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FY 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2021
Department of Administration
Finance Division



Mayor Chokwe A. Lumumba

**CITY OF JACKSON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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February 28, 2023

**To the Mayor, Members of the City Council, and
Citizens of the City of Jackson, Mississippi:**

A requirement of Mississippi law is that local governments annually publish audited financial statements. Accordingly, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021 for the City of Jackson, MS is submitted herewith.

An unmodified opinion on the financial statements of the City of Jackson, MS has been issued by Tann, Brown and Russ for the year ended September 30, 2021. The Independent Auditor's Report is included in the front of the financial section of the ACFR. The City of Jackson is also required to have an audit performed in compliance with the Single Audit Act of 1996 regarding awards received from the federal government. The Single Audit report was issued by Tann, Brown and Russ.

The dedicated and professional staff of the Finance Division, Department of Administration, prepared this report in accordance with generally accepted accounting principles in the United States of America (GAAP). We maintain that the data is accurate in all material aspects and is presented in a manner designed to set forth fairly the financial activities of the various funds of the local government. The responsibility for the accuracy of the data and the fairness and completeness of the presentation, including any disclosures necessary to enable the reader to gain an understanding of the fiscal affairs of the City, is entrusted to the administration of the local government. We further assert that the internal controls implemented provide reasonable assurance that the financial statements are free of any material misstatements.

All of the governmental activities and business-type activities of the City of Jackson, MS, as well as the Jackson Redevelopment Authority (JRA), the Capital City Convention Center Commission, and the Jackson Municipal Airport Authority (component units of the city) are included in the 2021 ACFR. JRA, the Capital City Convention Center Commission, and the Jackson Municipal Airport Authority are presented as discretely presented component units within the ACFR because the City exercises significant oversight responsibility. The approval of JRA's administrative operating costs and appointments to its Board of Commissioners are authorized by the City's governing body. Additionally, JRA accounts for its separate funds and maintains revenues sufficient to meet its operating costs, debt service and system replacement and maintenance needs for its parking garages and other urban renewal projects. The Capital City Convention Center Commission and the Jackson Municipal Airport Authority are included as component units of the City because of their fiscal dependency on the City of Jackson. Four Proprietary Funds, which provide a variety of services on a fee-for-services basis, are among those funds whose financial operations are included in the ACFR. These Proprietary Funds are

the Water/Sewage Disposal System, Madison Sewage Disposal System, Transportation, and Sanitation.

Organizationally, the 2021 ACFR provides information in three major sections: Introductory, Financial, and Statistical. The Introductory Section encompasses the Letter of Transmittal, the Organizational Chart of the Executive Branch of the City of Jackson, MS, and a list of principal elected and appointed officials. The Financial Section consists of the Independent Accountants' Report, the Basic Financial Statements, Notes to the Financial Statements and the various individual fund and account group financial statements and schedules. The Statistical section provides (unaudited) information on the City, various aspects of government, and the people and businesses that reside therein. Additionally, a narrative introduction, overview, and analysis are provided in the form of Management's Discussion and Analysis (MD&A). We recommend that the MD&A on pages 4-12 be carefully examined by the reader to provide a more concise view of the financial position of the City.

CITY OF JACKSON PROFILE

The City of Jackson, MS was founded in 1821 at the site of a trading post that was situated on a "high and handsome bluff" on the west bank of the Pearl River, which is located in the central region of the state. It is said that the trading post was operated by a French-Canadian trader named Louis LeFleur, who gave the town its original name of LeFleur's Bluff. The Mississippi Legislature wanted the seat of government moved out of the Natchez area and into a more central location. Thomas Hinds, James Patton and William Lattimore were then commissioned to locate the ideal site for the state capital. Their report to the General Assembly was that LeFleur's Bluff had "beautiful and healthful surroundings, good water, abundant timber, navigable waters, and nearness to the Natchez trace." A legislative act dated November 28, 1821 authorized the location to be the permanent seat of government and that it would be named Jackson in honor of Major General Andrew Jackson who later would become the seventh president of the United States. A \$3,500 contract was let to build Mississippi's first capitol, a two-story brick structure 40 feet by 30 feet, where the opening session was held on December 23, 1822. A second capitol building, popularly known as the "Old Capitol," was completed in 1840 and remained in use until 1903. The building, restored in 1961, has become Mississippi's Historical Museum. The New Capitol building, a magnificent structure patterned after the National Capitol, was completed in 1903.

