201,045
	<u>\$ 5,432,769</u>	<u>\$ 4,118,657</u>	<u>\$ 493,974</u>	<u>\$ 9,057,452</u>	<u>\$ 803,621</u>

* The change in compensated absences liability is presented as a net change.

13. 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.

14. ENDOWMENTS

Ella W. Sharp Park Endowment Permanent Trust Fund. For the year ended June 30, 2025, the net appreciation on investments of donor-restricted endowments was \$64,411 and there was an overall increase in fund balance of \$24,178. 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 \$1,124,559.

Cemetery Perpetual Maintenance Permanent Trust Fund. For the year ended June 30, 2025, the net appreciation on investments of donor-restricted endowments was \$110,970 and there was an overall increase in fund balance of \$29,116. 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 \$2,164,734.

Lloyd E. Mount Endowment Permanent Trust Fund. For the year ended June 30, 2025, the net appreciation on investments of donor-restricted endowments was \$16,337 and there was an overall increase in fund balance of \$6,890. 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 \$296,107.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

15. 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, 2025, 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, 2025, 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, 2025 and 2024, are as follows:

	2025	2024
Claims liability at beginning of fiscal year	\$ 39,630	\$ 206,005
Claims and changes in estimates	143,256	87,462
Claims payments	<u>(128,094)</u>	<u>(253,837)</u>
Claims liability at June 30	<u>\$ 54,792</u>	<u>\$ 39,630</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.

16. 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, 2024 levy was assessed and valued at approximately \$772 million, representing approximately 50% of estimated current market value.

The City's operating tax rate is 6.6828 mills (cannot exceed 7.00 mills) with an additional 1.9092 (cannot exceed 2.00 mills) for public improvement, 0.9200 (cannot exceed 1.00 mills) for City hall debt, 8.4500 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

17. TAX ABATEMENTS

The City received reduced property tax revenues during 2025 as a result of brownfield redevelopment agreements entered into by the City.

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 \$116,000 in reduced City tax revenues for 2025.

18. 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. During expansion of the airport runways, it was discovered that 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

19. 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, 2024 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	190	8	181
Terminated plan members entitled to, but not yet receiving benefits	16	-	4
Active plan members	162	-	75
	368	8	260

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%

CITY OF JACKSON, MICHIGAN

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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, 2025 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 6.0%.

For the year ended June 30, 2025, the annual money-weighted rate of return on the plan investments, net of investment expenses, was 9.47%, 10.20% and 11.01% 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. Member contributions ranged from 5.50% to 8.00%, based on hire date and union membership, with the City contributing 12.04%. Accumulated member contributions are annually credited with interest based on the current average 1 year CD rate. 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 nine members, four are elected to four-year terms (with no more than two from any one department), one is a citizen appointed by the City Council, one is a city council member appointed by the City Council, and the remaining three are the Mayor, City Manager and City Clerk of the City of Jackson.

Contributions. Members contribute 5.50% to 8.00%, based on the employees hire date and union membership, with the City contributing 12.04%. Accumulated member contributions are annually credited with interest based on the current average 1 year CD rate. Administrative costs of the plan are financed through investment earnings.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2024 (rolled forward to June 30, 2025) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75% to 9.75% including inflation
Investment rate of return	6.00%, net of expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality rate	Pub-2010 General (amount-weighted) Health Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021 from 2010 on a fully generational basis. This table was first used for the June 30, 2023 valuation.

CITY OF JACKSON, MICHIGAN

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Discount rate. A single discount rate of 6.00% 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 6.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the 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, 2024	\$ 63,402,676	\$ 44,848,135	\$ 18,554,541
Changes for the year:			
Service cost	1,131,515	-	1,131,515
Interest	3,707,848	-	3,707,848
Differences between expected and actual experience	13,817	-	13,817
Employer contributions	-	1,329,591	(1,329,591)
Employee contributions	-	717,589	(717,589)
Net investment income	-	3,859,632	(3,859,632)
Benefit payments, including refunds of employee contributions	(4,341,932)	(4,341,932)	-
Administrative expense	-	(74,610)	74,610
Net changes	<u>511,248</u>	<u>1,490,270</u>	<u>(979,022)</u>
Balances at June 30, 2025	<u>\$ 63,913,924</u>	<u>\$ 46,338,405</u>	<u>\$ 17,575,519</u>
Plan fiduciary net position as a percentage of the total pension liability			72.50%

CITY OF JACKSON, MICHIGAN

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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 (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City net pension liability	\$ 24,959,423	\$ 17,575,519	\$ 11,348,510

Pension expense and deferred outflows and inflows of resources related to pensions. For the year ended June 30, 2025, the City recognized pension expense of \$1,835,197. At June 30, 2025, 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	\$ 10,462	\$ 434,163	\$ (423,701)
Changes in assumptions	2,525,999	-	2,525,999
Net difference between projected and actual earnings on pension plan investments	-	806,428	(806,428)
Total	<u>\$ 2,536,461</u>	<u>\$ 1,240,591</u>	<u>\$ 1,295,870</u>

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
2026	\$ 1,947,844
2027	(1,474)
2028	(402,932)
2029	(247,568)
	<u>\$ 1,295,870</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), the City Treasurer, and two that are appointed by the City Council.

Contributions. The annual required contribution for the current year was determined as part of a June 30, 2024 actuarial valuation using the entry age method.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2024 (rolled forward to June 30, 2025) 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	Pub-2010 Safety (amount-weighted) Mortality Table adjusted for mortality improvements using projection scale MP-2021 on a fully generational basis. This table was first used for the June 30, 2023 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 (asset). The components of the change in the net pension liability (asset) are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	\$ 3,599,769	\$ 3,600,714	\$ (945)
Changes for the year:			
Interest	204,136	-	204,136
Differences between expected and actual experience	(31,594)	-	(31,594)
Employer contributions	-	56,955	(56,955)
Net investment income	-	326,687	(326,687)
Benefit payments, including refunds of employee contributions	(394,997)	(394,997)	-
Administrative expense	-	(12,235)	12,235
Net changes	<u>(222,455)</u>	<u>(23,590)</u>	<u>(198,865)</u>
Balances at June 30, 2025	<u>\$ 3,377,314</u>	<u>\$ 3,577,124</u>	<u>\$ (199,810)</u>

Plan fiduciary net position as a percentage of the total pension liability 105.92%

Sensitivity of the net pension liability (asset) to changes in the discount rate. Below is a table providing the sensitivity of the net pension liability (asset) to changes in the discount rate. In particular, the table presents the plan's net pension liability (asset) 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 (asset)	\$ 33,161	\$ (199,810)	\$ (406,443)

Pension expense and deferred outflows and inflows of resources related to pensions. For the year ended June 30, 2025, the City recognized pension expense of \$(89,047). At June 30, 2025, 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
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 96,220	\$ (96,220)

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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
2026	\$ 62,030
2027	(79,410)
2028	(54,608)
2029	(24,232)
	\$ (96,220)
	\$ (96,220)

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 8.0% to 16.5% (based on the employee’s date of hire and union membership) 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, 2024 actuarial valuation using the entry age method. The actuarial assumptions included a 6.0% rate of return on investments and a 2.75% cost of living adjustment.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2024 (rolled forward to June 30, 2025) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75% to 11.75%
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	Pub-2010 Safety (amount-weighted) Healthy Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021 on a fully generational basis. This mortality basis was first used for the June 30, 2023 valuation.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

The significant changes in benefit terms for the year ended June 30, 2025 were as follows:

- Updated labor agreements changed the retirement eligibility of active members to 25 years of service, regardless of age.
- Member contribution rates were increased (both temporarily and permanently).

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, 2024	\$ 82,901,158	\$ 63,824,966	\$ 19,076,192
Changes for the year:			
Service cost	877,587	-	877,587
Interest	4,807,373	-	4,807,373
Changes of benefit terms	555,560	-	555,560
Differences between expected and actual experience	(11,825)	-	(11,825)
Employer contributions	-	6,129,381	(6,129,381)
Employee contributions	-	630,407	(630,407)
Net investment income	-	6,665,728	(6,665,728)
Benefit payments, including refunds of employee contributions	(6,434,144)	(6,434,144)	-
Administrative expense	-	(95,582)	95,582
Net changes	<u>(205,449)</u>	<u>6,895,790</u>	<u>(7,101,239)</u>
Balances at June 30, 2025	<u>\$ 82,695,709</u>	<u>\$ 70,720,756</u>	<u>\$ 11,974,953</u>

Plan fiduciary net position as a percentage of the total pension liability 85.52%

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 (5.0%)	Current Single Discount Rate (6.0%)	1% Increase (7.0%)
City net pension liability	\$ 21,719,915	\$ 11,974,953	\$ 3,865,847

Pension expense and deferred outflows and inflows of resources related to pensions. For the year ended June 30, 2025, the City recognized pension expense of \$297,680. At June 30, 2025, 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	\$ 161,382	\$ 8,473	\$ 152,909
Changes in assumptions	28,479	-	28,479
Net difference between projected and actual earnings on pension plan investments	-	2,907,669	(2,907,669)
Total	<u>\$ 189,861</u>	<u>\$ 2,916,142</u>	<u>\$ (2,726,281)</u>

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
2026	\$ 490,074
2027	(1,502,833)
2028	(1,147,658)
2029	(565,864)
	<u>\$ (2,726,281)</u>

CITY OF JACKSON, MICHIGAN

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Payable to the Pension Plans. At June 30, 2025, the City had no amounts payable for contributions to the pension plans.

Aggregate Pension Information

	Employees' Retirement System	Policemen's and Firemen's Pension	Policemen's and Firemen's Pension - Act 345	Total
Total pension liability	\$ 63,913,924	\$ 3,377,314	\$ 82,695,709	\$ 149,986,947
Plan fiduciary net position	46,338,405	3,577,124	70,720,756	120,636,285
Net pension asset		\$ 199,810		\$ 199,810
Net pension liability	\$ 17,575,519		\$ 11,974,953	\$ 29,550,472
Plan fiduciary net position as a percentage of the total pension liability	72.50%	105.92%	85.52%	80.43%
Total pension expense	\$ 1,835,197	\$ (89,047)	\$ 297,680	\$ 2,043,830
Deferred outflows of resources:				
Difference between expected and actual experience	\$ 10,462	\$ -	\$ 161,382	\$ 171,844
Changes in assumptions	2,525,999	-	28,479	2,554,478
Total deferred outflows of resources	\$ 2,536,461	\$ -	\$ 189,861	\$ 2,726,322
Deferred inflows of resources				
Difference between expected and actual experience	\$ 434,163	\$ 96,220	\$ 8,473	\$ 538,856
Net difference between projected and actual earnings on pension plan investments	806,428	-	2,907,669	3,714,097
Total deferred inflows of resources	\$ 1,240,591	\$ 96,220	\$ 2,916,142	\$ 4,252,953

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

20. 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, 2023 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	241
Active plan members	<u>71</u>
Total membership	<u><u>312</u></u>

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.

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Notes to Financial Statements

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, 2025 was 9.75%.

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, 2025 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%.

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, 2023 (rolled forward to June 30, 2025), using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.75% to 9.50% for General Group, including inflation; 2.75% to 11.75% for Police/Fire Group, including inflation
Investment rate of return	5.00%, net of investment expenses, including inflation
Healthcare cost trend rates	Non-medicare: 7.25% in 2024 grading to 3.50% in 2038; Medicare: 6.50% in 2024 grading to 3.50% in 2038.

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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 Pub-2010 General/Safety (amount-weighted) Healthy Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021 from 2010 on a fully generational basis.

The significant changes in benefit terms for the year ended June 30, 2025 were as follows:

- Retirement eligibility was updated for non-union members of the General group.

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, 2024	\$ 30,206,189	\$ 5,733,440	\$ 24,472,749
Changes for the year:			
Service cost	168,250	-	168,250
Interest	1,448,248	-	1,448,248
Changes of benefit terms	(71,614)		(71,614)
Differences between expected and actual experience	509,833	-	509,833
Employer contributions	-	2,650,728	(2,650,728)
Other contributions	-	178,720	(178,720)
Net investment income	-	531,451	(531,451)
Benefit payments, including refunds of employee contributions	(2,650,728)	(2,650,728)	-
Net changes	(596,011)	710,171	(1,306,182)
Balances at June 30, 2025	\$ 29,610,178	\$ 6,443,611	\$ 23,166,567

Plan fiduciary net position as a percentage of the total OPEB liability 21.76%

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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	\$ 26,469,144	\$ 23,166,567	\$ 20,837,863

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	\$ 21,453,431	\$ 23,166,567	\$ 25,153,952

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$(167,683). 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	\$ 213,900	\$ -	\$ 213,900
Net difference between projected and actual earnings on OPEB plan investments	-	233,150	(233,150)
	<u>\$ 213,900</u>	<u>\$ 233,150</u>	<u>\$ (19,250)</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

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
2026	\$ 235,289
2027	(112,285)
2028	(94,191)
2029	<u>(48,063)</u>
Total	\$ <u>(19,250)</u>

Payable to the OPEB Plan. At June 30, 2025, 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.

21. 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	\$ 2,954,388	\$ 21,884,976
Capital assets being depreciated/amortized, net	<u>131,929,844</u>	<u>97,064,649</u>
	<u>134,884,232</u>	<u>118,949,625</u>
Long-term liabilities related to capital assets:		
General obligation bonds	34,949,335	8,417,765
Unexpended bond proceeds	<u>(2,053,993)</u>	-
General obligation bonds (capital related)	32,895,342	8,417,765
Deferred issuance premium	1,210,052	-
Leases liability	600,249	232,829
Subscriptions liability	128,332	-
Less -		
Deferred charge on bond refunding	(357,082)	-
Construction-related payables	<u>770,903</u>	<u>3,899,802</u>
	<u>35,247,796</u>	<u>12,550,396</u>
Net investment in capital assets	\$ <u>99,636,436</u>	\$ <u>106,399,229</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

22. FUND BALANCES

Following is a summary of the components of fund balances of the governmental funds as of June 30, 2025:

	General	Major Streets	Special Assessments Capital Projects	Nonmajor Funds	Total
Nonspendable					
Inventories	\$ -	\$ 330,624	\$ -	\$ 15,500	\$ 346,124
Prepaid items	796,190	-	-	57,791	853,981
Perpetual care	-	-	-	2,164,734	2,164,734
Endowment	-	-	-	1,420,666	1,420,666
Advances	50,000	-	-	-	50,000
	<u>846,190</u>	<u>330,624</u>	<u>-</u>	<u>3,658,691</u>	<u>4,835,505</u>
Restricted					
Highways and streets	-	2,009,079	-	3,543,095	5,552,174
Public improvements	-	-	-	1,007,145	1,007,145
Public safety	-	-	-	1,664,631	1,664,631
Community enrichment and development	-	-	-	7,126	7,126
Opioid settlement	-	-	-	264,737	264,737
Act 345 Pension	16,872	-	-	-	16,872
Downtown development	-	-	-	6,328,766	6,328,766
Debt service	-	-	-	330,993	330,993
	<u>16,872</u>	<u>2,009,079</u>	<u>-</u>	<u>13,146,493</u>	<u>15,172,444</u>
Committed					
Public safety	-	-	-	311,988	311,988
Culture and recreation	-	-	-	504,781	504,781
Community enrichment and development	-	-	-	289,636	289,636
Capital projects	-	-	-	455,488	455,488
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,561,893</u>	<u>1,561,893</u>
Unassigned (deficit)	<u>17,974,485</u>	<u>-</u>	<u>(1,278,430)</u>	<u>-</u>	<u>16,696,055</u>
Total fund balance	<u>\$ 18,837,547</u>	<u>\$ 2,339,703</u>	<u>\$ (1,278,430)</u>	<u>\$ 18,367,077</u>	<u>\$ 38,265,897</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

23. 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, 2025

	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	\$ 549,757	\$ -	\$ 24,760	\$ 160,327	\$ 734,844
Investments, at fair value:					
U.S. treasuries	-	-	2,006,437	-	2,006,437
Corporate bonds:					
Domestic bonds	-	-	9,399,844	-	9,399,844
Domestic mutual funds	14,956,913	2,051,204	14,661,650	-	31,669,767
Equities:					
Domestic stocks	6,365,288	-	-	-	6,365,288
Domestic mutual funds	13,825,556	886,619	25,196,281	-	39,908,456
International mutual funds	9,514,524	572,319	18,032,791	-	28,119,634
Money market funds	991,005	66,733	2,047,570	6,283,284	9,388,592
Total cash and investments	46,203,043	3,576,875	71,369,333	6,443,611	127,592,862
Receivables -					
Interest, dividends, and other	145,053	6,633	180,872	-	332,558
Total assets	46,348,096	3,583,508	71,550,205	6,443,611	127,925,420
Liabilities					
Refunds payable and other liabilities	9,691	6,384	829,449	-	845,524
Net position restricted for pension and other employee benefits	<u>\$ 46,338,405</u>	<u>\$ 3,577,124</u>	<u>\$ 70,720,756</u>	<u>\$ 6,443,611</u>	<u>\$ 127,079,896</u>

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

Statement of Changes in Plan Net Position - Year Ended June 30, 2025

	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	\$ 1,329,591	\$ 56,955	\$ 6,129,381	\$ 2,650,728	\$ 10,166,655
Plan members	717,589	-	630,407	-	1,347,996
Other	-	-	-	178,720	178,720
Total contributions	2,047,180	56,955	6,759,788	2,829,448	11,693,371
Investment income:					
Net change in fair value of investments	3,536,399	224,943	4,985,198	543,450	9,289,990
Interest	102,189	1,477	620,529	-	724,195
Dividends	364,224	111,767	1,147,649	-	1,623,640
Total investment income	4,002,812	338,187	6,753,376	543,450	11,637,825
Less investment expense	143,180	11,500	87,648	11,999	254,327
Net investment income	3,859,632	326,687	6,665,728	531,451	11,383,498
Total additions	5,906,812	383,642	13,425,516	3,360,899	23,076,869
Deductions					
Benefits	4,038,953	394,997	6,361,179	2,650,728	13,445,857
Refunds of contributions	302,979	-	72,965	-	375,944
Administrative expense	74,610	12,235	95,582	-	182,427
Total deductions	4,416,542	407,232	6,529,726	2,650,728	14,004,228
Net change in net position	1,490,270	(23,590)	6,895,790	710,171	9,072,641
Net position, beginning of year	44,848,135	3,600,714	63,824,966	5,733,440	118,007,255
Net position, end of year	\$ 46,338,405	\$ 3,577,124	\$ 70,720,756	\$ 6,443,611	\$ 127,079,896

CITY OF JACKSON, MICHIGAN

Notes to Financial Statements

24. OPIOID SETTLEMENT

The City is part of various nationwide Opioid settlements reached by states and local political subdivisions against pharmaceutical distributors, manufacturers, and pharmacies. The terms of the settlements vary by entity; however, the City received installments beginning in 2023 and expects to receive future installments through 2030. The City currently expects the total amount of the settlement to be \$1,217,508. Settlement payments received during the year ended June 30, 2025 were \$59,772. The total receivable for all of the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2025 of 3%. The net present value of the combined settlement payments to be received as of June 30, 2025 is \$731,078.

Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of June 30, 2025, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

25. RESTATEMENT TO BEGINNING NET POSITION

For the year ended June 30, 2025, the City had the following restatement to beginning net position.

	Governmental Activities
Net position, beginning of year, as previously reported	\$ 79,921,910
Change in accounting principle - Implementation of new standard	<u>(1,934,874)</u>
Net position, beginning of year, as restated	<u>\$ 77,987,036</u>

The City implemented GASB Statement No. 101, *Compensated Absences*, in the current year.



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,				
	2025	2024	2023	2022	2021
Change in total pension liability					
Service cost	\$ 1,131,515	\$ 980,491	\$ 910,459	\$ 845,069	\$ 815,383
Interest	3,707,848	3,776,122	3,810,578	3,774,316	3,715,953
Changes of benefit terms	-	14,071	-	204,246	-
Differences between expected and actual experience	13,817	(201,768)	(814,793)	(603,545)	50,831
Changes of assumptions	-	2,913,782	2,957,154	-	-
Benefit payments, including refunds of member contributions	(4,341,932)	(4,268,614)	(3,696,919)	(3,749,897)	(3,740,072)
Net change in total pension liability	<u>511,248</u>	<u>3,214,084</u>	<u>3,166,479</u>	<u>470,189</u>	<u>842,095</u>
Total pension liability, beginning	<u>63,402,676</u>	<u>60,188,592</u>	<u>57,022,113</u>	<u>56,551,924</u>	<u>55,709,829</u>
Total pension liability, ending (a)	<u>63,913,924</u>	<u>63,402,676</u>	<u>60,188,592</u>	<u>57,022,113</u>	<u>56,551,924</u>
Change in plan fiduciary net position					
Contributions - employer	1,329,591	1,135,855	1,210,604	1,222,458	1,068,745
Contributions - employee	717,589	733,822	900,077	810,781	740,817
Net investment income (loss)	3,859,632	4,254,155	4,181,808	(5,622,263)	10,680,602
Benefit payments, including refunds of member contributions	(4,341,932)	(4,268,614)	(3,696,919)	(3,749,897)	(3,740,072)
Administrative expense	(74,610)	(53,115)	(52,808)	(35,385)	(39,183)
Net change in plan fiduciary net position	<u>1,490,270</u>	<u>1,802,103</u>	<u>2,542,762</u>	<u>(7,374,306)</u>	<u>8,710,909</u>
Plan fiduciary net position, beginning	<u>44,848,135</u>	<u>43,046,032</u>	<u>40,503,270</u>	<u>47,877,576</u>	<u>39,166,667</u>
Plan fiduciary net position, ending (b)	<u>46,338,405</u>	<u>44,848,135</u>	<u>43,046,032</u>	<u>40,503,270</u>	<u>47,877,576</u>
City's net pension liability, ending (a)-(b)	<u>\$ 17,575,519</u>	<u>\$ 18,554,541</u>	<u>\$ 17,142,560</u>	<u>\$ 16,518,843</u>	<u>\$ 8,674,348</u>
Plan fiduciary net position as a percentage of the total pension liability	72.50%	70.74%	71.52%	71.03%	84.66%
Covered payroll	\$ 11,270,066	\$ 10,894,345	\$ 10,148,031	\$ 9,306,929	\$ 8,758,144
City's net pension liability as a percentage of covered payroll	155.95%	170.31%	168.92%	177.49%	99.04%

See notes to required supplementary information.

Fiscal Year Ended June 30,				
2020	2019	2018	2017	2016
\$ 830,367	\$ 1,016,463	\$ 692,095	\$ 672,198	\$ 867,493
3,703,106	3,319,364	3,550,091	3,513,819	3,604,456
-	133,677	-	432,512	(1,585,716)
(595,688)	(320,658)	(7,660)	(467,503)	(1,544,806)
-	(3,223,348)	9,152,938	-	(2,963,368)
<u>(3,745,423)</u>	<u>(3,867,034)</u>	<u>(3,833,908)</u>	<u>(3,520,812)</u>	<u>(3,362,872)</u>
192,362	(2,941,536)	9,553,556	630,214	(4,984,813)
<u>55,517,467</u>	<u>58,459,003</u>	<u>48,905,447</u>	<u>48,275,233</u>	<u>53,260,046</u>
<u>55,709,829</u>	<u>55,517,467</u>	<u>58,459,003</u>	<u>48,905,447</u>	<u>48,275,233</u>
1,058,427	835,542	821,020	933,208	889,235
728,393	659,685	712,503	730,419	717,167
1,225,172	2,066,425	3,456,637	4,110,845	728,453
(3,745,423)	(3,867,034)	(3,833,908)	(3,520,812)	(3,362,872)
<u>(48,142)</u>	<u>(45,654)</u>	<u>(41,788)</u>	<u>(226,794)</u>	<u>(93,838)</u>
(781,573)	(351,036)	1,114,464	2,026,866	(1,121,855)
<u>39,948,240</u>	<u>40,299,276</u>	<u>39,184,812</u>	<u>37,157,946</u>	<u>38,279,801</u>
<u>39,166,667</u>	<u>39,948,240</u>	<u>40,299,276</u>	<u>39,184,812</u>	<u>37,157,946</u>
<u>\$ 16,543,162</u>	<u>\$ 15,569,227</u>	<u>\$ 18,159,727</u>	<u>\$ 9,720,635</u>	<u>\$ 11,117,287</u>
70.30%	71.96%	68.94%	80.12%	76.97%
\$ 8,676,772	\$ 8,345,344	\$ 7,758,909	\$ 7,510,596	\$ 7,427,165
190.66%	186.56%	234.05%	129.43%	149.68%

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Police and Fire Pension Plan

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

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Change in total pension liability					
Interest	\$ 204,136	\$ 247,341	\$ 279,255	\$ 311,164	\$ 375,164
Differences between expected and actual experience	(31,594)	(574,385)	(227,615)	(314,016)	(821,567)
Changes of assumptions	-	-	(142,154)	-	-
Benefit payments, including refunds of member contributions	(394,997)	(391,086)	(491,672)	(566,251)	(674,274)
Net change in total pension liability	<u>(222,455)</u>	<u>(718,130)</u>	<u>(582,186)</u>	<u>(569,103)</u>	<u>(1,120,677)</u>
Total pension liability, beginning	<u>3,599,769</u>	<u>4,317,899</u>	<u>4,900,085</u>	<u>5,469,188</u>	<u>6,589,865</u>
Total pension liability, ending (a)	<u>3,377,314</u>	<u>3,599,769</u>	<u>4,317,899</u>	<u>4,900,085</u>	<u>5,469,188</u>
Change in plan fiduciary net position					
Contributions - employer	56,955	274,544	260,185	363,236	524,841
Net investment income (loss)	326,687	350,751	315,185	(473,815)	845,488
Benefit payments, including refunds of member contributions	(394,997)	(391,086)	(491,672)	(566,251)	(674,274)
Administrative expense	(12,235)	(12,374)	(13,602)	(11,395)	(10,450)
Net change in plan fiduciary net position	<u>(23,590)</u>	<u>221,835</u>	<u>70,096</u>	<u>(688,225)</u>	<u>685,605</u>
Plan fiduciary net position, beginning	<u>3,600,714</u>	<u>3,378,879</u>	<u>3,308,783</u>	<u>3,997,008</u>	<u>3,311,403</u>
Plan fiduciary net position, ending (b)	<u>3,577,124</u>	<u>3,600,714</u>	<u>3,378,879</u>	<u>3,308,783</u>	<u>3,997,008</u>
City's net pension liability (asset), ending (a)-(b)	<u>\$ (199,810)</u>	<u>\$ (945)</u>	<u>\$ 939,020</u>	<u>\$ 1,591,302</u>	<u>\$ 1,472,180</u>
Plan fiduciary net position as a percentage of the total pension liability	105.92%	100.03%	78.25%	67.53%	73.08%
Covered payroll	N/A	N/A	N/A	N/A	N/A
City's net pension liability (asset) 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,				
2020	2019	2018	2017	2016
\$ 398,411	\$ 403,369	\$ 429,493	\$ 447,644	\$ 493,298
(80,185)	95,117	(87,297)	47,444	(163,757)
-	173,597	-	-	227,357
<u>(737,101)</u>	<u>(772,316)</u>	<u>(782,877)</u>	<u>(812,379)</u>	<u>(814,750)</u>
<u>(418,875)</u>	<u>(100,233)</u>	<u>(440,681)</u>	<u>(317,291)</u>	<u>(257,852)</u>
<u>7,008,740</u>	<u>7,108,973</u>	<u>7,549,654</u>	<u>7,866,945</u>	<u>8,124,797</u>
<u>6,589,865</u>	<u>7,008,740</u>	<u>7,108,973</u>	<u>7,549,654</u>	<u>7,866,945</u>
543,093	506,251	567,276	565,463	604,690
84,702	195,665	467,070	482,691	(193,908)
(737,101)	(772,316)	(782,877)	(812,379)	(814,750)
(13,137)	(10,424)	(10,076)	(30,765)	-
<u>(122,443)</u>	<u>(80,824)</u>	<u>241,393</u>	<u>205,010</u>	<u>(403,968)</u>
<u>3,433,846</u>	<u>3,514,670</u>	<u>3,273,277</u>	<u>3,068,267</u>	<u>3,472,235</u>
<u>3,311,403</u>	<u>3,433,846</u>	<u>3,514,670</u>	<u>3,273,277</u>	<u>3,068,267</u>
<u>\$ 3,278,462</u>	<u>\$ 3,574,894</u>	<u>\$ 3,594,303</u>	<u>\$ 4,276,377</u>	<u>\$ 4,798,678</u>

50.25% 48.99% 49.44% 43.36% 39.00%

N/A N/A 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,				
	2025	2024	2023	2022	2021
Change in total pension liability					
Service cost	\$ 877,587	\$ 855,683	\$ 1,023,745	\$ 891,288	\$ 1,030,158
Interest	4,807,373	4,829,887	4,843,023	4,921,948	4,930,684
Changes of benefit terms	555,560	-	-	-	-
Differences between expected and actual experience	(11,825)	249,523	195,362	(975,513)	570,805
Changes of assumptions	-	-	137,358	-	-
Benefit payments, including refunds of member contributions	(6,434,144)	(6,208,406)	(6,460,403)	(5,978,335)	(7,237,277)
Net change in total pension liability	<u>(205,449)</u>	<u>(273,313)</u>	<u>(260,915)</u>	<u>(1,140,612)</u>	<u>(705,630)</u>
Total pension liability, beginning	<u>82,901,158</u>	<u>83,174,471</u>	<u>83,435,386</u>	<u>84,575,998</u>	<u>85,281,628</u>
Total pension liability, ending (a)	<u>82,695,709</u>	<u>82,901,158</u>	<u>83,174,471</u>	<u>83,435,386</u>	<u>84,575,998</u>
Change in plan fiduciary net position					
Contributions - employer	6,129,381	5,922,297	5,674,911	5,939,831	5,916,061
Contributions - employee	630,407	530,145	494,197	447,336	485,464
Net investment income (loss)	6,665,728	6,343,113	5,187,316	(6,079,031)	12,479,372
Benefit payments, including refunds of member contributions	(6,434,144)	(6,208,406)	(6,460,403)	(5,978,335)	(7,237,277)
Administrative expense	(95,582)	(47,069)	(65,995)	(65,748)	(58,433)
Net change in plan fiduciary net position	<u>6,895,790</u>	<u>6,540,080</u>	<u>4,830,026</u>	<u>(5,735,947)</u>	<u>11,585,187</u>
Plan fiduciary net position, beginning	<u>63,824,966</u>	<u>57,284,886</u>	<u>52,454,860</u>	<u>58,190,807</u>	<u>46,605,620</u>
Plan fiduciary net position, ending (b)	<u>70,720,756</u>	<u>63,824,966</u>	<u>57,284,886</u>	<u>52,454,860</u>	<u>58,190,807</u>
City's net pension liability, ending (a)-(b)	<u>\$ 11,974,953</u>	<u>\$ 19,076,192</u>	<u>\$ 25,889,585</u>	<u>\$ 30,980,526</u>	<u>\$ 26,385,191</u>
Plan fiduciary net position as a percentage of the total pension liability	85.52%	76.99%	68.87%	62.87%	68.80%
Covered payroll	\$ 6,073,265	\$ 5,738,989	\$ 5,860,016	\$ 5,101,822	\$ 5,340,374
City's net pension liability as a percentage of covered payroll	197.17%	332.40%	441.80%	607.24%	494.07%

See notes to required supplementary information.

Fiscal Year Ended June 30,				
2020	2019	2018	2017	2016
\$ 1,103,384	\$ 856,511	\$ 911,249	\$ 893,487	\$ 1,008,965
4,813,775	4,911,204	4,873,412	4,949,452	4,859,213
-	-	-	-	-
657,259	359,507	146,242	(78,307)	1,353,815
1,961,168	6,732,162	-	(1,212,234)	1,326,844
<u>(5,863,709)</u>	<u>(5,159,919)</u>	<u>(5,527,374)</u>	<u>(5,848,163)</u>	<u>(5,345,160)</u>
2,671,877	7,699,465	403,529	(1,295,765)	3,203,677
<u>82,609,751</u>	<u>74,910,286</u>	<u>74,506,757</u>	<u>75,802,522</u>	<u>72,598,845</u>
<u>85,281,628</u>	<u>82,609,751</u>	<u>74,910,286</u>	<u>74,506,757</u>	<u>75,802,522</u>
5,559,682	4,422,430	4,219,714	4,098,288	3,709,507
514,402	507,173	498,083	489,369	478,630
1,318,109	2,328,889	4,355,776	5,393,796	(2,123,241)
<u>(5,863,709)</u>	<u>(5,159,919)</u>	<u>(5,527,374)</u>	<u>(5,848,163)</u>	<u>(5,345,160)</u>
<u>(44,012)</u>	<u>(51,741)</u>	<u>(71,180)</u>	<u>(302,135)</u>	<u>-</u>
1,484,472	2,046,832	3,475,019	3,831,155	(3,280,264)
<u>45,121,148</u>	<u>43,074,316</u>	<u>39,599,297</u>	<u>35,768,142</u>	<u>39,048,406</u>
<u>46,605,620</u>	<u>45,121,148</u>	<u>43,074,316</u>	<u>39,599,297</u>	<u>35,768,142</u>
<u>\$ 38,676,008</u>	<u>\$ 37,488,603</u>	<u>\$ 31,835,970</u>	<u>\$ 34,907,460</u>	<u>\$ 40,034,380</u>
54.65%	54.62%	57.50%	53.15%	47.19%
\$ 5,340,680	\$ 5,029,427	\$ 4,829,089	\$ 4,622,259	\$ 4,782,487
724.18%	745.39%	659.25%	755.20%	837.10%

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Schedule of City Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Employees' Retirement System (ERS)					
2025	\$ 1,329,591	\$ 1,329,591	\$ -	\$ 11,270,066	11.80%
2024	1,135,855	1,135,855	-	10,894,345	10.43%
2023	1,210,604	1,210,604	-	10,148,031	11.93%
2022	1,222,458	1,222,458	-	9,306,929	13.13%
2021	1,068,745	1,068,745	-	8,758,144	12.20%
2020	1,058,427	1,058,427	-	8,676,772	12.20%
2019	835,542	835,542	-	8,345,344	10.01%
2018	821,020	821,020	-	7,758,909	10.58%
2017	933,208	933,208	-	7,510,596	12.43%
2016	889,235	889,235	-	7,427,165	11.97%
Policemen's and Firemen's Pension (PFP)					
2025	\$ 56,955	\$ 56,955	\$ -	N/A	N/A
2024	274,544	274,544	-	N/A	N/A
2023	260,185	260,185	-	N/A	N/A
2022	363,236	363,236	-	N/A	N/A
2021	524,841	524,841	-	N/A	N/A
2020	543,093	543,093	-	N/A	N/A
2019	506,251	506,251	-	N/A	N/A
2018	567,276	567,276	-	N/A	N/A
2017	565,463	565,463	-	N/A	N/A
2016	604,690	604,690	-	N/A	N/A
Policemen's and Firemen's Pension - Act 345 (Act 345)					
2025	\$ 6,129,381	\$ 6,129,381	\$ -	\$ 6,073,265	100.92%
2024	5,922,297	5,922,297	-	5,738,989	103.19%
2023	5,674,911	5,674,911	-	5,860,016	96.84%
2022	5,939,831	5,939,831	-	5,101,822	116.43%
2021	5,916,061	5,916,061	-	5,340,374	110.78%
2020	5,559,682	5,559,682	-	5,340,680	104.10%
2019	4,422,430	4,422,430	-	5,029,427	87.93%
2018	4,219,714	4,219,714	-	4,829,089	87.38%
2017	4,098,288	4,098,288	-	4,622,259	88.66%
2016	3,709,507	3,709,507	-	4,782,487	77.56%

See notes to required supplementary information.