During the Civil War, the town was ravaged and burned three times by Union troops under the command of General William Tecumseh Sherman. The destruction prompted the unwelcome nickname of "Chimneyville." Although less than 8,000 people lived in Jackson at the turn of the century, its population began accelerating rapidly after 1900.

JACKSON TODAY

According to the most recent Census Bureau estimates, Jackson has 153,701 residents within a 111 - square mile land area. Jackson is the center of a larger Jackson Metropolitan Statistical Area of approximately 579,000 residents that encompasses five counties – Copiah, Hinds,

Madison, Rankin, and Simpson. Since 1985, the City of Jackson, MS operates under the mayor-council form of government. Prior to 1985, the commission form of government, which included a mayor and two commissioners elected at-large, was in place. Currently, the municipal government is comprised of the mayor, who is elected at large, and seven council members, who are elected by ward. The mayor and council members, who have policy-making and legislative authority, serve four-year terms. The Mayor appoints, and the City Council approves, the Chief Administrative Officer, City Attorney, and eight department heads. City leaders are committed to ensuring that the municipality has a healthy financial outlook while providing essential services.

A comprehensive range of municipal services including public safety, street maintenance, water, sewer and sanitation services, social programs, recreation activities, cultural events and general administration are provided to Jackson's citizens. These services are provided in the context of the broad public policy initiatives as determined by the elected officials of Jackson, Mississippi. Mayor Chokwe Antar Lumumba, whose campaign slogan was "When I'm Mayor, You're Mayor" was first elected into office in 2017 and subsequently re-elected in 2021. Mayor Lumumba's primary initiative has been to improve processes that would lead to a more efficient and effective city government.

LOCAL ECONOMY

The City is the seat of government for the State of Mississippi and home to a diverse economy. In addition to governmental services, major industries located within the city limits or in close proximity include the Nissan auto plant and manufacturers of power, metal fabrication, airplane parts, and machine parts and engines. Jackson continues to be the site of the largest financial institutions in the state. The two largest industries in the city are Health Care (with two major medical centers, including the only medical school in the state) and higher education (with seven institutions, enrolling more than 40,000 students within the metropolitan area).

Jackson is the educational, cultural, medical, and governmental center of the state. Serving as the largest municipality and the state capital, the COVID-19 pandemic has greatly affected the economy and labor force. The City of Jackson has built a strategic plan focused on decreasing inequality, and the economic effects of the pandemic have demonstrated the wisdom of the focus.

The City is also facing major infrastructure problems, between \$1.5 and \$2.1 billion by some estimates, including a 2013 consent decree order by the US Environmental Protection Agency to make approximately \$600 million of improvements to address sanitary sewer overflows. In 2014 the city passed legislation levying a 1% sales tax to address the infrastructure needs of the city. Those funds are set aside in a separate capital project fund, and disbursement is guided by an independent commission. Perhaps the biggest decision before city leaders is to determine how to finance these improvements which are necessary to a thriving city.

MAJOR INITIATIVES

There are many projects currently underway to make Jackson a safer and more livable city, infrastructure challenges notwithstanding:

Enterprise Resources Planning (ERP) System Launch. The City of Jackson has completed implementation of the main phases of MUNIS, the ERP system, which represents the execution of a major operational efficiency initiative. The implementation included a financial module, which resulted in new capacities, efficiencies, and accountability. The City is still exploring implementing other modules that complement our ERP system for operational efficiency.