CITY OF JACKSON, MICHIGAN

Required Supplementary Information

Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Money- Weighted Rate of Return, Net of Investment Expense
Employees' Retirement System	
2025	9.47%
2024	11.07%
2023	11.41%
2022	-11.41%
2021	28.98%
2020	4.13%
2019	6.13%
2018	9.72%
2017	11.64%
2016	2.59%
Policemen's and Firemen's Pension	
2025	10.20%
2024	11.27%
2023	10.19%
2022	-11.79%
2021	27.30%
2020	3.48%
2019	6.83%
2018	13.21%
2017	15.62%
2016	-5.00%
Policemen's and Firemen's Pension - Act 345	
2025	11.01%
2024	11.69%
2023	10.36%
2022	-9.83%
2021	27.40%
2020	3.48%
2019	6.00%
2018	11.93%
2017	14.73%
2016	-5.17%

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,			
	2025	2024	2023	2022
Change in total OPEB liability				
Service cost	\$ 168,250	\$ 206,830	\$ 220,389	\$ 228,352
Interest	1,448,248	1,651,239	1,685,444	1,897,961
Changes of benefit terms	(71,614)	-	-	32,450
Differences between expected and actual experience	509,833	(3,541,687)	(192,159)	(3,992,472)
Changes of assumptions	-	197,684	-	-
Benefit payments, including refunds of member contributions	(2,650,728)	(2,458,476)	(2,323,516)	(2,501,806)
Net change in total OPEB liability	<u>(596,011)</u>	<u>(3,944,410)</u>	<u>(609,842)</u>	<u>(4,335,515)</u>
Total OPEB liability, beginning	<u>30,206,189</u>	<u>34,150,599</u>	<u>34,760,441</u>	<u>39,095,956</u>
Total OPEB liability, ending (a)	<u>29,610,178</u>	<u>30,206,189</u>	<u>34,150,599</u>	<u>34,760,441</u>
Change in plan fiduciary net position				
Contributions - employer	2,650,728	2,458,476	2,323,516	2,774,735
Contributions - other	178,720	96,046	54,724	-
Net investment income (loss)	531,451	490,838	330,843	(414,994)
Benefit payments, including refunds of member contributions	(2,650,728)	(2,458,476)	(2,323,516)	(2,501,806)
Administrative expense	-	(18,900)	-	(17,900)
Net change in plan fiduciary net position	<u>710,171</u>	<u>567,984</u>	<u>385,567</u>	<u>(159,965)</u>
Plan fiduciary net position, beginning	<u>5,733,440</u>	<u>5,165,456</u>	<u>4,779,889</u>	<u>4,939,854</u>
Plan fiduciary net position, ending (b)	<u>6,443,611</u>	<u>5,733,440</u>	<u>5,165,456</u>	<u>4,779,889</u>
City's net OPEB liability, ending (a)-(b)	<u>\$ 23,166,567</u>	<u>\$ 24,472,749</u>	<u>\$ 28,985,143</u>	<u>\$ 29,980,552</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.76%	18.98%	15.13%	13.75%
Covered payroll	\$ 4,972,609	\$ 5,239,196	\$ 5,296,427	\$ 5,636,537
City's net OPEB liability as a percentage of covered payroll	465.88%	467.11%	547.26%	531.90%

See notes to required supplementary information.

Fiscal Year Ended June 30,				
2021	2020	2019	2018	2017
\$ 277,432	\$ 331,315	\$ 346,426	\$ 555,506	\$ 665,665
1,918,887	2,016,801	1,997,281	2,807,139	2,774,192
-	-	-	(8,055,839)	-
(142,795)	(1,912,117)	-	(2,570,525)	-
-	-	481,638	(6,161,265)	-
<u>(2,393,165)</u>	<u>(2,341,514)</u>	<u>(2,513,271)</u>	<u>(2,821,992)</u>	<u>(2,629,714)</u>
(339,641)	(1,905,515)	312,074	(16,246,976)	810,143
<u>39,435,597</u>	<u>41,341,112</u>	<u>41,029,038</u>	<u>57,276,014</u>	<u>56,465,871</u>
<u>39,095,956</u>	<u>39,435,597</u>	<u>41,341,112</u>	<u>41,029,038</u>	<u>57,276,014</u>
2,393,165	2,654,014	3,763,271	4,071,992	2,629,714
-	-	-	-	-
983,694	105,140	91,192	100,268	112,584
(2,393,165)	(2,341,514)	(2,513,271)	(2,821,992)	(2,629,714)
<u>(25,017)</u>	<u>(6,722)</u>	<u>(23,850)</u>	<u>(15,500)</u>	<u>(2,121)</u>
958,677	410,918	1,317,342	1,334,768	110,463
<u>3,981,177</u>	<u>3,570,259</u>	<u>2,252,917</u>	<u>918,149</u>	<u>807,686</u>
<u>4,939,854</u>	<u>3,981,177</u>	<u>3,570,259</u>	<u>2,252,917</u>	<u>918,149</u>
<u>\$ 34,156,102</u>	<u>\$ 35,454,420</u>	<u>\$ 37,770,853</u>	<u>\$ 38,776,121</u>	<u>\$ 56,357,865</u>
12.64%	10.10%	8.64%	5.49%	1.60%
\$ 6,305,280	\$ 6,554,194	\$ 7,315,330	\$ 7,819,428	\$ 10,131,529
541.71%	540.94%	516.32%	495.89%	556.26%

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 Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,982,803	\$ 2,650,728	\$ (667,925)	\$ 4,972,609	53.3%
2024	2,290,080	2,458,476	(168,396)	5,239,196	46.9%
2023	2,305,509	2,323,516	(18,007)	5,296,427	43.9%
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
2025	9.75%
2024	10.28%
2023	7.46%
2022	-8.24%
2021	28.19%
2020	2.05%
2019	2.68%
2018	7.78%
2017	13.00%

See notes to required supplementary information.

Notes to Required Supplementary Information

Pension Information

Employees' Retirement System

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

- 2024:
 - Changes in eligibility (non-union benefit group general members who are in active service as of the effective date are eligible for retirement at the earlier of age 65 with 10 years of service, age 58 with 27 years of service or 35 years of service at any age).

- 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:

- 2024:
 - The discount rate decreased from 6.45% to 6.00%.

- 2023:
 - The discount rate decreased from 6.85% to 6.45%.
 - Updated demographic and economic assumptions per the 2017-2022 Experience Study.

- 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

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

- 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.

Police and Fire Pension Plan

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

- 2023:
 - Updated demographic and economic assumptions per the 2017-2022 Experience Study.
- 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 benefit terms for each of the fiscal years ended June 30 were as follows:

- 2025:
 - Updated labor agreements changed the retirement eligibility of active members to 25 years of service, regardless of age.
 - Member contribution rates were increased (both temporarily and permanently).

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

- 2023:
 - Updated demographic and economic assumptions per the 2017-2022 Experience Study.
- 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, 2024
Notes	Actuarially determined contribution rates are calculated as of June 30 of odd numbered years, which 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:

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 23 years closed for Unfunded Actuarial Accrued Liabilities (UAAL) prior to June 30, 2023. Layered Amortization (20-year closed) for future UAAL (positive or negative) developed on and after June 30, 2023.

PFP 3 years beginning with the fiscal year ending 2026
Act 345 5 years closed for 6/30/2015 active UAAL; 1 year 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:

ERS	4-year smoothed market
PFP	AVA set equal to MVA
Act 345	4-year smoothed market; no corridor

Inflation:

ERS	2.75%
PFP	N/A
Act 345	2.75%

Salary increases:

ERS	2.75% to 9.75% including inflation
PFP	N/A
Act 345	2.75% - 11.75%

Investment rate of return:

ERS	6.00% net of investment expenses
PFP	6.00% net of expenses
Act 345	6.00%

Long-term municipal bond rate:

ERS	5.20%
PFP	5.20%
Act 345	5.20%

CITY OF JACKSON, MICHIGAN

Notes to Required Supplementary Information

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 (closed plan)
Act 345	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality rates	Pub-2010 Safety (amount-weighted) Mortality Table fully generational using projection scale MP-2021. First used for the June 30, 2023 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:

- 2025:
 - Retirement eligibility was updated for non-union members of the General group.
- 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:

- 2024:
 - Reduced the base payroll growth assumption from 3.00% to 2.75%.
 - Changes to pay increase assumptions, withdrawal, disability and retirement patterns.
 - Mortality tables based upon the Pub-2010 General/Safety (amount-weighted) with the MP-2021 mortality improvement scale (for future mortality improvement expectations).
 - Increase of withdrawal rates.
- 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, 2023
Notes	Actuarially determined contribution rates are calculated as of June 30 that 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	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	26 years beginning with the fiscal year ending June 30, 2025
Asset valuation method	Market value
Healthcare cost trend rates	Non-Medicare trend: 7.25% in 2024, grading to 3.5% in 2038; Medicare trend: 6.50% in 2024, grading to 3.5% in 2038
Inflation rate	2.50%
Salary increases	2.75% - 9.75% for General Group, including inflation; 2.75% - 11.75% 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	Pub-2010 Healthy Annuitant, Disabled Annuitant, and Employees tables adjusted for mortality improvement using projection scale MP-2021 from 2010 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, 2025

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Assets					
Pooled cash and investments	\$ 6,465,247	\$ 329,898	\$ 8,864,881	\$ 3,635,080	\$ 19,295,106
Accounts receivable, net	927,921	-	-	-	927,921
Interest receivable	18,071	1,095	28,846	-	48,012
Leases receivable	-	-	2,183	-	2,183
Due from other governments	513,995	-	-	-	513,995
Due from other funds	98,890	-	-	-	98,890
Inventories	15,500	-	-	-	15,500
Prepaid items	57,791	-	-	-	57,791
Total assets	\$ 8,097,415	\$ 330,993	\$ 8,895,910	\$ 3,635,080	\$ 20,959,398
Liabilities					
Negative equity in pooled cash and investments	\$ 274,749	\$ -	\$ -	\$ -	\$ 274,749
Accounts payable	676,729	-	55,480	-	732,209
Accrued payroll	77,141	-	-	-	77,141
Other liabilities	393,615	-	-	-	393,615
Unearned revenue	238,332	-	-	-	238,332
Due to other funds	43,334	-	-	49,680	93,014
Long-term advance from other funds	50,000	-	-	-	50,000
Total liabilities	1,753,900	-	55,480	49,680	1,859,060
Deferred inflows of resources					
Unavailable revenue - opioid settlement	731,078	-	-	-	731,078
Deferred lease amounts	-	-	2,183	-	2,183
Total deferred inflows of resources	731,078	-	2,183	-	733,261
Fund balances					
Nonspendable	73,291	-	-	3,585,400	3,658,691
Restricted	4,432,741	330,993	8,382,759	-	13,146,493
Committed	1,106,405	-	455,488	-	1,561,893
Total fund balances	5,612,437	330,993	8,838,247	3,585,400	18,367,077
Total liabilities, deferred inflows of resources and fund balances	\$ 8,097,415	\$ 330,993	\$ 8,895,910	\$ 3,635,080	\$ 20,959,398

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended June 30, 2025

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Revenues					
Property taxes	\$ 1,337,393	\$ 709,662	\$ 1,862,954	\$ -	\$ 3,910,009
Intergovernmental	5,839,331	1,884,232	132,390	-	7,855,953
Charges for services	3,593,406	-	1,500,000	29,116	5,122,522
Investment income	279,488	-	466,179	191,718	937,385
Miscellaneous	432,597	-	-	-	432,597
Total revenues	<u>11,482,215</u>	<u>2,593,894</u>	<u>3,961,523</u>	<u>220,834</u>	<u>18,258,466</u>
Expenditures					
Current:					
Public safety	1,297,160	-	-	-	1,297,160
Public works	1,731,856	-	-	-	1,731,856
Culture and recreation	2,501,312	-	-	-	2,501,312
Community enrichment and development	5,371,625	-	224,039	-	5,595,664
Debt service:					
Principal	-	5,462,033	-	-	5,462,033
Interest and fiscal charges	-	3,472,842	-	-	3,472,842
Total expenditures	<u>10,901,953</u>	<u>8,934,875</u>	<u>224,039</u>	<u>-</u>	<u>20,060,867</u>
Revenues over (under) expenditures	<u>580,262</u>	<u>(6,340,981)</u>	<u>3,737,484</u>	<u>220,834</u>	<u>(1,802,401)</u>
Other financing sources (uses)					
Transfers in	586,311	6,404,067	486,755	-	7,477,133
Transfers out	(1,609,389)	-	(4,328,206)	(160,650)	(6,098,245)
Total other financing sources (uses)	<u>(1,023,078)</u>	<u>6,404,067</u>	<u>(3,841,451)</u>	<u>(160,650)</u>	<u>1,378,888</u>
Net change in fund balances	(442,816)	63,086	(103,967)	60,184	(423,513)
Fund balances, beginning of year	6,055,253	267,907	8,942,214	3,525,216	18,790,590
Fund balances, end of year	<u>\$ 5,612,437</u>	<u>\$ 330,993</u>	<u>\$ 8,838,247</u>	<u>\$ 3,585,400</u>	<u>\$ 18,367,077</u>

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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).

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CITY OF JACKSON, MICHIGAN

Nonmajor Special Revenue Funds

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.

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.

Brownfield Assessment Grant Fund - This fund is used to account for the related EPA grant expenditures to conduct environmental assessments and develop cleanup plans. The term of the grant is October 1, 2022 through September 30, 2025.

Opioid Settlement Fund - This fund was established to track the funds received from the nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against several major pharmaceutical distributors.

HCDF Michigan Grant Fund - This fund was established to account for the expenditures related to the Michigan State Housing Development Authority Investing in Community Housing grant for the purpose of providing accessible homes for individuals with a disability. The term of this grant award is August 24, 2024 through April 30, 2026.

Housing Stability Fund - This fund is used to account for grant revenue and expenditures for the purpose of housing stability and the administration of the related grant programs. Currently, this fund includes the MI-HOPE grant from the Michigan State Housing Development Authority and the State Allocation Grant, administered by the Department of Labor and Economic Opportunity.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
June 30, 2025

	Local Street	Ella W. Sharp Park Operating	Affordable Housing	Public Improvement	Building Department	Building Demolitions
Assets						
Pooled cash and investments	\$ 1,323,198	\$ 37,716	\$ 32,422	\$ 510,461	\$ 1,316,225	\$ 335,732
Accounts receivables, net	-	-	-	-	-	79,775
Interest receivable	4,614	-	-	3,426	3,260	831
Due from other governments	191,936	-	-	-	-	-
Due from other funds	-	49,680	-	-	9,951	-
Inventories	-	15,500	-	-	-	-
Prepaid items	-	-	50,000	-	-	-
Total assets	\$ 1,519,748	\$ 102,896	\$ 82,422	\$ 513,887	\$ 1,329,436	\$ 416,338
Liabilities						
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	24,341	62,413	788	-	3,662	104,350
Accrued payroll	6,305	21,993	-	-	9,068	-
Other liabilities	-	-	-	-	374,296	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	24,508	-	-	-
Long-term advance from other funds	-	-	-	-	-	-
Total liabilities	30,646	84,406	25,296	-	387,026	104,350
Deferred inflows of resources						
Unavailable revenue - opioid settlement	-	-	-	-	-	-
Fund balances						
Nonspendable for:						
Inventories	-	15,500	-	-	-	-
Prepaid items	-	-	50,000	-	-	-
Restricted for:						
Highways and streets	1,489,102	-	-	-	-	-
Public improvements	-	-	-	513,887	-	-
Public safety	-	-	-	-	942,410	-
Community enrichment and development	-	-	7,126	-	-	-
Opioid settlement	-	-	-	-	-	-
Committed for:						
Public safety	-	-	-	-	-	311,988
Culture and recreation	-	2,990	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Total fund balances	1,489,102	18,490	57,126	513,887	942,410	311,988
Total liabilities, deferred inflows of resources and fund balances	\$ 1,519,748	\$ 102,896	\$ 82,422	\$ 513,887	\$ 1,329,436	\$ 416,338

Drug Law Enforcement	Recreation Activity	Community Development Block Grant	Community Development Home Grant	Housing Code Enforcement	Recreation Millage	Cortland Street Redevelopment Projects Fund
\$ 44,998	\$ 561,722	\$ 307,643	\$ 18,130	\$ 576,809	\$ 506,162	\$ 628,952
-	-	-	-	116,318	-	-
155	2,017	-	-	2,018	1,750	-
-	-	2,452	19,701	-	-	-
-	-	39,259	-	-	-	-
-	-	-	-	-	-	-
-	7,140	-	-	-	651	-
<u>\$ 45,153</u>	<u>\$ 570,879</u>	<u>\$ 349,354</u>	<u>\$ 37,831</u>	<u>\$ 695,145</u>	<u>\$ 508,563</u>	<u>\$ 628,952</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	49,199	35,441	27,856	5,495	5,266	339,316
-	12,749	6,100	-	11,538	9,388	-
-	-	19,319	-	-	-	-
-	-	228,543	9,789	-	-	-
-	-	9,951	186	1,044	-	-
-	-	50,000	-	-	-	-
-	61,948	349,354	37,831	18,077	14,654	339,316
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,140	-	-	-	651	-
-	-	-	-	-	-	-
45,153	-	-	-	677,068	493,258	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	501,791	-	-	-	-	-
-	-	-	-	-	-	289,636
<u>45,153</u>	<u>508,931</u>	<u>-</u>	<u>-</u>	<u>677,068</u>	<u>493,909</u>	<u>289,636</u>
<u>\$ 45,153</u>	<u>\$ 570,879</u>	<u>\$ 349,354</u>	<u>\$ 37,831</u>	<u>\$ 695,145</u>	<u>\$ 508,563</u>	<u>\$ 628,952</u>

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CITY OF JACKSON, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2025

	Byrne/JAG Programs	SAFER Grant	Project Safe Neighborhood Grant	Brownfield Assessment Grant	Opioid Settlement	HCDF Michigan Grant
Assets						
Pooled cash and investments	\$ -	\$ -	\$ 340	\$ -	\$ 264,737	\$ -
Accounts receivables, net	-	-	-	750	731,078	-
Interest receivable	-	-	-	-	-	-
Due from other governments	-	-	9,654	7,858	-	7,546
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,994</u>	<u>\$ 8,608</u>	<u>\$ 995,815</u>	<u>\$ 7,546</u>
Liabilities						
Negative equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,341
Accounts payable	-	-	9,994	8,608	-	-
Accrued payroll	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	1,205
Long-term advance from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>9,994</u>	<u>8,608</u>	<u>-</u>	<u>7,546</u>
Deferred inflows of resources						
Unavailable revenue - opioid settlement	-	-	-	-	731,078	-
Fund balances						
Nonspendable for:						
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted for:						
Highways and streets	-	-	-	-	-	-
Public improvements	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Opioid settlement	-	-	-	-	264,737	-
Committed for:						
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,737</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,994</u>	<u>\$ 8,608</u>	<u>\$ 995,815</u>	<u>\$ 7,546</u>



Housing Stability	Totals
\$ -	\$ 6,465,247
-	927,921
-	18,071
274,848	513,995
-	98,890
-	15,500
-	57,791
<hr/>	
<u>\$ 274,848</u>	<u>\$ 8,097,415</u>

\$ 268,408	\$ 274,749
-	676,729
-	77,141
-	393,615
-	238,332
6,440	43,334
-	50,000
<hr/>	
274,848	1,753,900

-	731,078
<hr/>	

-	15,500
-	57,791
-	1,489,102
-	1,007,145
-	1,664,631
-	7,126
-	264,737
-	311,988
-	504,781
-	289,636
<hr/>	
-	5,612,437
<hr/>	
<u>\$ 274,848</u>	<u>\$ 8,097,415</u>

concluded.