Strategic Plan. Under the leadership of Mayor Chokwe Antar Lumumba, the City of Jackson has undergone a thorough strategic planning process centered around the notion of a “dignity economy”, aiming to increase the city’s growth through inclusive policies, programs and investments. After assuming the office in July of 2017, Mayor Lumumba’s administration has focused on five areas of growth for its residents: healthy citizens, affordable homes in safe neighborhoods, a thriving educational system, occupational opportunities in a growing tax base and a city that is open and welcoming to visitors. It is through this lens that the city has explored what assets are available in the community, inclusive of non-profit partnerships, funding opportunities and resident potential as well as undertaking bold initiatives to “invest in the inherent dignity of every citizen in Jackson.”

Infrastructure Projects

Tiger Grant. Transportation Investment Generating Economic Recovery (TIGER) is a supplementary discretionary grant program included in the American Recovery and Reinvestment Act of 2009. The U.S. Department of Transportation allocated \$500 million towards infrastructure improvement projects across the United States. The City of Jackson submitted an application for the reconstruction of two streets. The City of Jackson has been awarded \$19,500,000 for the construction and engineering design for the two roadway projects which includes the reconstruction of State Street from Hartfield Street to Sheppard Road and the West County Line Road Interchange at US Highway 51. The projects include an investment from the city of approximately \$15,000,000.

Capital Improvement Plan. Jackson’s Department of Public Works has been working on updating the Capital Improvement Plan (CIP) for the city’s roads and bridges, water, sewer, and storm water drainage systems. The plans consist of short-term, intermediate, and long-term resilience infrastructure outlook, which prioritize on a risk-based criterion. This plan will improve the quality of services that citizens and visitors will receive, but will also provide economic stimulus in the form of construction and design jobs (in the short run) and a stock of public capital more suitable for commercial activity (in the long run). Further, the CIP will emphasize complete streets ensuring safe, ADA compliant thoroughways that offer a variety of modes of transportation including public transportation, pedestrian and bike routes.

Sustainable Jobs. One of the challenges that Jackson and many other mid-sized, majority-minority cities face is that low-wage and low-skilled service jobs constitute most occupational opportunities for underinvested and historically marginalized communities. These positions provide little opportunity for economic mobility and often calcify communities into intergenerational cycles of poverty. The City has developed Pathways to Human Dignity, a program that seeks to coalesce workforce and economic growth to create an environment of future-proof jobs. These future-proof jobs are not threatened by automation and new technologies, but rather, are sustainable, 21st century jobs that build a pathway of economic mobility. The Pathways to Human Dignity Initiative brings focus to three areas: Building and Investment-Ready Environment, Building a Work-Ready Population, and Building an Innovation-Ready Culture.

Building an Investment-Ready Environment

This theme coalesces employers, industry, capital and various partnerships to incentivize investment. Toward that end Pathways has engaged the following partners and initiatives:

Milken Institute. Cities across the south are investing in municipal broadband networks. Most recently, the cities of Jackson, MS; Chattanooga, TN; and Huntsville, AL have invested in robust municipal broadband networks. These networks can be leveraged to build rural broadband rings, which extend municipal broadband resources into rural communities that are devoid of broadband resources. In these situations, municipal broadband networks could best be leveraged to provide critical communications resources for resilient infrastructure with the additional benefit of building infrastructure for rural economic development. The City of Jackson, MS proposes to leverage its 100G municipal broadband loop to connect surrounding rural municipalities, creating a Central Mississippi Rural Broadband Network (CMRBN). The CMRBN would be owned through an enterprise of the City of Jackson. This enterprise would consist of a public private partnership (PPP) and profit-sharing agreement with communications venture capital (VC) groups and franchise agreements (similar to current telecommunications franchise agreements) with surrounding municipalities. The City of Jackson would serve as the public sector and project sponsor. As the project sponsor, the City would build PPP relationships and partnerships (franchise agreements) with rural, ring-city municipalities. Engaged in predevelopment, approvals that could affect the project timeline are Right of Way (ROW) access, permitting requirements for all build outs, and pole attachment agreements. The City of Jackson has retained the services of Baller, Stokes & Lide, a law firm with expertise in communications issues, for the verification of home rule ability to enter broadband provisions as a city and contract development for franchise agreements. The City of Jackson has constructed the fundamental broadband backbone infrastructure through the installation of a 100G point-of-presence (POP) and broadband ring. This infrastructure has been constructed through partnerships with Cogent Communications and LiteCloud Transport Services.