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, 2025

	Local Street	Ella W. Sharp Park Operating	Affordable Housing	Public Improvement	Building Department	Building Demolitions
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 1,337,393	\$ -	\$ -
Intergovernmental	1,204,133	-	830,708	107,568	-	-
Charges for services	-	784,013	-	-	652,484	209,045
Investment income	70,854	-	-	72,089	42,980	7,812
Miscellaneous	-	-	5	-	4,219	49,673
Total revenues	<u>1,274,987</u>	<u>784,013</u>	<u>830,713</u>	<u>1,517,050</u>	<u>699,683</u>	<u>266,530</u>
Expenditures						
Current:						
Public safety	-	-	-	-	589,706	216,079
Public works	1,731,856	-	-	-	-	-
Culture and recreation	-	1,206,198	-	-	-	-
Community enrichment and development	-	-	840,168	-	-	-
Total expenditures	<u>1,731,856</u>	<u>1,206,198</u>	<u>840,168</u>	<u>-</u>	<u>589,706</u>	<u>216,079</u>
Revenues over (under) expenditures	<u>(456,869)</u>	<u>(422,185)</u>	<u>(9,455)</u>	<u>1,517,050</u>	<u>109,977</u>	<u>50,451</u>
Other financing sources (uses)						
Transfers in	-	424,680	66,581	-	-	95,050
Transfers out	(86,675)	-	-	(1,522,714)	-	-
Total other financing sources (uses)	<u>(86,675)</u>	<u>424,680</u>	<u>66,581</u>	<u>(1,522,714)</u>	<u>-</u>	<u>95,050</u>
Net change in fund balances	<u>(543,544)</u>	<u>2,495</u>	<u>57,126</u>	<u>(5,664)</u>	<u>109,977</u>	<u>145,501</u>
Fund balances, beginning of year	<u>2,032,646</u>	<u>15,995</u>	<u>-</u>	<u>519,551</u>	<u>832,433</u>	<u>166,487</u>
Fund balances, end of year	<u>\$ 1,489,102</u>	<u>\$ 18,490</u>	<u>\$ 57,126</u>	<u>\$ 513,887</u>	<u>\$ 942,410</u>	<u>\$ 311,988</u>

Drug Law Enforcement	Recreation Activity	Community Development Block Grant	Community Development Home Grant	Housing Code Enforcement	Recreation Millage	Cortland Street Redevelopment Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	343,711	99,554	-	-	2,343,637
-	632,513	-	-	479,183	764,159	-
2,586	24,491	-	-	38,833	13,909	5,934
500	-	320,347	-	57,853	-	-
<u>3,086</u>	<u>657,004</u>	<u>664,058</u>	<u>99,554</u>	<u>575,869</u>	<u>778,068</u>	<u>2,349,571</u>
23,696	-	-	-	-	-	-
-	-	-	-	-	-	-
-	585,632	-	-	-	709,482	-
-	-	664,058	99,554	945,691	-	2,379,813
<u>23,696</u>	<u>585,632</u>	<u>664,058</u>	<u>99,554</u>	<u>945,691</u>	<u>709,482</u>	<u>2,379,813</u>
<u>(20,610)</u>	<u>71,372</u>	<u>-</u>	<u>-</u>	<u>(369,822)</u>	<u>68,586</u>	<u>(30,242)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(20,610)</u>	<u>71,372</u>	<u>-</u>	<u>-</u>	<u>(369,822)</u>	<u>68,586</u>	<u>(30,242)</u>
<u>65,763</u>	<u>437,559</u>	<u>-</u>	<u>-</u>	<u>1,046,890</u>	<u>425,323</u>	<u>319,878</u>
<u>\$ 45,153</u>	<u>\$ 508,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677,068</u>	<u>\$ 493,909</u>	<u>\$ 289,636</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, 2025

	Byrne/JAG Programs	SAFER Grant	Project Safe Neighborhood Grant	Brownfield Assessment Grant	Opioid Settlement	HCDF Michigan Grant
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	40,371	351,748	75,560	159,947	-	7,546
Charges for services	-	-	-	-	72,009	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	40,371	351,748	75,560	159,947	72,009	7,546
Expenditures						
Current:						
Public safety	40,371	351,748	75,560	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community enrichment and development	-	-	-	159,947	-	7,546
Total expenditures	40,371	351,748	75,560	159,947	-	7,546
Revenues over (under) expenditures	-	-	-	-	72,009	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	72,009	-
Fund balances, beginning of year	-	-	-	-	192,728	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 264,737	\$ -



Housing Stability	Totals
\$ -	\$ 1,337,393
274,848	5,839,331
-	3,593,406
-	279,488
-	432,597
<u>274,848</u>	<u>11,482,215</u>
-	1,297,160
-	1,731,856
-	2,501,312
<u>274,848</u>	<u>5,371,625</u>
<u>274,848</u>	<u>10,901,953</u>
-	<u>580,262</u>
-	586,311
-	<u>(1,609,389)</u>
-	<u>(1,023,078)</u>
-	(442,816)
-	<u>6,055,253</u>
<u>\$ -</u>	<u>\$ 5,612,437</u>

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 870,000	\$ 1,204,133	\$ 334,133	\$ 1,148,488
Investment income	65,170	70,854	5,684	130,338
Total revenues	<u>935,170</u>	<u>1,274,987</u>	<u>339,817</u>	<u>1,278,826</u>
Expenditures				
Current - public works:				
Street construction	831,820	910,318	78,498	678,871
Street maintenance	740,632	532,353	(208,279)	438,537
Traffic services	16,666	16,660	(6)	15,999
Winter maintenance	316,319	272,525	(43,794)	156,737
Reimbursements	(1,327)	-	1,327	(65,271)
Total expenditures	<u>1,904,110</u>	<u>1,731,856</u>	<u>(172,254)</u>	<u>1,224,873</u>
Revenues over (under) expenditures	<u>(968,940)</u>	<u>(456,869)</u>	<u>512,071</u>	<u>53,953</u>
Other financing sources (uses)				
Transfers in	-	-	-	271,254
Transfers out	(86,675)	(86,675)	-	(87,836)
Total other financing sources (uses)	<u>(86,675)</u>	<u>(86,675)</u>	<u>-</u>	<u>183,418</u>
Net change in fund balance	<u>(1,055,615)</u>	<u>(543,544)</u>	<u>512,071</u>	<u>237,371</u>
Fund balance, beginning of year	<u>2,032,646</u>	<u>2,032,646</u>	<u>-</u>	<u>1,795,275</u>
Fund balance, end of year	<u>\$ 977,031</u>	<u>\$ 1,489,102</u>	<u>\$ 512,071</u>	<u>\$ 2,032,646</u>

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 798,250	\$ 784,013	\$ (14,237)	\$ 711,702
Investment income	-	-	-	591
Miscellaneous	68,954	-	(68,954)	-
Total revenues	<u>867,204</u>	<u>784,013</u>	<u>(83,191)</u>	<u>712,293</u>
Expenditures				
Current - culture and recreation:				
Personnel services	448,942	451,608	2,666	383,196
Materials and supplies	257,300	298,081	40,781	319,827
Contractual and other services	520,094	456,509	(63,585)	344,758
Total expenditures	<u>1,226,336</u>	<u>1,206,198</u>	<u>(20,138)</u>	<u>1,047,781</u>
Revenues under expenditures	(359,132)	(422,185)	(63,053)	(335,488)
Other financing sources				
Transfers in	368,325	424,680	56,355	317,044
Net change in fund balance	9,193	2,495	(6,698)	(18,444)
Fund balance, beginning of year	15,995	15,995	-	34,439
Fund balance, end of year	<u>\$ 25,188</u>	<u>\$ 18,490</u>	<u>\$ (6,698)</u>	<u>\$ 15,995</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 1,230,196	\$ 830,708	\$ (399,488)	\$ 981,591
Miscellaneous	-	5	5	-
Total revenues	<u>1,230,196</u>	<u>830,713</u>	<u>(399,483)</u>	<u>981,591</u>
Expenditures				
Current - community enrichment and development - Contractual and other services	<u>1,266,196</u>	<u>840,168</u>	<u>(426,028)</u>	<u>983,904</u>
Revenues over (under) expenditures	(36,000)	(9,455)	26,545	(2,313)
Other financing sources				
Transfers in	<u>36,000</u>	<u>66,581</u>	<u>30,581</u>	<u>2,313</u>
Net change in fund balance	-	57,126	57,126	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 57,126</u>	<u>\$ 57,126</u>	<u>\$ -</u>

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Property taxes	\$ 1,334,500	\$ 1,337,393	\$ 2,893	\$ 1,266,182
Intergovernmental	85,000	107,568	22,568	92,588
Donations	16,667	-	(16,667)	-
Investment income	60,000	72,089	12,089	76,621
Total revenues	1,496,167	1,517,050	20,883	1,435,391
Expenditures				
Current - community enrichment and development	37,925	-	(37,925)	-
Revenues over expenditures	1,458,242	1,517,050	58,808	1,435,391
Other financing uses				
Transfers out	(1,493,035)	(1,522,714)	29,679	(1,244,621)
Net change in fund balance	(34,793)	(5,664)	29,129	190,770
Fund balance, beginning of year	519,551	519,551	-	328,781
Fund balance, end of year	\$ 484,758	\$ 513,887	\$ 29,129	\$ 519,551

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 545,497	\$ 652,484	\$ 106,987	\$ 705,121
Investment income	32,000	42,980	10,980	44,269
Miscellaneous	-	4,219	4,219	-
Total revenues	<u>577,497</u>	<u>699,683</u>	<u>122,186</u>	<u>749,390</u>
Expenditures				
Current - public safety:				
Personnel services	506,785	518,252	11,467	527,484
Materials and supplies	23,832	16,905	(6,927)	8,337
Contractual and other services	89,753	54,549	(35,204)	37,273
Total expenditures	<u>620,370</u>	<u>589,706</u>	<u>(30,664)</u>	<u>573,094</u>
Net change in fund balance	(42,873)	109,977	152,850	176,296
Fund balance, beginning of year	<u>832,433</u>	<u>832,433</u>	-	<u>656,137</u>
Fund balance, end of year	<u>\$ 789,560</u>	<u>\$ 942,410</u>	<u>\$ 152,850</u>	<u>\$ 832,433</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 30,000	\$ -	\$ (30,000)	\$ -
Charges for services	225,575	209,045	(16,530)	185,017
Investment income	-	7,812	7,812	8,585
Miscellaneous	-	49,673	49,673	-
Total revenues	255,575	266,530	10,955	193,602
Expenditures				
Current - public safety -				
Contractual and other services	513,085	216,079	(297,006)	397,557
Revenues over (under) expenditures	(257,510)	50,451	307,961	(203,955)
Other financing sources				
Transfers in	95,050	95,050	-	193,402
Net change in fund balance	(162,460)	145,501	307,961	(10,553)
Fund balance, beginning of year	166,487	166,487	-	177,040
Fund balance, end of year	\$ 4,027	\$ 311,988	\$ 307,961	\$ 166,487

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Investment income	\$ -	\$ 2,586	\$ 2,586	\$ 2,085
Miscellaneous	20,000	500	(19,500)	52,173
Total revenues	<u>20,000</u>	<u>3,086</u>	<u>(16,914)</u>	<u>54,258</u>
Expenditures				
Current - public safety:				
Personnel services	20,891	17,427	(3,464)	16,182
Materials and supplies	12,460	5,615	(6,845)	157
Contractual and other services	1,700	654	(1,046)	-
Total expenditures	<u>35,051</u>	<u>23,696</u>	<u>(11,355)</u>	<u>16,339</u>
Net change in fund balance	(15,051)	(20,610)	(5,559)	37,919
Fund balance, beginning of year	<u>65,763</u>	<u>65,763</u>	-	<u>27,844</u>
Fund balance, end of year	<u>\$ 50,712</u>	<u>\$ 45,153</u>	<u>\$ (5,559)</u>	<u>\$ 65,763</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 568,501	\$ 632,513	\$ 64,012	\$ 330,903
Investment income	25,000	24,491	(509)	22,839
Total revenues	<u>593,501</u>	<u>657,004</u>	<u>63,503</u>	<u>353,742</u>
Expenditures				
Current - culture and recreation:				
Personnel services	174,264	144,787	(29,477)	47,054
Materials and supplies	102,000	154,368	52,368	62,090
Contractual and other services	325,800	286,477	(39,323)	166,917
Total expenditures	<u>602,064</u>	<u>585,632</u>	<u>(16,432)</u>	<u>276,061</u>
Net change in fund balance	(8,563)	71,372	79,935	77,681
Fund balance, beginning of year	<u>437,559</u>	<u>437,559</u>	-	<u>359,878</u>
Fund balance, end of year	<u>\$ 428,996</u>	<u>\$ 508,931</u>	<u>\$ 79,935</u>	<u>\$ 437,559</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 2,298,110	\$ 343,711	\$ (1,954,399)	\$ 957,922
Miscellaneous	(193,839)	320,347	514,186	194,071
Total revenues	<u>2,104,271</u>	<u>664,058</u>	<u>(1,440,213)</u>	<u>1,151,993</u>
Expenditures				
Current -				
Community enrichment and development:				
Rehabilitation	467,554	185,193	(282,361)	228,049
Administration	262,469	165,772	(96,697)	142,013
Culture and recreation	116,027	-	(116,027)	401,448
Street construction	729,756	4,900	(724,856)	65,271
Public facility demolition	528,465	308,193	(220,272)	315,212
Total expenditures	<u>2,104,271</u>	<u>664,058</u>	<u>(1,440,213)</u>	<u>1,151,993</u>
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

Community Development Home Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 1,208,439	\$ 99,554	\$ (1,108,885)	\$ 312,533
Expenditures				
Current - community enrichment and development - Community housing development organizations	1,208,439	99,554	(1,108,885)	312,533
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

Housing Code Enforcement Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 636,661	\$ 479,183	\$ (157,478)	\$ 1,139,646
Investment income	25,000	38,833	13,833	51,956
Miscellaneous	50,000	57,853	7,853	57,202
Total revenues	711,661	575,869	(135,792)	1,248,804
Expenditures				
Current -				
Community enrichment and development	1,394,854	945,691	(449,163)	993,331
Net change in fund balance	(683,193)	(369,822)	313,371	255,473
Fund balance, beginning of year	1,046,890	1,046,890	-	791,417
Fund balance, end of year	<u>\$ 363,697</u>	<u>\$ 677,068</u>	<u>\$ 313,371</u>	<u>\$ 1,046,890</u>

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 1,000,000	\$ 764,159	\$ (235,841)	\$ 718,384
Investment income	20,000	13,909	(6,091)	11,788
Total revenues	<u>1,020,000</u>	<u>778,068</u>	<u>(241,932)</u>	<u>730,172</u>
Expenditures				
Current - culture and recreation:				
Personnel services	598,255	538,266	(59,989)	572,159
Materials and supplies	202,330	135,332	(66,998)	125,044
Contractual and other services	36,200	35,884	(316)	25,861
Total expenditures	<u>836,785</u>	<u>709,482</u>	<u>(127,303)</u>	<u>723,064</u>
Net change in fund balance	183,215	68,586	(114,629)	7,108
Fund balance, beginning of year	<u>425,323</u>	<u>425,323</u>	-	<u>418,215</u>
Fund balance, end of year	<u>\$ 608,538</u>	<u>\$ 493,909</u>	<u>\$ (114,629)</u>	<u>\$ 425,323</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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			
	Amended Budget	Actual	Actual Over (Under) Final Budget	2024 Actual
Revenues				
Intergovernmental	\$ 2,362,365	\$ 2,343,637	\$ (18,728)	\$ 1,250,251
Investment income	4,000	5,934	1,934	10,011
Total revenues	2,366,365	2,349,571	(16,794)	1,260,262
Expenditures				
Current -				
Community enrichment and development -				
Economic development	2,395,240	2,379,813	(15,427)	1,350,571
Net change in fund balance	(28,875)	(30,242)	(1,367)	(90,309)
Fund balance, beginning of year	319,878	319,878	-	410,187
Fund balance, end of year	\$ 291,003	\$ 289,636	\$ (1,367)	\$ 319,878

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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 70,794	\$ 40,371	\$ (30,423)	\$ 23,202
Expenditures				
Current - public safety - Contractual and other services	70,794	40,371	(30,423)	23,202
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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 351,748	\$ 351,748	\$ -	\$ 484,018
Expenditures				
Current - public safety - Personnel services	351,748	351,748	-	484,018
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, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 100,199	\$ 75,560	\$ (24,639)	\$ 140,654
Expenditures				
Current - public safety:				
Personnel services	30,957	30,957	-	100,216
Community enrichment	69,242	44,603	(24,639)	40,438
Total expenditures	100,199	75,560	(24,639)	140,654
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

Brownfield Assessment Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental revenue	\$ 223,218	\$ 159,947	\$ (63,271)	\$ 246,782
Expenditures				
Current -				
Community enrichment and development -				
Administration	223,218	159,947	(63,271)	246,782
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

Opioid Settlement Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Charges for services	\$ 66,645	\$ 72,009	\$ 5,364	\$ 163,552
Other financing uses				
Transfers out	-	-	-	(89,000)
Net change in fund balance	66,645	72,009	5,364	74,552
Fund balance, beginning of year	192,728	192,728	-	118,176
Fund balance, end of year	<u>\$ 259,373</u>	<u>\$ 264,737</u>	<u>\$ 5,364</u>	<u>\$ 192,728</u>

CITY OF JACKSON, MICHIGAN

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

HCDF Michigan Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 21,000	\$ 7,546	\$ (13,454)	\$ -
Expenditures				
Current - community enrichment and development - Community housing development organizations	21,000	7,546	(13,454)	-
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

Housing Stability Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2024

	2025			2024 Actual
	Amended Budget	Actual	Actual Over (Under) Final Budget	
Revenues				
Intergovernmental	\$ 655,000	\$ 274,848	\$ (380,152)	\$ -
Expenditures				
Current - community enrichment and development - Community housing development organizations	655,000	274,848	(380,152)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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.