Mosaic Genius. *Tech Tools for Sustainability* is a focused approach to helping 15-25 Jackson-based entrepreneurs integrate technological (tech) tools into their existing business with the hope that these tools will result in greater success for the entrepreneur. Small businesses and

businesses in underserved communities often lack tech tools that enable them to sustain and scale business operations. COVID-19 shined a light on this reality and the need to be a tech-enabled business. Tech-enabled businesses are no longer a luxury but a necessity for a stable marketplace and economy. There are specific areas of tech every small business needs to scale. The first is artificial intelligence. Data supports the fact that advancements in artificial intelligence will boost the economy by up to 14% by 2030. While this is good news for some companies, smaller companies are not equipped to make this transition. Significant focus will be spent on this very important area. The next area of focus is digital marketing and communications. Storytelling is at the core of communications for social entrepreneurs. The utilization of digital forms of communication increase the number of people to be reached and ultimately, the impact of the entrepreneur. The final area is security. While tech is a great tool, it does not come without issues and challenges. It is important for entrepreneurs engaging in increased tech capabilities to make certain that security is a top priority for their stakeholders, clients, and benefactors.

Upon successful completion of Phase I, qualifying businesses will have the opportunity to participate in a business accelerator. This unique opportunity will help prepare entrepreneurs for investment including introductions to venture philanthropy and venture capital, to support the continued growth of their company.

Small and Disadvantaged Business Program with Sheltered Market. Cognizant of the economic merits of a thriving small business community and the historical challenges of disadvantaged groups to compete in biased and discriminatory markets, the City of Jackson is developing a Small Business Program with an imbedded disadvantaged business program. The SBP will feature a sheltered market and a scalable capacity building structure for growth and capacity building for small businesses in the City of Jackson.

Imbedded into the Small and Disadvantaged Business Program are resources for management and technical assistance. The focus on capacity building led the City to embed resources for legal operations, accounting and technical assistance. Further, the City has partnered with HOPE Credit Union and JP Morgan Chase to build a technical assistance program. This program will build capital to compete and establish lines of credit, and the City will implement a timely payment system to avoid periods of stretched capitol for the small business.

Kauffman Foundation. The City of Jackson has partnered with the Kauffman Foundation, through the National League of Cities - City Innovation Ecosystems to create the right policies, programs, and practices to ensure our community can thrive in the global, innovation-driven economy. This funding allows Jackson to partner with national experts, and receive technical assistance, seed funding, and peer learning. The first year of the partnership will focus on the following topics:

1. Using data and evidence to adjust legacy procurement processes to be more inclusive of young businesses, especially those owned by women and people of color.

2. Rethinking how your city solicits technology solutions for civic problems to be more attractive to potential partnerships with startups and technology-based entrepreneurs.

3. Diversifying the leadership of your entrepreneurial ecosystem and economic development organizations to include more woman entrepreneurs.

Historically, the City of Jackson has maintained an Equal Business Opportunity (EBO) program. While these programs have increased the amount of minority business participation, the City's program has done little to build capacities in minority businesses. Many minority businesses in Jackson serve as pass-through entities, in which a majority firm includes a minority firm in the bidding process, however, rather than partnering with the minority firm, the majority firm inflates the City's project cost in order to give a fee to the minority firm that never actually participates in the project. This situation does not build capacity in minority businesses and does not build wealth in the community.

Jackson Major Corporations Action Table. The City of Jackson has brought together CEOs of major corporations to create a forward-thinking business climate. The group seeks to create action towards the growth of businesses in the Jackson region through design, refinement and execution of growth strategies. Members are invited to bring both a critical and enthusiastic lens to the administration's work as we co-create a more business friendly environment in Jackson.

Building a Work-Ready Population

Aspen Institute. To create a network of workforce development partners, the City was referred to the Aspen Institute, Economic Opportunity program. The Aspen Institute is partnering with the City to present the Workforce Leadership Academy, an eight- to ten-month academy designed to develop a network of workforce development leaders who are not only able to lead their own programs or organizations, but who can also work collaboratively to build effective workforce systems.