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.

2018 Capital Improvement Bonds Debt Service Fund - This fund is used to record principal and interest payments on the \$14,890,000 Bonds dated June 28, 2018.

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.

2024 Michigan Transportation Bonds Debt Service Fund - This fund is used to record principal and interest payments on the \$3,650,000 Bonds, dated June 25, 2024.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2025

	2001 DDA TIF	2016 Capital Improvement Bonds	2017 Brownfield Refunding	2017 Michigan Transportation Bonds	2018 Capital Improvement Bonds
Assets					
Pooled cash and investments	\$ 637	\$ -	\$ 1,900	\$ -	\$ -
Interest receivable	-	-	-	-	-
Total assets	<u>\$ 637</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances					
Restricted for debt service	<u>\$ 637</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ -</u>	<u>\$ -</u>



2019 DDA Refunding	2020 Capital Improvement Bonds	Special Assessment	2021 City Hall Refunding	2021 Brownfield Refunding	2024 Michigan Transportation Bonds	Totals
\$ 211	\$ 7,088	\$ -	\$ 319,444	\$ 618	\$ -	\$ 329,898
-	-	-	1,095	-	-	1,095
<u>\$ 211</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 320,539</u>	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 330,993</u>
<u>\$ 211</u>	<u>\$ 7,088</u>	<u>\$ -</u>	<u>\$ 320,539</u>	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 330,993</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, 2025

	2001 DDA TIF	2016 Capital Improvement Bonds	2017 Brownfield Refunding	2017 Michigan Transportation Bonds	2018 Capital Improvement Bonds
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,764,600	-	-
Total revenues	-	-	1,764,600	-	-
Expenditures					
Debt service:					
Principal	790,033	141,000	1,560,000	645,000	900,000
Interest and fiscal charges	2,242,369	4,743	204,600	116,885	500,248
Total expenditures	3,032,402	145,743	1,764,600	761,885	1,400,248
Revenues over (under) expenditures	(3,032,402)	(145,743)	-	(761,885)	(1,400,248)
Other financing sources					
Transfers in	3,032,402	145,743	-	761,885	1,400,248
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	637	-	1,900	-	-
Fund balances, end of year	\$ 637	\$ -	\$ 1,900	\$ -	\$ -

2019 DDA Refunding	2020 Capital Improvement Bonds	Special Assessment	2021 City Hall Refunding	2021 Brownfield Refunding	2024 Michigan Transportation Bonds	Totals
\$ -	\$ -	\$ -	\$ 709,662	\$ -	\$ -	\$ 709,662
-	-	-	81,040	38,592	-	1,884,232
-	-	-	790,702	38,592	-	2,593,894
40,000	198,000	147,000	741,000	-	300,000	5,462,033
167,157	25,791	15,008	(13,384)	38,592	170,833	3,472,842
207,157	223,791	162,008	727,616	38,592	470,833	8,934,875
(207,157)	(223,791)	(162,008)	63,086	-	(470,833)	(6,340,981)
207,157	223,791	162,008	-	-	470,833	6,404,067
-	-	-	63,086	-	-	63,086
211	7,088	-	257,453	618	-	267,907
\$ 211	\$ 7,088	\$ -	\$ 320,539	\$ 618	\$ -	\$ 330,993

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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.

Michigan Transportation Bonds Construction Fund - This fund accounts for monies set aside for various capital road improvements funded by the 2024 Michigan Transportation Fund Bonds.

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.

CITY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2025

	Capital Projects	Michigan Transportation Bonds Construction	Downtown Development Authority Project	Totals
Assets				
Pooled cash and investments	\$ 510,968	\$ 2,046,925	\$ 6,306,988	\$ 8,864,881
Interest receivable	-	7,068	21,778	28,846
Leases receivable	-	-	2,183	2,183
Total assets	<u>\$ 510,968</u>	<u>\$ 2,053,993</u>	<u>\$ 6,330,949</u>	<u>\$ 8,895,910</u>
Liabilities				
Accounts payable	\$ 55,480	\$ -	\$ -	\$ 55,480
Deferred inflows of resources				
Deferred lease amounts	-	-	2,183	2,183
Fund balances				
Restricted for downtown development	-	-	6,328,766	6,328,766
Restricted for highways and streets	-	2,053,993	-	2,053,993
Committed for capital projects	455,488	-	-	455,488
Total fund balances	<u>455,488</u>	<u>2,053,993</u>	<u>6,328,766</u>	<u>8,838,247</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 510,968</u>	<u>\$ 2,053,993</u>	<u>\$ 6,330,949</u>	<u>\$ 8,895,910</u>

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, 2025

	Capital Projects	Michigan Transportation Bonds Construction	Downtown Development Authority Project	Totals
Revenues				
Property taxes	\$ -	\$ -	\$ 1,862,954	\$ 1,862,954
Intergovernmental	-	-	132,390	132,390
Charges for services	-	-	1,500,000	1,500,000
Investment income	7,287	140,466	318,426	466,179
Total revenues	7,287	140,466	3,813,770	3,961,523
Expenditures				
Current:				
Community enrichment and development	224,039	-	-	224,039
Revenues over (under) expenditures	(216,752)	140,466	3,813,770	3,737,484
Other financing sources (uses)				
Transfers in	486,755	-	-	486,755
Transfers out	-	(1,088,647)	(3,239,559)	(4,328,206)
Total other financing sources (uses)	486,755	(1,088,647)	(3,239,559)	(3,841,451)
Net change in fund balances	270,003	(948,181)	574,211	(103,967)
Fund balances, beginning of year	185,485	3,002,174	5,754,555	8,942,214
Fund balances, end of year	\$ 455,488	\$ 2,053,993	\$ 6,328,766	\$ 8,838,247

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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, 2025

	Ella W. Sharp Park Endowment	Cemetery Perpetual Maintenance	Lloyd E. Mount Endowment	Total
Assets				
Pooled cash and investments - restricted	\$ 1,164,792	\$ 2,164,734	\$ 305,554	\$ 3,635,080
Liabilities				
Due to other funds	\$ 40,233	\$ -	\$ 9,447	\$ 49,680
Fund balances				
Nonspendable for:				
Perpetual care	-	2,164,734	-	2,164,734
Endowment	1,124,559	-	296,107	1,420,666
Total fund balances	1,124,559	2,164,734	296,107	3,585,400
Total liabilities and fund balances	\$ 1,164,792	\$ 2,164,734	\$ 305,554	\$ 3,635,080

CITY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

For the Fiscal Year Ended June 30, 2025

	Ella W. Sharp Park Endowment	Cemetery Perpetual Maintenance	Lloyd E. Mount Endowment	Total
Revenues				
Charges for services	\$ -	\$ 29,116	\$ -	\$ 29,116
Investment income	64,411	110,970	16,337	191,718
Total revenues	64,411	140,086	16,337	220,834
Other financing uses				
Transfers out	(40,233)	(110,970)	(9,447)	(160,650)
Net change in fund balances	24,178	29,116	6,890	60,184
Fund balances, beginning of year	1,100,381	2,135,618	289,217	3,525,216
Fund balances, end of year	<u>\$ 1,124,559</u>	<u>\$ 2,164,734</u>	<u>\$ 296,107</u>	<u>\$ 3,585,400</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.

Parking Deck 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

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2025

	Automobile Parking System	Parking Assessment	Parking Deck	Totals
Assets				
Current assets:				
Pooled cash and investments	\$ 122,983	\$ 150,044	\$ 557,810	\$ 830,837
Accounts receivable	-	8,765	25,028	33,793
Interest receivable	425	518	1,926	2,869
Total current assets	123,408	159,327	584,764	867,499
Noncurrent assets:				
Capital assets not being depreciated/amortized	1,682,727	-	7,060,843	8,743,570
Capital assets being depreciated/amortized, net	2,309,530	-	7,362,402	9,671,932
Total noncurrent assets	3,992,257	-	14,423,245	18,415,502
Total assets	4,115,665	159,327	15,008,009	19,283,001
Liabilities				
Current liabilities:				
Accounts payable	-	2,147	257	2,404
Accrued payroll	-	2,069	-	2,069
Due to other funds	-	65	-	65
Total liabilities	-	4,281	257	4,538
Net position				
Investment in capital assets	3,992,257	-	14,423,245	18,415,502
Unrestricted	123,408	155,046	584,507	862,961
Total net position	\$ 4,115,665	\$ 155,046	\$ 15,007,752	\$ 19,278,463

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, 2025

	Automobile Parking System	Parking Assessment	Parking Deck	Totals
Operating revenues				
Charges for sales and services	\$ 1,800	\$ 231,758	\$ 12,411	\$ 245,969
Other	-	44,352	-	44,352
Total operating revenues	<u>1,800</u>	<u>276,110</u>	<u>12,411</u>	<u>290,321</u>
Operating expenses				
Personnel services	-	109,303	-	109,303
Contractual and other services	4,306	159,266	31,932	195,504
Depreciation/amortization	144,969	-	262,945	407,914
Total operating expenses	<u>149,275</u>	<u>268,569</u>	<u>294,877</u>	<u>712,721</u>
Operating income (loss)	(147,475)	7,541	(282,466)	(422,400)
Nonoperating revenues				
Investment income	5,675	7,830	26,141	39,646
Income (loss) before transfers	(141,800)	15,371	(256,325)	(382,754)
Transfers in	92,143	147,475	-	239,618
Transfers out	(102,078)	(92,143)	-	(194,221)
Change in net position	<u>(151,735)</u>	<u>70,703</u>	<u>(256,325)</u>	<u>(337,357)</u>
Net position, beginning of year	4,267,400	84,343	15,264,077	19,615,820
Net position, end of year	<u>\$ 4,115,665</u>	<u>\$ 155,046</u>	<u>\$ 15,007,752</u>	<u>\$ 19,278,463</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2025

	Automobile Parking System	Parking Assessment	Parking Deck	Totals
Cash flows from operating activities				
Receipts from customers and users	\$ 1,800	\$ 286,605	\$ 23,642	\$ 312,047
Payments to employees	-	(109,303)	-	(109,303)
Payments to vendors and claimants	(4,306)	(178,998)	(34,431)	(217,735)
Net cash used in operating activities	<u>(2,506)</u>	<u>(1,696)</u>	<u>(10,789)</u>	<u>(14,991)</u>
Cash flows from noncapital financing activities				
Transfers in	92,143	147,475	-	239,618
Transfers out	(102,078)	(92,143)	-	(194,221)
Net cash provided by (used in) noncapital financing activities	<u>(9,935)</u>	<u>55,332</u>	<u>-</u>	<u>45,397</u>
Cash flows from investing activities				
Interest received on investments	5,731	7,641	26,223	39,595
Net change in cash and cash equivalents	<u>(6,710)</u>	<u>61,277</u>	<u>15,434</u>	<u>70,001</u>
Cash and cash equivalents, beginning of year	129,693	88,767	542,376	760,836
Cash and cash equivalents, end of year	<u>\$ 122,983</u>	<u>\$ 150,044</u>	<u>\$ 557,810</u>	<u>\$ 830,837</u>
Reconciliation of operating income (loss) to net cash used in operating activities				
Operating income (loss)	\$ (147,475)	\$ 7,541	\$ (282,466)	\$ (422,400)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation/amortization	144,969	-	262,945	407,914
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	-	10,430	11,231	21,661
Accounts payable	-	(20,246)	(2,499)	(22,745)
Accrued payroll	-	514	-	514
Due to other funds	-	65	-	65
Net cash used in operating activities	<u>\$ (2,506)</u>	<u>\$ (1,696)</u>	<u>\$ (10,789)</u>	<u>\$ (14,991)</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 reimbursement basis.

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.

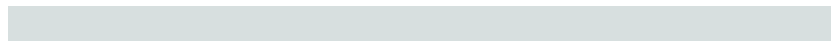
CITY OF JACKSON, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2025

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Assets			
Current assets:			
Pooled cash and investments	\$ 988,259	\$ 301,203	\$ 861,319
Accounts receivable	-	-	37,267
Interest receivable	3,412	867	2,491
Prepaid items	-	-	-
Restricted cash -			
Cash on hand with agents	46,000	-	-
Total current assets	<u>1,037,671</u>	<u>302,070</u>	<u>901,077</u>
Noncurrent assets -			
Capital assets being depreciated/amortized, net	-	-	2,363,970
Total assets	<u>1,037,671</u>	<u>302,070</u>	<u>3,265,047</u>
Liabilities			
Current liabilities:			
Accounts payable	11,850	19,344	25,525
Accrued payroll	-	-	14,226
Estimated claims payable	54,792	-	-
Current portion of notes and other long-term liabilities	-	-	5,673
Total liabilities	<u>66,642</u>	<u>19,344</u>	<u>45,424</u>
Net position			
Net investment in capital assets	-	-	2,358,297
Unrestricted	971,029	282,726	861,326
Total net position	<u>\$ 971,029</u>	<u>\$ 282,726</u>	<u>\$ 3,219,623</u>



Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 495,231	\$ 147,242	\$ 261,992	\$ 3,055,246
33,772	-	-	71,039
1,942	518	905	10,135
2,174	-	-	2,174
-	-	-	46,000
<u>533,119</u>	<u>147,760</u>	<u>262,897</u>	<u>3,184,594</u>
-	-	-	2,363,970
<u>533,119</u>	<u>147,760</u>	<u>262,897</u>	<u>5,548,564</u>
14,154	10,534	-	81,407
9,239	2,069	-	25,534
-	-	-	54,792
-	-	-	5,673
<u>23,393</u>	<u>12,603</u>	<u>-</u>	<u>167,406</u>
-	-	-	2,358,297
<u>509,726</u>	<u>135,157</u>	<u>262,897</u>	<u>3,022,861</u>
<u>\$ 509,726</u>	<u>\$ 135,157</u>	<u>\$ 262,897</u>	<u>\$ 5,381,158</u>

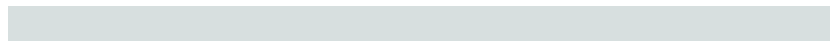
CITY OF JACKSON, MICHIGAN

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Operating revenues			
Charges for services	\$ 175,645	\$ 6,346,831	\$ 235,759
Miscellaneous	-	-	1,490,722
Total operating revenues	<u>175,645</u>	<u>6,346,831</u>	<u>1,726,481</u>
Operating expenses			
Personnel services	-	-	475,835
Administration	-	-	-
Materials and supplies	-	-	399,751
Contractual and other services	1,148	6,693,073	203,771
Benefit payments	233,117	-	-
Depreciation/amortization	-	-	524,972
Total operating expenses	<u>234,265</u>	<u>6,693,073</u>	<u>1,604,329</u>
Operating income (loss)	<u>(58,620)</u>	<u>(346,242)</u>	<u>122,152</u>
Nonoperating revenues			
Investment income	46,236	24,704	53,390
Gain on sale of capital assets	-	-	46,883
Total nonoperating revenues	<u>46,236</u>	<u>24,704</u>	<u>100,273</u>
Income (loss) before transfers	(12,384)	(321,538)	222,425
Transfers out	-	-	(51,809)
Change in net position	(12,384)	(321,538)	170,616
Net position, beginning of year	<u>983,413</u>	<u>604,264</u>	<u>3,049,007</u>
Net position, end of year	<u>\$ 971,029</u>	<u>\$ 282,726</u>	<u>\$ 3,219,623</u>



Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 671,451	\$ 276,343	\$ 54,589	\$ 7,760,618
311	-	-	1,491,033
<u>671,762</u>	<u>276,343</u>	<u>54,589</u>	<u>9,251,651</u>
379,180	251,872	-	1,106,887
147,973	93,861	-	241,834
-	-	-	399,751
-	-	200,000	7,097,992
-	-	-	233,117
-	-	-	524,972
<u>527,153</u>	<u>345,733</u>	<u>200,000</u>	<u>9,604,553</u>
<u>144,609</u>	<u>(69,390)</u>	<u>(145,411)</u>	<u>(352,902)</u>
8,989	7,253	17,671	158,243
-	-	-	46,883
<u>8,989</u>	<u>7,253</u>	<u>17,671</u>	<u>205,126</u>
153,598	(62,137)	(127,740)	(147,776)
-	-	-	(51,809)
153,598	(62,137)	(127,740)	(199,585)
<u>356,128</u>	<u>197,294</u>	<u>390,637</u>	<u>5,580,743</u>
<u>\$ 509,726</u>	<u>\$ 135,157</u>	<u>\$ 262,897</u>	<u>\$ 5,381,158</u>

CITY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

	Workers' Compensation	Self Insurance Health	Motor Pool and Garage
Cash flows from operating activities			
Receipts for interfund services provided	\$ 175,645	\$ 6,346,831	\$ 1,695,654
Payments to employees	-	-	(466,984)
Payments to vendors and claimants	(208,742)	(6,698,054)	(615,752)
Net cash provided by (used in) operating activities	<u>(33,097)</u>	<u>(351,223)</u>	<u>612,918</u>
Cash flows from noncapital financing activities			
Transfers out	-	-	(51,809)
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	(831,236)
Proceeds from sale of capital assets	-	-	46,883
Principal paid on notes and other long-term liabilities	-	-	(139,551)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(923,904)</u>
Cash flows from investing activities			
Interest received on investments	46,436	25,973	55,064
Net change in cash and cash equivalents	13,339	(325,250)	(307,731)
Cash and cash equivalents, beginning of year	1,020,920	626,453	1,169,050
Cash and cash equivalents, end of year	<u>\$ 1,034,259</u>	<u>\$ 301,203</u>	<u>\$ 861,319</u>
Statement of net position classification of cash			
Pooled cash and investments	\$ 988,259	\$ 301,203	\$ 861,319
Restricted cash -			
Cash on hand with agents	46,000	-	-
	<u>\$ 1,034,259</u>	<u>\$ 301,203</u>	<u>\$ 861,319</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (58,620)	\$ (346,242)	\$ 122,152
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	-	-	524,972
Change in operating assets and liabilities that provided (used) cash:			
Accounts receivable	-	-	(30,827)
Prepaid items	-	-	165
Accounts payable	10,361	(4,981)	(12,395)
Accrued payroll	-	-	8,851
Estimated claims payable	15,162	-	-
Net cash provided by (used in) operating activities	<u>\$ (33,097)</u>	<u>\$ (351,223)</u>	<u>\$ 612,918</u>