The Workforce Leadership Academy creates and supports a peer-learning community of workforce leaders from nonprofit organizations, business associations, community colleges and universities, union-based training efforts, and public agencies. Participants in the Academy work with leading practitioners from around the country, learn about practical planning tools, and have the rare opportunity to reflect on and develop effective workforce strategies to strengthen their local workforce system. Participants also engage in leadership development activities, including a 360-degree leadership assessment. Fellows are selected in a competitive application process and are typically senior-level managers with authority to implement program changes. The cohort of leaders represents the following organizations and companies: Woodward Hines Foundation, University of Mississippi Medical Center, Jackson Medical Mall Foundation, Mississippi Department of Rehabilitation, Springboard to Opportunities, Mississippi Institutions of Higher Learning, Building Healthy Military Families, Hinds Community College, Mississippi Early Learning Alliance, Mississippi Economic Council, Refill Café, LLC, The Skills Foundation,

United Way of the Capital Area, Dependable Source Corp. Center for Community and Workforce Development, Jackson State University and Tougaloo College.

Social Progress Imperative. The W.K. Kellogg Foundation funding allowed the City to partner with the Social Progress Imperative (SPI). SPI partnered with the City to build an idea of social progress in Jackson (see below). The SPI index measures data in three categories: basic human needs, foundations of wellbeing, and opportunity. This provides a means to measure quality of life in real-time and allows the City to model interventions and measure their impacts. For example, opportunity can be determined across the City through measures of personal rights, personal freedom and choice, inclusiveness, and access to education. These measures are mapped, and areas of high and low social progress can be measured through the lens of opportunity.

The specific data under each subcategory can be used to measure the impact of interventions. For example, personal freedom and choice can be measured by childcare deserts, walkability index, disconnected youth and alternative transportation usage. Interventions such as permits for new childcare facilities, building sidewalks, creating youth centers, and/or changing or adding public transportation routes can be measured to observe their direct impact on social progress. The interventions can be measured by zip code and community progress can be measured and observed. The overall impact of the index can be viewed by census tract (groups of 2,000 residents), which create scorecards by neighborhood.

Green Jobs and Climate Change. Climate change is the existential threat of the 21st century. The City of Jackson has set a goal of climate neutrality and seeks to reach this goal through climate mitigation and adaptation strategies. The climate mitigation efforts focus on the reduction of greenhouse gasses, while the climate adaptation strategies are based on reducing vulnerability to the effects of climate change. *Economic Pathways to Human Dignity* uses both mitigation and adaptation strategies to increase workforce and economic development to create resiliencies to the effects of climate change.

The workforce and economic development ecosystem needed for climate mitigation and adaptation strategies produces “green jobs,” which provide an excellent platform for a future-proof workforce. Renewable energy, retrofitting for energy efficiency, and renovations for energy efficiency are growing markets in need of a trained and skilled workforce. The City of Jackson has aligned a set of partners to build a future-proof workforce through strategies of climate mitigation and adaptation.

The National League of Cities brought resources for Jackson to build a heat preparedness plan through the *Cities Taking Action to Address Health, Equity & Climate Change* Program. In developing the heat preparedness plan, the City partnered with Mississippi 2C to focus on addressing local vulnerabilities to build community resilience in Jackson. The strategy seeks to properly identify and map vulnerable populations by collecting place specific information. To address this need, the project will conduct a survey measuring: perceptions of heat-related

threats and vulnerability; availability of social support (family and friends); and knowledge of effective cooling behaviors (proper use of fans and AC systems, as well as clothing, bathing and hydrating).

The partnership with the NLC brought deeper engagement with heat preparedness through the National Oceanographic and Atmospheric Administration's (NOAA) 2020 Urban Heat Island Mapping Support Project. Through this project, the City received funding support to perform a community science urban heat island (UHI) mapping campaign in Jackson. The data from the heat island effect mapping will be used to inform the heat preparedness plan and align needs-based analysis of heat mitigation and adaptation strategies. The heat preparedness plan presents an opportunity for measurable impact on social progress in the areas of greatest need in Jackson. Further, the projects that result from the heat preparedness plan provide green economy workforce and economic development opportunities for Jackson residents.