Public Works Administration	Engineering Administration	Local Site Remediation Revolving	Totals
\$ 673,512	\$ 276,343	\$ 54,589	\$ 9,222,574
(374,615)	(252,771)	-	(1,094,370)
(145,171)	(86,403)	(200,000)	(7,954,122)
<u>153,726</u>	<u>(62,831)</u>	<u>(145,411)</u>	<u>174,082</u>
-	-	-	(51,809)
-	-	-	(831,236)
-	-	-	46,883
-	-	-	(139,551)
-	-	-	(923,904)
<u>8,255</u>	<u>7,486</u>	<u>18,208</u>	<u>161,422</u>
<u>161,981</u>	<u>(55,345)</u>	<u>(127,203)</u>	<u>(640,209)</u>
<u>333,250</u>	<u>202,587</u>	<u>389,195</u>	<u>3,741,455</u>
<u>\$ 495,231</u>	<u>\$ 147,242</u>	<u>\$ 261,992</u>	<u>\$ 3,101,246</u>
\$ 495,231	\$ 147,242	\$ 261,992	\$ 3,055,246
-	-	-	46,000
<u>\$ 495,231</u>	<u>\$ 147,242</u>	<u>\$ 261,992</u>	<u>\$ 3,101,246</u>
\$ 144,609	\$ (69,390)	\$ (145,411)	\$ (352,902)
-	-	-	524,972
1,750	-	-	(29,077)
(1,667)	2,400	-	898
4,469	5,058	-	2,512
4,565	(899)	-	12,517
-	-	-	15,162
<u>\$ 153,726</u>	<u>\$ (62,831)</u>	<u>\$ (145,411)</u>	<u>\$ 174,082</u>

CITY OF JACKSON, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

June 30, 2025

	Capital Projects		
	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Pooled cash and investments	\$ 1,181,721	\$ -	\$ 1,181,721
Interest receivable	4,080	-	4,080
Total assets	<u>\$ 1,185,801</u>	<u>-</u>	<u>1,185,801</u>
Liabilities			
Accounts payable	\$ 26,522	-	26,522
Salaries payable	223	-	223
Total liabilities	26,745	-	26,745
Fund balance			
Committed	<u>1,159,056</u>	<u>(1,159,056)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,185,801</u>		
Net position - unrestricted		<u>\$ 1,159,056</u>	<u>\$ 1,159,056</u>

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, 2025

	Capital Projects		
	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 1,650,649	\$ -	\$ 1,650,649
Intergovernmental	243,841	-	243,841
Interest revenue	76,254	-	76,254
Total revenues	1,970,744	-	1,970,744
Expenditures/Expenses			
Community enrichment	2,466,616	-	2,466,616
Net change in fund balance	(495,872)	495,872	-
Change in net position	-	(495,872)	(495,872)
Fund balance / net position, beginning of year	1,654,928	-	1,654,928
Fund balance / net position, end of year	<u>\$ 1,159,056</u>	<u>\$ -</u>	<u>\$ 1,159,056</u>

CITY OF JACKSON, MICHIGAN

Balance Sheet / Statement of Net Position

MLK Corridor Improvement Authority Component Unit

June 30, 2025

	MLK Corridor Improvement Authority	Adjustments	Statement of Net Position
Assets			
Pooled cash and investments	\$ 41,602	\$ -	\$ 41,602
Liabilities			
Accounts payable	\$ 27,250	-	27,250
Fund balance			
Committed	14,352	(14,352)	-
Total liabilities and fund balance	<u>\$ 41,602</u>		
Net position - unrestricted		<u>\$ 14,352</u>	<u>\$ 14,352</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, 2025

	MLK Corridor Improvement Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 30,737	\$ -	\$ 30,737
Intergovernmental	613,551	-	613,551
Miscellaneous	100,000	-	100,000
Total revenues	744,288	-	744,288
Expenditures/Expenses			
Community enrichment	790,205	-	790,205
Net change in fund balance	(45,917)	45,917	-
Change in net position	-	(45,917)	(45,917)
Fund balance / net position, beginning of year	60,269	-	60,269
Fund balance / net position, end of year	<u>\$ 14,352</u>	<u>\$ -</u>	<u>\$ 14,352</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.

CONTENTS	<u>Page</u>
Financial Trends (schedules 1 thru 5)	188
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity (schedules 6 thru 9)	199
These schedules contain information to help the reader assess the government's most significant local sources: property taxes and water and wastewater usage fees.	
Debt Capacity (schedules 10 thru 12)	204
These schedules present information to help the reader assess the affordability of the government's government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information (schedules 13 and 14)	209
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)	211
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)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 41,858,320	\$ 46,037,381	\$ 51,108,178	\$ 54,931,404
Restricted	7,208,873	7,592,831	12,047,542	12,471,809
Unrestricted (deficit)	(67,681,747)	(64,742,170)	(64,345,914)	(58,450,664)
Total governmental activities net position	\$ (18,614,554)	\$ (11,111,958)	\$ (1,190,194)	\$ 8,952,549
Business-type activities				
Net investment in capital assets	\$ 62,021,038	\$ 64,851,145	\$ 68,554,581	\$ 72,433,199
Unrestricted	22,422,024	23,100,849	3,005,828	7,188,718
Total business-type activities net position	\$ 84,443,062	\$ 87,951,994	\$ 71,560,409	\$ 79,621,917
Primary government				
Net investment in capital assets	\$ 103,879,358	\$ 110,888,526	\$ 119,662,759	\$ 127,364,603
Restricted	7,208,873	7,592,831	12,047,542	12,471,809
Unrestricted (deficit)	(45,259,723)	(41,641,321)	(61,340,086)	(51,261,946)
Total primary government net position	\$ 65,828,508	\$ 76,840,036	\$ 70,370,215	\$ 88,574,466

Source: City of Jackson Finance Department

2020	2021	2022	2023	2024	2025
\$ 53,606,187	\$ 56,712,552	\$ 62,821,769	\$ 82,347,338	\$ 90,360,863	\$ 99,636,436
19,370,145	15,698,597	14,813,873	15,148,854	18,947,145	19,879,080
(63,759,803)	(51,690,787)	(44,248,934)	(36,470,075)	(29,386,098)	(20,711,876)
<u>\$ 9,216,529</u>	<u>\$ 20,720,362</u>	<u>\$ 33,386,708</u>	<u>\$ 61,026,117</u>	<u>\$ 79,921,910</u>	<u>\$ 98,803,640</u>
\$ 76,607,394	\$ 78,429,317	\$ 80,891,095	\$ 84,251,875	\$ 93,742,001	\$ 106,399,229
14,797,454	19,866,402	24,914,171	32,887,906	39,752,510	41,887,611
<u>\$ 91,404,848</u>	<u>\$ 98,295,719</u>	<u>\$ 105,805,266</u>	<u>\$ 117,139,781</u>	<u>\$ 133,494,511</u>	<u>\$ 148,286,840</u>
\$ 130,213,581	\$ 135,141,869	\$ 143,712,864	\$ 166,599,213	\$ 184,102,864	\$ 206,035,665
19,370,145	15,698,597	14,813,873	15,148,854	18,946,200	19,679,270
(48,962,349)	(31,824,385)	(19,334,763)	(3,582,169)	10,367,357	21,375,545
<u>\$ 100,621,377</u>	<u>\$ 119,016,081</u>	<u>\$ 139,191,974</u>	<u>\$ 178,165,898</u>	<u>\$ 213,416,421</u>	<u>\$ 247,090,480</u>

CITY OF JACKSON, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2016	2017	2018	2019
Revenue				
Governmental activities:				
Program revenues:				
Charges for services	\$ 6,865,865	\$ 7,230,063	\$ 7,633,281	\$ 8,518,198
Operating grants and contributions	8,528,481	8,057,043	7,188,154	10,617,226
Capital grants and contributions	4,382,916	4,912,701	8,725,585	3,304,842
General revenues:				
Property taxes	10,098,963	11,107,219	11,426,851	11,897,574
Income taxes	8,269,968	9,021,888	9,042,070	9,882,250
Grants and contributions not restricted to specific programs	4,529,640	4,587,193	4,667,253	4,769,735
Other	273,697	236,961	353,866	856,080
Total governmental activities revenues	<u>42,949,530</u>	<u>45,153,068</u>	<u>49,037,060</u>	<u>49,845,905</u>
Business-type activities:				
Program revenues:				
Charges for services	12,950,095	14,689,369	15,207,460	16,191,522
Operating grants and contributions	-	-	-	1,441,018
General revenues:				
Grants and contributions not restricted to specific programs	484,125	482,229	556,648	-
Other	65,603	74,213	137,466	361,329
Total business-type activities revenues	<u>13,499,823</u>	<u>15,245,811</u>	<u>15,901,574</u>	<u>17,993,869</u>
Total primary government revenues	<u>56,449,353</u>	<u>60,398,879</u>	<u>64,938,634</u>	<u>67,839,774</u>
Expenses				
Governmental activities:				
Legislative	86,196	88,390	108,282	103,078
General government	4,919,166	4,757,600	(191,739)	3,452,770
Public safety	23,831,644	16,974,653	14,191,120	18,321,150
Public works	6,008,799	6,217,969	7,401,586	3,832,094
Culture and recreation	3,001,248	3,386,015	3,137,477	3,209,702
Community enrichment & development	3,853,316	3,622,160	4,965,201	5,420,109
Interest on long-term debt	2,224,745	2,501,062	2,496,690	3,127,526
Total governmental activities expenses	<u>43,925,114</u>	<u>37,547,849</u>	<u>32,108,617</u>	<u>37,466,429</u>
Business-type activities:				
Sewer	4,697,987	4,545,319	2,759,909	3,702,480
Water	6,837,381	6,761,160	4,001,789	7,874,503
Parking system	507,451	498,772	559,056	536,176
Golf practice center	41,907	34,251	33,139	55,935
Total business-type activities expenses	<u>12,084,726</u>	<u>11,839,502</u>	<u>7,353,893</u>	<u>12,169,094</u>
Total primary government expenses	<u>56,009,840</u>	<u>49,387,351</u>	<u>39,462,510</u>	<u>49,635,523</u>
Change in net position	439,513	11,011,528	25,476,124	18,204,251
Net position, beginning of year, as restated	<u>65,388,995</u>	<u>65,828,508</u>	<u>44,894,091</u>	<u>70,370,215</u>
Net position, end of year	<u>\$ 65,828,508</u>	<u>\$ 76,840,036</u>	<u>\$ 70,370,215</u>	<u>\$ 88,574,466</u>

Source: City of Jackson Finance Department.

	2020	2021	2022	2023	2024	2025
\$	7,212,485	\$ 8,863,355	\$ 7,918,596	\$ 9,048,747	\$ 8,943,744	\$ 9,819,592
	7,342,490	8,476,639	8,906,042	9,484,160	9,453,056	8,577,802
	4,332,079	2,044,314	3,163,971	13,946,527	3,715,222	7,236,407
	12,634,482	13,179,820	13,541,770	13,716,121	14,245,203	14,936,676
	9,056,222	9,217,674	11,252,147	11,418,387	11,020,164	10,401,384
	5,309,368	7,045,117	6,228,557	8,463,448	10,835,164	11,779,104
	778,808	259,416	151,005	1,088,365	2,010,452	1,923,172
	<u>46,665,934</u>	<u>49,086,335</u>	<u>51,162,088</u>	<u>67,165,755</u>	<u>60,223,005</u>	<u>64,674,137</u>
	17,252,403	18,884,512	19,501,003	20,035,993	20,541,370	21,960,298
	1,379,553	1,357,416	748,050	2,297,549	852,729	1,858,193
	-	-	-	2,025,793	7,522,263	6,430,809
	339,176	77,735	175,133	1,715,364	2,804,934	2,383,603
	<u>18,971,132</u>	<u>20,319,663</u>	<u>20,424,186</u>	<u>26,074,699</u>	<u>31,721,296</u>	<u>32,632,903</u>
	<u>65,637,066</u>	<u>69,405,998</u>	<u>71,586,274</u>	<u>93,240,454</u>	<u>91,944,301</u>	<u>97,307,040</u>
	100,797	97,924	96,556	119,106	94,687	114,795
	4,454,511	4,203,847	3,784,852	3,892,672	4,985,971	5,049,440
	19,210,546	14,862,879	15,836,142	15,476,677	15,319,528	15,557,325
	5,672,141	7,619,674	8,358,239	6,087,572	7,511,167	8,508,741
	3,083,804	1,581,726	3,465,676	3,896,658	4,035,916	4,855,567
	5,344,897	7,058,777	4,571,346	7,778,547	7,031,925	7,127,970
	3,137,665	3,057,159	3,237,005	3,109,499	3,155,084	3,404,281
	<u>41,004,361</u>	<u>38,481,986</u>	<u>39,349,816</u>	<u>40,360,731</u>	<u>42,134,278</u>	<u>44,618,119</u>
	5,438,938	5,254,598	6,619,284	4,626,107	4,983,190	5,546,881
	6,538,937	6,693,155	4,832,133	8,598,300	8,684,677	10,816,032
	568,341	581,555	609,148	681,392	891,633	717,075
	39,578	-	-	-	-	-
	<u>12,585,794</u>	<u>12,529,308</u>	<u>12,060,565</u>	<u>13,905,799</u>	<u>14,559,500</u>	<u>17,079,988</u>
	<u>53,590,155</u>	<u>51,011,294</u>	<u>51,410,381</u>	<u>54,266,530</u>	<u>56,693,778</u>	<u>61,698,107</u>
	12,046,911	18,394,704	20,175,893	38,973,924	35,250,523	35,608,933
	<u>88,574,466</u>	<u>100,621,377</u>	<u>119,016,081</u>	<u>139,191,974</u>	<u>178,165,898</u>	<u>211,481,547</u>
\$	<u>100,621,377</u>	<u>\$ 119,016,081</u>	<u>\$ 139,191,974</u>	<u>\$ 178,165,898</u>	<u>\$ 213,416,421</u>	<u>\$ 247,090,480</u>

CITY OF JACKSON, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
General fund				
Nonspendable	\$ 67,427	\$ 99,168	\$ 95,466	\$ 80,802
Restricted	-	-	-	297,934
Unassigned	6,041,453	7,199,991	8,881,658	7,877,478
Total general fund	<u>\$ 6,108,880</u>	<u>\$ 7,299,159</u>	<u>\$ 8,977,124</u>	<u>\$ 8,256,214</u>
All other governmental funds				
Nonspendable	\$ 3,472,264	\$ 3,629,388	\$ 3,612,791	\$ 3,692,649
Restricted	4,137,161	11,876,369	21,283,514	19,537,130
Committed	956,075	808,067	1,084,236	1,608,967
Unassigned (deficit)	(1,134,975)	(791,262)	(509,505)	(2,834,910)
Total all other governmental funds	<u>7,430,525</u>	<u>15,522,562</u>	<u>25,471,036</u>	<u>22,003,836</u>
Total governmental funds	<u>\$ 13,539,405</u>	<u>\$ 22,821,721</u>	<u>\$ 34,448,160</u>	<u>\$ 30,260,050</u>

Source: City of Jackson Finance Department.

2020	2021	2022	2023	2024	2025
\$ 64,330	\$ 78,847	\$ 761,772	\$ 105,097	\$ 177,312	\$ 846,190
192,808	56,761	17,316	14,126	13,966	16,872
<u>7,042,296</u>	<u>10,521,234</u>	<u>12,399,625</u>	<u>13,813,728</u>	<u>15,624,676</u>	<u>17,974,485</u>
<u>\$ 7,299,434</u>	<u>\$ 10,656,842</u>	<u>\$ 13,178,713</u>	<u>\$ 13,932,951</u>	<u>\$ 15,815,954</u>	<u>\$ 18,837,547</u>
\$ 3,759,457	\$ 3,809,681	\$ 3,754,418	\$ 3,835,898	\$ 3,872,366	\$ 3,989,315
11,968,434	9,478,645	9,028,078	9,162,318	14,960,030	15,155,572
2,412,325	1,828,750	1,947,249	2,569,133	1,109,904	1,561,893
<u>(3,315,558)</u>	<u>(1,881,815)</u>	<u>(1,570,952)</u>	<u>(1,540,108)</u>	<u>(1,820,039)</u>	<u>(1,278,430)</u>
<u>14,824,658</u>	<u>13,235,261</u>	<u>13,158,793</u>	<u>14,027,241</u>	<u>18,122,261</u>	<u>19,428,350</u>
<u>\$ 22,124,092</u>	<u>\$ 23,892,103</u>	<u>\$ 26,337,506</u>	<u>\$ 27,960,192</u>	<u>\$ 33,938,215</u>	<u>\$ 38,265,897</u>

CITY OF JACKSON, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Taxes	\$ 18,368,931	\$ 20,129,107	\$ 20,468,921	\$ 21,779,824
Licenses and permits	269,932	269,406	264,555	258,778
Intergovernmental	17,545,877	15,330,415	19,675,248	14,775,492
Charges for services	3,581,590	4,460,375	4,876,739	6,613,293
Fines and forfeits	291,348	470,675	550,696	398,997
Special assessments	347,218	377,824	491,945	839,022
Donations	-	296,103	405	20,000
Investment income	294,770	199,316	313,662	870,659
Miscellaneous	2,273,206	2,879,191	2,587,444	1,022,657
Total revenues	42,972,872	44,412,412	49,229,615	46,578,722
Expenditures				
Legislative	86,196	88,390	108,282	103,078
General government	4,381,350	4,631,716	4,640,313	5,443,624
Public safety	19,869,088	17,310,595	16,182,352	16,768,693
Public works	9,533,378	10,698,179	17,146,093	9,847,476
Culture and recreation	2,943,178	3,093,474	3,226,680	3,386,304
Community enrichment and development	3,938,264	3,910,791	5,607,003	6,200,895
Debt service:				
Principal	1,694,125	1,980,346	2,810,675	3,699,841
Interest and fiscal charges	2,184,775	2,387,036	2,472,640	3,164,727
Other	-	-	-	-
Total expenditures	44,630,354	44,100,527	52,194,038	48,614,638
Excess of revenues over (under) expenditures	(1,657,482)	311,885	(2,964,423)	(2,035,916)
Other financing sources (uses)				
Proceeds from sale of capital assets	12,292	18,054	13,056	13,895
Insurance recovery	-	-	-	15,005
Issuance of bonds, notes and other long-term liabilities	1,759,493	18,050,000	14,890,000	-
Premium on issuance of bonds	-	-	1,721,868	-
Payment to refunding escrow agent	-	(8,995,000)	-	-
Transfers in	5,308,321	7,341,083	9,001,694	15,332,834
Transfers out	(6,615,635)	(7,443,706)	(11,035,756)	(17,513,928)
Total other financing sources (uses)	464,471	8,970,431	14,590,862	(2,152,194)
Net change in fund balances	\$ (1,193,011)	\$ 9,282,316	\$ 11,626,439	\$ (4,188,110)
Debt service as a percentage of noncapital expenditures	10.7%	12.2%	14.3%	18.5%

Source: City of Jackson Finance Department.

	2020	2021	2022	2023	2024	2025
\$	21,690,704	\$ 22,397,494	\$ 24,793,917	\$ 25,134,508	\$ 25,265,367	\$ 25,338,060
	314,806	373,098	418,412	377,587	329,426	302,828
	15,304,535	16,800,484	17,641,466	31,067,349	22,426,060	26,877,344
	5,773,117	5,929,899	6,133,395	7,120,310	6,929,654	6,756,811
	862,897	441,684	278,458	424,204	173,290	304,136
	1,026,392	633,416	1,104,061	894,886	841,621	1,031,357
	-	254	20,422	5,400	8,735	85,855
	804,907	251,341	91,745	1,043,909	1,929,859	1,939,855
	747,410	2,458,936	1,151,608	860,630	1,096,136	2,496,092
	<u>46,524,768</u>	<u>49,286,606</u>	<u>51,633,484</u>	<u>66,928,783</u>	<u>59,000,148</u>	<u>65,132,338</u>
	100,797	97,924	96,556	119,106	94,687	114,795
	5,927,302	4,974,574	5,220,243	5,928,478	6,454,006	6,801,867
	17,540,680	17,669,489	19,751,167	20,229,353	21,172,171	20,954,732
	11,913,597	11,164,104	9,889,310	20,405,263	11,135,673	13,406,291
	3,143,300	2,544,686	3,278,216	4,646,756	4,494,881	4,962,515
	5,918,174	6,731,676	4,251,586	7,707,756	6,820,514	6,798,471
	3,732,415	4,039,044	4,485,638	4,595,365	4,699,968	5,706,046
	3,203,796	3,139,798	3,175,416	3,202,157	3,238,059	3,477,249
	75,302	137,608	-	-	-	-
	<u>51,555,363</u>	<u>50,498,903</u>	<u>50,148,132</u>	<u>66,834,234</u>	<u>58,109,959</u>	<u>62,221,966</u>
	(5,030,595)	(1,212,297)	1,485,352	94,549	890,189	2,910,372
	21,625	618,744	2,743	-	3,943	38,181
	26,909	26,189	49,843	90,363	81,079	177,436
	7,719,000	10,150,000	-	551,219	3,819,108	389,298
	-	-	-	-	324,135	-
	(5,638,737)	(8,769,759)	-	-	-	-
	10,568,423	10,108,706	6,942,825	7,574,759	9,870,888	9,389,447
	(15,802,583)	(9,153,572)	(6,035,360)	(6,688,204)	(9,011,319)	(8,577,052)
	<u>(3,105,363)</u>	<u>2,980,308</u>	<u>960,051</u>	<u>1,528,137</u>	<u>5,087,834</u>	<u>1,417,310</u>
\$	<u>(8,135,958)</u>	<u>\$ 1,768,011</u>	<u>\$ 2,445,403</u>	<u>\$ 1,622,686</u>	<u>\$ 5,978,023</u>	<u>\$ 4,327,682</u>
	<u>17.5%</u>	<u>17.7%</u>	<u>18.2%</u>	<u>17.4%</u>	<u>17.1%</u>	<u>18.3%</u>

CITY OF JACKSON, MICHIGAN

Changes in Fund Balances - General Fund

Last Ten Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Taxes	\$ 15,925,081	\$ 17,230,302	\$ 17,443,707	\$ 18,587,398
Licenses and permits	269,932	269,406	264,555	258,778
Intergovernmental	4,417,029	4,470,342	4,608,142	4,688,571
Charges for services	1,231,701	1,502,943	1,558,627	1,512,139
Fines and forfeits	291,348	470,675	550,696	398,997
Donations	-	-	-	20,000
Investment income	26,733	58,743	218,608	223,003
Miscellaneous	110,815	204,103	150,098	430,720
Total revenues	22,272,639	24,206,514	24,794,433	26,119,606
Expenditures				
Legislative	86,196	88,390	108,282	103,078
General government	4,381,350	4,631,716	4,640,313	5,443,624
Public safety	13,647,101	14,241,448	14,501,003	14,711,218
Public works	799,946	809,563	810,425	1,177,920
Culture and recreation	1,436,002	1,541,764	1,697,173	1,793,059
Community enrichment and development	662,416	716,768	604,840	585,620
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	21,013,011	22,029,649	22,362,036	23,814,519
Excess of revenues over expenditures	1,259,628	2,176,865	2,432,397	2,305,087
Other financing sources (uses)				
Proceeds from sale of capital assets	12,292	18,054	13,056	13,895
Insurance recovery	-	-	-	15,005
Issuance of bonds, notes and other long-term liabilities	-	-	-	-
Transfers in	24,755	24,015	43,876	82,279
Transfers out	(729,518)	(1,028,655)	(811,364)	(3,137,176)
Total other financing sources (uses)	(692,471)	(986,586)	(754,432)	(3,025,997)
Net change in fund balances	\$ 567,157	\$ 1,190,279	\$ 1,677,965	\$ (720,910)

Source: City of Jackson Finance Department.

	2020	2021	2022	2023	2024	2025
\$	18,475,449	\$ 19,001,018	\$ 21,322,816	\$ 21,519,685	\$ 21,591,120	\$ 21,428,051
	314,806	373,098	418,412	377,587	329,426	302,828
	4,867,735	6,636,974	6,824,753	6,841,182	8,555,785	8,572,374
	1,542,890	1,240,254	1,253,986	1,392,033	1,446,727	1,634,289
	862,897	441,684	278,458	424,204	173,290	304,136
	-	254	20,422	5,400	8,735	85,855
	194,980	120,140	79,146	539,266	993,343	982,323
	130,769	1,591,010	492,061	411,689	583,906	1,790,907
	<u>26,389,526</u>	<u>29,404,432</u>	<u>30,690,054</u>	<u>31,511,046</u>	<u>33,682,332</u>	<u>35,100,763</u>
	100,797	97,924	96,556	119,106	94,687	114,795
	5,927,302	4,974,574	5,220,243	5,928,478	6,454,006	6,801,867
	16,255,519	16,651,896	18,489,934	18,719,581	19,524,752	19,657,572
	1,482,846	1,339,518	1,405,826	1,363,153	1,319,530	1,551,297
	1,699,989	1,305,894	1,579,516	2,425,750	2,447,975	2,461,203
	586,760	1,465,395	842,250	1,962,943	919,186	1,202,807
	56,962	58,745	190,269	199,461	225,238	244,013
	7,558	17,517	3,852	1,957	-	4,407
	<u>26,117,733</u>	<u>25,911,463</u>	<u>27,828,446</u>	<u>30,720,429</u>	<u>30,985,374</u>	<u>32,037,961</u>
	<u>271,793</u>	<u>3,492,969</u>	<u>2,861,608</u>	<u>790,617</u>	<u>2,696,958</u>	<u>3,062,802</u>
	21,625	120,894	-	-	3,943	38,181
	22,725	26,189	49,843	90,363	81,079	177,436
	-	-	-	267,966	169,108	389,298
	79,133	4,393	6,387	46,196	199,393	110,970
	<u>(1,352,056)</u>	<u>(287,037)</u>	<u>(395,967)</u>	<u>(440,904)</u>	<u>(1,267,478)</u>	<u>(757,094)</u>
	<u>(1,228,573)</u>	<u>(135,561)</u>	<u>(339,737)</u>	<u>(36,379)</u>	<u>(813,955)</u>	<u>(41,209)</u>
\$	<u>(956,780)</u>	<u>\$ 3,357,408</u>	<u>\$ 2,521,871</u>	<u>\$ 754,238</u>	<u>\$ 1,883,003</u>	<u>\$ 3,021,593</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				
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
2023	338,193,164	189,952,625	42,853,582	155,909,439	726,908,810	1,886,604,600	18.1501
2024	369,835,936	197,309,705	45,640,968	159,657,025	772,443,634	2,160,201,800	17.9620
2025	397,151,767	213,065,259	48,878,592	164,377,477	823,473,095	2,267,742,800	17.2600

(1) The tax year 2025 taxable values are for the tax year beginning July 1, 2025, i.e... for the fiscal year ending June 30, 2026.

(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)

	2016	2017	2018	2019
City direct rates				
Operating	6.7192	6.7192	6.7192	6.7158
Public Improvement	1.9197	1.9197	1.9197	1.9187
City hall debt	1.1700	1.2500	1.2500	1.2500
Act 345 pension	7.2300	7.3000	7.4500	9.2100
Total direct rate	17.0389	17.1889	17.3389	19.0945
Overlapping rates				
Jackson County:				
Operating	5.1187	5.1187	5.1187	5.1120
Jail debt	0.4851	0.4851	0.4851	0.4844
Medical care facility	0.2500	0.2500	0.2500	0.2496
Senior services	0.2500	0.2500	0.2500	0.2496
Lifeways	-	-	0.5000	0.4993
County Parks	-	-	0.5000	0.4993
Animal Control	-	-	0.2500	0.2496
District library	1.2593	1.7593	1.7593	1.7570
	7.3631	7.8631	9.1131	9.1008
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	1.1431
Jackson Transit Authority - operating	1.0000	1.0000	1.0000	0.9995
Downtown Dev. Authority - operating	1.9996	1.9996	1.9996	1.9996
Jackson Public Schools:				
Operating	18.0000	18.0000	18.0000	17.8920
State education tax (SET)	6.0000	6.0000	6.0000	6.0000
Debt	3.2500	3.2500	6.2000	6.2000
Recreation	0.5000	0.5000	0.5000	0.4982
	27.7500	27.7500	30.7000	30.5902
East Jackson Public Schools:				
Operating	18.0000	18.0000	18.0000	17.8893
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	30.8893
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	2.9900	2.9900	2.9900
	26.9900	26.9900	26.9900	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	4.7879	4.6949	4.6627	4.2992
	28.7879	28.6949	28.6627	28.2992

Note: Levy shown is as of July 1. The July 1, 2024 levy is for the fiscal year ending June 30, 2025.

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 mill school operating levy.

Source: City of Jackson Finance Department.

2020	2021	2022	2023	2024	2025
6.7158	6.7158	6.6828	6.6828	6.6828	6.6513
1.9187	1.9187	1.9092	1.9092	1.9092	1.9002
1.2500	1.0000	0.9500	0.9500	0.9200	0.6835
9.5100	9.6100	8.7000	8.6081	8.4500	8.0250
19.3945	19.2445	18.2420	18.1501	17.9620	17.2600
5.0941	5.0767	5.0660	5.0660	5.0660	5.0361
0.4827	0.4810	-	-	-	
0.2491	0.2482	0.2476	0.2476	0.2476	0.2461
0.6000	0.5979	0.5966	0.5966	0.5966	0.5930
0.4975	0.4958	0.4947	0.4947	0.4947	0.4917
0.4982	0.4965	0.4954	0.4954	0.4954	0.4924
0.2491	0.2482	0.2476	0.2476	0.2476	0.2461
1.7508	1.7448	1.7411	1.7411	1.7411	1.7308
9.4215	9.3891	8.8890	8.8890	8.8890	8.8362
0.3415	0.3404	0.3400	0.3400	0.3400	0.3381
8.4025	8.3755	8.3678	8.3678	8.3678	8.3233
8.7440	8.7159	8.7078	8.7078	8.7078	8.6614
1.1390	1.1351	1.1327	1.1327	1.1327	1.1260
0.9995	0.9995	0.9946	0.9946	0.9897	0.9850
1.9996	1.9996	1.9996	1.9996	1.9996	1.9996
17.8920	18.0000	18.0000	18.0000	18.0000	18.0000
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
6.2000	6.2000	6.2000	6.2000	5.9500	5.9500
0.4982	0.4977	0.4952	0.4952	0.4952	0.7470
30.5902	30.6977	30.6952	30.6952	30.4452	30.6970
18.0000	18.0000	18.0000	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	31.0000	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	2.9000	2.9000	2.9000	2.9000	2.9000
26.9900	26.9000	26.9000	26.9000	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
4.1835	4.0787	4.0787	4.0787	4.0787	4.0787
28.1835	28.0787	28.0787	28.0787	28.0787	28.0787

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

Taxpayer	2025			2016		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 172,844,177	1	21.08%	\$ 140,385,518	1	23.85%
Jackson Crossing Realty (Ramco)	7,647,782	2	0.93%	9,224,421	2	1.57%
LG Grand River Ridge LLC	5,481,600	3	0.67%	-	-	NA
Allegiance/Henry Ford/Foote/Health Center	5,128,266	4	0.63%	5,677,633	3	0.96%
Alro Steel Corporation	4,935,670	5	0.60%	4,438,097	4	0.75%
Objectiv E. Washington, LLC	4,641,600	6	0.57%	-	-	NA
Comcast of Michigan LLC	4,021,600	7	0.49%	-	-	NA
Wolverine Technologies/Certainteed	3,933,113	8	0.48%	4,261,626	6	0.72%
Wood Jackson (1100 W. Argyle St.)	3,772,300	9	0.46%	2,442,700	8	0.41%
Jackson Downtown Partners	3,670,000	10	0.45%	-	-	NA
Jackson Iron & Metal/Omnisource	-	-	NA	4,361,017	5	0.74%
Sears	-	-	NA	2,978,913	7	0.51%
Jackson Properties (915-1089 N. Wisner St.)	-	-	NA	2,147,456	9	0.36%
Dayton Hudson (Target Store)	-	-	NA	2,145,229	10	0.36%
	<u>\$ 216,076,108</u>		<u>26.35%</u>	<u>\$ 178,062,610</u>		<u>30.25%</u>

Note 1: Total Ad Valorem Taxable Valuation as of June 30, 2025 = \$819,965,027 (valuation for fiscal year 2026). Total Ad Valorem Taxable Valuation as of June 30, 2016 = \$588,708,506 (valuation for fiscal year 2017).

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
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%
2023	2022	12,901,203	12,251,940	94.97%	639,576	12,891,516	99.92%
2024	2023	13,488,611	12,712,787	94.25%	750,575	13,463,362	99.81%
2025	2024	14,162,340	13,229,364	93.41%	682,718	13,912,082	98.23%

Source: City of Jackson Assessors Department.

CITY OF JACKSON, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Years

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds (1)	Notes from Direct Borrowings/ Placements	Leases Liability	Subscriptions Liability	General Obligation Bonds (1)	Leases Liability
2016	\$ 38,379,072	\$ 399,493	\$ -	\$ -	\$ -	\$ -
2017	45,526,527	426,636	-	-	-	-
2018	59,348,022	321,394	-	-	-	-
2019	55,555,368	266,161	-	-	-	-
2020	54,097,620	873,895	-	-	-	-
2021	51,235,055	676,619	539,688	-	-	154,669
2022	46,852,567	473,686	353,452	-	-	149,123
2023	42,384,011	264,996	695,481	-	-	304,762
2024	41,768,625	114,806	488,540	119,501	4,759,336	280,218
2025	36,159,387	-	600,249	128,332	8,417,765	232,829

(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 2023 or 2024.

Schedule 10a
Unaudited

Total Primary Government	% of Personal Income	Total Outstanding Debt Per Capita
\$ 38,778,565	3.11%	\$ 1,159
45,953,163	3.68%	1,374
59,669,416	4.60%	1,784
55,821,529	4.20%	1,669
54,971,515	3.99%	1,760
52,606,031	3.55%	1,684
47,828,828	3.30%	1,531
43,649,250	n/a	1,397
47,531,026	n/a	1,522
45,538,562	n/a	1,458

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
2016	\$ 38,379,072	\$ -	\$ 38,379,072	3.07%	6.52%	\$ 1,148
2017	45,526,527	-	45,526,527	3.65%	7.70%	1,361
2018	59,348,022	53,120	59,294,902	4.57%	9.92%	1,774
2019	55,555,368	42,810	55,512,558	4.17%	8.99%	1,661
2020	54,097,620	122,245	53,975,375	3.91%	8.54%	1,732
2021	51,235,055	135,011	51,100,044	3.44%	7.88%	1,640
2022	46,852,567	-	46,852,567	3.23%	6.78%	1,500
2023	42,384,011	-	42,384,011	n/a	5.83%	1,357
2024	46,527,961	-	46,527,961	n/a	6.40%	1,490
2025	44,577,152	-	44,577,152	n/a	6.13%	1,427

(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 2023 or 2024.

Computation of Net Direct and Overlapping Debt
June 30, 2025

	Debt Outstanding	Percentage Applicable to City	Estimated Share of Overlapping Debt
Direct debt			
General obligation bonds (1)	\$ 36,159,387	100%	\$ 36,159,387
Leases liability	600,249	100%	600,249
Subscriptions liability	128,332	100%	128,332
	<u>36,887,968</u>		<u>36,887,968</u>
Net direct debt	<u>\$ 36,887,968</u>		<u>36,887,968</u>
Overlapping debt			
School Districts:			
Jackson School District	\$ 82,520,000	49.55%	40,888,660
East Jackson School District	36,037,763	0.07%	25,226
Michigan Center School District	11,650,000	1.40%	163,100
Northwest School District	37,675,000	0.27%	101,723
			<u>41,178,709</u>
Jackson County at large	90,700,000	13.37%	12,126,590
Jackson College	27,115,000	13.37%	3,625,276
Jackson County Intermediate School District	5,585,000	13.28%	741,688
			<u>57,672,262</u>
Net overlapping debt			<u>57,672,262</u>
Total direct and overlapping debt			<u>\$ 94,560,230</u>
Per capita debt: (31,235 from 2020 Census)			
Gross direct debt			\$ 1,180.98
Net direct debt			1,180.98
Net overlapping debt			1,846.40
Total net direct and overlapping debt			3,027.38
Percent of taxable valuation: (\$823,473,095 total taxable valuation at 6/30/2025)			
Net direct debt			4.48%
Net overlapping debt			<u>7.00%</u>
Total net debt			<u>11.48%</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 2025

State equalized value as of December 31, 2024 (for taxes levied by the City on July 1, 2025)	\$ 1,133,871,400
Act 198 Adjustment - one-half of the IFT taxable value amount abated	389,015
State Revenue Sharing Adjustment (1)	305,635,954
Personal Property Tax Reimbursement Adjustment for 2025 (2)	23,157,945
Total 2025 state equalized value, as adjusted	<u>\$ 1,463,054,314</u>
Debt limit (10% of state equalized value)	\$ 146,305,431
Total debt - (See Schedule 11)	\$ 36,887,968
Less Exempt obligations	
2017 Michigan Transportation Fund Bonds	(4,205,000)
2020 Special Assessment Bonds	(927,000)
2024 Michigan Transportation Fund Bonds	(3,350,000)
	<u>(8,482,000)</u>
	<u>28,405,968</u>
Legal debt margin	<u>\$ 117,899,463</u>
Non-exempt debt outstanding as a percentage of 2025 state equalized valuation, as adjusted	<u>1.94%</u>

(1) The 2025 constitutional and statutory revenue sharing of \$ 5,489,833 divided by the millage rate of 17.9620.

(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
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%	1,483,756	47,503
2022	31,235	13,976	12,823	1,153	8.2%	1,449,585	46,409
2023	31,235	14,408	13,347	1,061	7.4%	1,524,830	48,818
2024	31,235	14,409	13,268	1,141	7.9%	n/a	n/a
2025	31,235	15,002	13,277	1,725	11.5%	n/a	n/a

All labor force statistics are as of June of the fiscal year shown, i.e. fiscal year 2025 represents June, 2025.

- (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 2024 or 2025.

Principal Employers

Current Year and Nine Years Ago

Employer	2025			2016			
	(1) Total Employees	Rank	% of Total City Labor Force	Employees		Rank	% of Workforce
Henry Ford Allegiance Health System	3,700	1	20.00%	4,100	(a)	1	20.82%
Consumers Energy	1,500	2	8.67%	2,400	(b)	2	9.02%
Local Government	870	3	5.80%	870		4	6.04%
Jackson Public Schools	556	4	3.71%	782		5	5.43%
The Industrial Company	400	5	2.67%	-		n/a	0.00%
Eaton Corporation	350	6	2.33%	700		6	4.86%
Center for Family Health	315	7	2.10%	219		10	1.52%
Anesthesia Business Consultants	300	8	2.00%	284		7	1.97%
State of Michigan - Jackson Office	300	8	2.00%	-		n/a	0.00%
Alro Steel Corporation	300	8	2.00%	271		9	1.88%
Elara Caring/Great Lakes Home Health	-	n/a	0.00%	1,118		3	7.76%
Lifeways/Community Connections	-	n/a	0.00%	275		8	1.91%
	<u>8,591</u>		<u>51.27%</u>	<u>11,019</u>			<u>61.20%</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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
City manager	3	3	4	4	5	3	3	3	3	2
Finance	4	4	4	4	4	4	4	4	4	4
City assessor	5	4	5	5	5	4	4	4	4	4
City attorney	5	5	4	4	5	4	5	5	5	5
City clerk/elections	2	2	2	2	2	3	3	3	3	3
Personnel	2	1	1	2	1	1	2	2	2	2
Purchasing/city hall	1	1	1	1	1	1	1	1	1	1
City treasurer/income tax	3	4	4	5	5	5	5	5	6	7
Mgt. information services	2	2	2	2	2	2	2	2	2	2
Public safety:										
Police - civilian	11	11	16	13	9	8	8	9	9	9
Police - enforcement	43	46	46	46	45	42	45	45	51	51
Fire - civilian	-	-	-	-	-	-	-	-	1	1
Fire - protection	17	26	23	26	20	24	31	31	31	32
Public works:										
Public works	11	12	16	12	13	15	12	13	14	34
Engineering	8	6	6	7	8	5	5	6	6	5
Culture & recreation:										
Parks, recreation & grounds	15	13	14	15	8	15	14	13	16	15
Diversity, equity & inclusion	-	-	-	-	-	1	2	2	2	2
Community Development:										
Public safety/community enrichment & development	14	13	14	14	5	12	14	14	16	14
Building inspection	3	3	3	2	2	2	3	3	2	2
Enterprise funds:										
Sewer	12	13	12	12	13	13	13	13	13	13
Water	28	28	29	29	29	27	31	41	41	21
Total	189	197	206	205	182	191	207	219	232	229

Source: City of Jackson Finance Department payroll records.

Operating Indicators by Function/Program
Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police:										
Physical arrests	2,887	2,779	2,714	2,595	2,607	1,695	1,594	1,029	1,234	1,465
Traffic violations	5,111	5,333	3,502	3,529	3,382	2,415	3,192	1,370	1,043	1,111
Engineering - Traffic Division -										
Parking violations	1,982	2,056	2,245	2,456	1,186	747	901	2,607	2,989	3,530
Fire:										
Calls answered	4,259	4,863	4,808	5,088	5,125	4,532	5,397	5,484	6,134	6,928
Inspections conducted	43	79	40	42	76	31	62	165	280	358
Sewer system										
Service connections	11,407	11,330	11,923	12,118	12,156	11,806	11,032	11,287	11,245	11,245
Daily average treatment (mg)	9.6	10.1	9.0	11.2	11.4	9.8	12.3	11.3	11.2	11.1
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	14,549	14,112	14,879	15,855	15,893	15,252	15,460	15,412	15,520	15,530
Daily average consumption (mg)	7.66	7.58	7.57	7.36	6.71	6.92	6.26	5.59	4.98	4.88
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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	29	29	31	32	22	22	22	24	28	25
Fire:										
Stations (1)	3	3	3	3	3	3	3	3	3	3
Response vehicles	11	11	9	10	10	5	5	9	12	12
Culture and recreation										
Parks:										
Number	26	26	26	26	27	27	27	29	29	29
Acreage	639	639	639	639	645	645	645	645	645	645
Community centers	2	2	2	2	2	2	2	3	3	3
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	1	1	1
Inline skate rink	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	16	16	16	9	14	8
Tennis courts	14	14	14	14	13	12	12	6	6	6
Learning center	-	-	-	-	-	-	-	-	-	1
Public works										
Miles of streets	171	171	171	171	171	171	171	171	171	171
Street lights	2,719	2,719	2,863	2,839	2,975	3,026	3,026	3,176	3,207	3,207
Sewer system										
Miles of sanitary sewers	165	165	165	165	165	165	165	159	159	159
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	242	244	244	240	243	243
Treatment plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,197	2,197	2,197	2,197	2,197	2,156	2,156	2,160	2,180	2,180

(1) Only one station was actively in use from 2012 through 2019. All three stations were in use during the COVID-19 Pandemic in 2020 and 2021. Two stations were in use during fiscal years 2022 through 2025.

Source: City of Jackson Finance Department.

Schedule of Insurance

As of June 30, 2025

Type of Coverage	Name of Company	Policy Period	Premium	Description
<u>Building and Contents</u>		7/1/24-6/30/25	\$ 360,179	All risk coverage on buildings and contents. \$319,912,034 limit with \$2,500 deductible per occurrence.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Automobile</u>		7/1/24-6/30/25	103,598	\$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>		7/1/24-6/30/25	235,690	Law Enforcement, Public Officials, Municipal General and Employee Benefit Liability coverages. \$5,000,000 limit per occurrence with no deductible except \$1,000,000 limit per Employee Benefit Liability.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Crime/Bonds</u>		7/1/24-6/30/25	125	Employee dishonesty and faithful performance blanket, loss inside/outside premises, depositors forgery, money order/counterfeit paper coverages, computer fraud, funds transfer fraud, impersonation fraud. \$100,000 liability limit.
	<i>Michigan Municipal Liability and Property Pool</i>			
<u>Workers Compensation</u>		9/1/24-8/31/26	86,463	Excess insurance above \$500,000 retention.
	<i>Midwest Employers Casualty</i>			
	<i>Broadspire Services</i>	9/1/24-8/31/26	11,390	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, 2016 Through 2025

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)
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
2022	2023	2024	955,301,600	726,908,810	730,635,649
2023	2024	2025	1,089,299,200	772,443,634	778,905,256
2024	2025	2026	1,133,871,400	819,965,027	823,473,095

Per capita 2025 ad valorem taxable valuation is \$26,251 and per capita 2025 total taxable valuation is \$26,364 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Use:										
Commercial	30.88%	26.72%	30.97%	31.42%	31.49%	31.66%	31.63%	30.12%	29.50%	29.30%
Industrial	25.81%	29.70%	24.88%	24.50%	23.93%	23.34%	23.07%	23.53%	23.00%	22.50%
Residential	43.31%	43.58%	44.15%	44.08%	44.58%	45.00%	45.30%	46.35%	47.50%	48.20%
	<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>	<u>100.00%</u>	<u>100.00%</u>
Class:										
Real	78.80%	79.14%	80.11%	76.82%	77.41%	78.24%	78.44%	78.66%	79.50%	80.00%
Personal	21.20%	20.86%	19.89%	23.18%	22.59%	21.76%	21.56%	21.34%	20.50%	20.00%
	<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>	<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	
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	-	-	-	-
2023	7,055,483	3,659,763	3,395,720	-	-	-	-
2024	7,732,779	3,933,919	3,798,860	-	13,036	13,036	291.41
2025	8,120,107	3,738,573	4,381,534	398,000	100,189	498,189	8.79

- (1) Total revenues including interest, excluding intergovernmental revenues.
- (2) Total operating expenses, excluding depreciation/amortization.
- (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 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	
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	-	-	-	-
2023	14,761,581	7,682,326	7,079,255	-	-	-	-
2024	15,684,762	7,416,685	8,268,077	-	-	-	-
2025	16,287,234	9,281,667	7,005,567	-	31,576	31,576	221.86

- (1) Total revenues including interest.
- (2) Total operating expenses, excluding depreciation/amortization.
- (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 transfers are made or debt defeasance transactions.

CITY OF JACKSON, MICHIGAN

Water Supply System

Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Water pumped vs. water sold: (in million gallons)					
Pumped	2,795	2,768	2,754	2,688	2,458
Sold	2,266	2,394	2,281	2,260	2,067
Sold as a % of pumped	81.07%	86.49%	82.82%	84.08%	84.09%
Number of customers:					
Residential	12,060	11,986	12,000	11,979	12,088
Commercial	1,878	1,845	1,887	2,075	2,116
Industrial	169	171	168	229	228
Total	14,107	14,002	14,055	14,283	14,432
Percent of water consumption by category:					
Residential	26.00%	25.20%	24.97%	20.95%	26.08%
Commercial	43.00%	41.10%	41.55%	49.20%	40.80%
Industrial	31.00%	33.70%	33.48%	29.85%	33.12%
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	\$ 79.73	\$ 87.89	\$ 91.50	\$ 95.14
% Change (in average consumption)	0.00%	10.00%	10.23%	4.11%	3.98%
Water supply system annual revenues:					
Metered revenue	\$ 7,917,879	\$ 8,677,881	\$ 9,316,942	\$ 10,332,492	\$ 10,451,663
% increase (decrease)	7.75%	9.60%	7.36%	10.90%	1.15%
Water supply system revenues by user class:					
Residential	\$ 3,033,734	\$ 3,371,231	\$ 3,665,473	\$ 3,763,268	\$ 3,820,711
Commercial	3,297,299	3,657,125	3,891,952	4,708,645	4,409,784
Industrial	1,586,846	1,649,525	1,759,517	1,860,579	2,221,168
Sewer - billing & collection charges	251,416	223,028	238,536	251,754	263,234
Total	\$ 8,169,295	\$ 8,900,909	\$ 9,555,478	\$ 10,584,246	\$ 10,714,897
Water supply revenues by user class as a % of total revenues:					
Residential	37.14%	37.88%	38.36%	35.56%	35.66%
Commercial	40.36%	41.09%	40.73%	44.49%	41.16%
Industrial	19.42%	18.53%	18.41%	17.58%	20.73%
Sewer - billing & collection charges	3.08%	2.50%	2.50%	2.37%	2.45%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: City Water Department.

Schedule 22
Unaudited

Fiscal Year Ended June 30				
2021	2022	2023	2024	2025
2,359	2,109	2,084	1,941	1,941
2,100	1,809	1,746	1,598	1,491
89.02%	85.78%	83.81%	82.35%	76.83%
12,120	12,032	12,039	12,001	12,015
2,187	2,184	2,191	2,170	2,175
229	227	222	218	218
<u>14,536</u>	<u>14,443</u>	<u>14,452</u>	<u>14,389</u>	<u>14,408</u>
26.71%	28.94%	29.27%	32.03%	33.35%
38.65%	45.16%	46.00%	50.29%	52.90%
34.64%	25.90%	24.73%	17.68%	13.75%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
\$ 100.88	\$ 112.99	\$ 126.61	\$ 136.64	\$ 147.56
6.03%	12.00%	12.05%	20.93%	7.99%
\$ 12,559,104	\$ 12,647,260	\$ 13,826,642	\$ 14,033,253	\$ 14,440,008
20.16%	0.70%	9.33%	10.96%	2.90%
\$ 4,132,760	\$ 4,453,940	\$ 4,912,737	\$ 5,313,038	\$ 5,635,920
4,996,143	5,638,015	6,250,888	6,746,997	7,190,508
3,430,201	2,555,305	2,663,016	1,973,488	1,613,580
287,617	291,549	342,458	357,917	361,302
<u>\$ 12,846,721</u>	<u>\$ 12,938,809</u>	<u>\$ 14,169,099</u>	<u>\$ 14,391,440</u>	<u>\$ 14,801,310</u>
32.17%	34.43%	34.67%	36.92%	38.08%
38.89%	43.57%	44.12%	46.88%	48.58%
26.70%	19.75%	18.79%	13.71%	10.90%
2.24%	2.25%	2.42%	2.49%	2.44%
<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, 2025

Customer	(1) Usage	(2) % of Total	Revenue	(3) % of Total
* Michigan Department of Corrections	174,221	11.68%	1,167,586	7.89%
Consumers Energy	61,009	4.09%	398,056	2.69%
Henry Ford - Allegiance Health/Health Center	39,040	2.62%	550,934	3.72%
* Sun Communities Inc.	25,792	1.73%	217,071	1.47%
Elm Plating	24,897	1.67%	384,577	2.60%
Jackson Tumble Finish	20,451	1.37%	209,811	1.42%
Eaton Aerospace	16,636	1.12%	177,423	1.20%
* JSP International LLC	16,158	1.08%	139,456	0.94%
Sun Valley Estates MHP LLC	15,816	1.06%	133,781	0.90%
Jackson MI Innovation Building Co	15,260	1.02%	79,374	0.54%

(1) Unit = thousand gallons (TG)

(2) Based on June 30, 2025 total water sold (Schedule 22) of 1,491 MG's (million gallons).

(3) Based on June 30, 2025 water supply system revenues by user class (Schedule 22) of \$ 14,801,310.

* Located outside of City limits.

Source: City Water Department.

Industrial Facilities Tax Roll

For the Fiscal Year Ended June 30, 2025

Tax Year (1) of Transfer To Ad Valorem Tax Roll	(2) I.F.T. S.E.V. Amount
2025	\$ -
2026	218,000
2027	-
2028	-
2029	-
2030	89,600
2031	481,900
	<u>\$ 789,500</u>

(1) Tax year shown is as of July 1. The July 1, 2025 tax year is for the fiscal year ending June 30, 2026.

(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
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
2023	1,915,448	1,500,000	2,945,323	470,125	1.16
2024	1,872,026	1,500,000	3,090,188	281,838	1.09
2025	1,995,344	1,500,000	3,239,559	255,785	1.08

(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
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
2023	1,327,361	1,193,068	134,293	1.11
2024	1,186,054	1,211,982	(25,928)	0.98
2025	1,235,826	1,803,192	(567,366)	0.69

(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
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
2023	3,363,274	1,918,258	5,281,532
2024	3,424,616	2,033,172	5,457,788
2025	3,366,408	2,123,425	5,489,833

(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
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%
2023	11,418,387	1.48%
2024	11,020,164	(3.49%)
2025	10,401,384	(5.61%)

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
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
2023	4,930,276	762,955	6.46
2024	4,973,950	1,236,455	4.02
2025	5,201,841	1,236,455	4.21

(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					
	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%
	2022	43,307	56,466	13,159	76.7%
	2023	44,416	59,999	15,583	74.0%
	2024	45,313	63,416	18,103	71.5%
Policemen's and Firemen's Pension					
	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%
	2022	3,539	4,685	1,146	75.5%
	2023	3,379	3,895	516	86.8%
	2024	3,601	3,570	(31)	100.9%
Policemen's and Firemen's Pension - Act 345					
	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%
	2022	54,939	83,687	28,748	65.6%
	2023	58,138	83,410	25,272	69.7%
	2024	63,087	83,311	20,224	75.7%

(1) See Note 19 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:

	Number of Employees	Contract Expiration Date
Employee Group:		
International Association of Firefighters	31	June 30, 2028
Police Officers Labor Council - Supervisory	9	June 30, 2027
Police Officers Labor Council - Non-Supervisory	34	June 30, 2026
Michigan Association of Public Employees	75	June 30, 2025
Non-Union	80	
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