Another project-based approach to workforce and economic development was achieved through a partnership with the New York based, BlocPower group. This project will create a four-dimensional map of energy use in buildings throughout downtown Jackson. The energy efficiency analysis will be used to create green economy workforce and economic development opportunities for Jackson residents.

Makerspace. The City of Jackson has agreed to partner with The Bean Path and the Mississippi Light Collaborative in creating a makerspace. The space will be filled with 3D printers, shop/woodwork equipment, laser cutters, industrial sewing machines, t-shirt printing presses, and circuit equipment for people to learn how to use and be able to make their own products, furniture, clothing, etc. The idea is to help individuals of the community be self-sustainable and provide a source of income for their businesses. This model is similar to the Idea Shop in Starkville, MS, which is the first type of makerspace for the community (i.e. not associated with a university or college). This involves field trips for K-12 students locally and across the state to visit (for minimal cost) and charging memberships for others (individuals and small businesses).

In addition, the makerspace will have collaborative Science, Technology, Engineering, Art and Mathematics (S.T.E.A.M.) programming. S.T.E.A.M. activities include an intergenerational learning and skills hub and the Creative S.T.E.A.M. Lab run by young people for young people 30 years and under. S.T.E.A.M. achieves equity by focusing identifying, supporting and connecting talent from the local communities. Both Bean Path and the Mississippi Light Collaborative will promote design thinking in the maker/S.T.E.A.M. space.

Building an Innovation-Ready Culture

TECH JXN - Technology, Education, Creativity and Healthcare in Jackson. TECH JXN is a three-day conference and explosion of Jackson's assets to promote a culture of innovation and economic development.

Sesame Street in Communities (SSIC) will launch a series of strategic initiatives at TECH JXN, beginning with an interactive day filled with the famous Sesame Street characters. SSIC has three goals: 1) Brand: Raise public awareness of the most challenging issues impacting families and children; 2) Content: Encouraging nurturing connections with key adults in children's lives to foster hope, resilience, and readiness for school; and, 3) Capacity Building: Empower community influencers to form a circle of care to support child and family well-being. SSIC will engage communities around childhood and family trauma, early literacy and other areas through high impact events, professional learning, a web-based hub and coalition building in a three-phase process of onboarding, implementation and sustainability.

The **Fertile Ground Project** uses public art as a medium to inspire dialogue about food access in Jackson, Mississippi. The project is made up of physical installations deployed within food insecure areas across the city, a documentary about food access, community engagement sessions, a podcast series, performance art, a food policy roadmap, and a project Expo. The project brings together an interdisciplinary network of people such as artists, designers, architects, farmers, chefs, nutritionists, policymakers, and community members to discuss the complexities of the city's food system. TECH JXN attendees will be able to see images and clips from the Fertile Ground Expo as well as learn more about the planning process that went into the city-wide exhibition. This presentation will showcase the various installations and discuss how public art can impact community and catalyze change.

FINANCIAL POLICIES AND PRACTICES

The City of Jackson is required to submit its municipal budget on an annual basis to the City Council for adoption on or before the fifteenth day of the last month in the fiscal year. A budget process, linking policy initiatives, services, and available resources, is utilized to develop the budget. As the primary financial planning and control document, the budget provides the foundation for City operations.

The budget is crafted to include expenditures by Fund, Department and Category:

Fund Types: General, Special Revenue, Debt Service, Proprietary, Fiduciary, Capital Project

Departments: Administration, Information Technology, Human & Cultural Services, Fire, Police, Public Works, General Government, Municipal Clerk, Planning and Development, Human Resources, and Parks and Recreation.

Categories: Personal Services, Supplies and Material, Other Services and Charges, Capital Outlay, Debt Service, Grants and Contributions and Contingencies and Transfers Taxes; Licenses and Permits; Fines and Forfeitures; Intergovernmental; Admissions, Fees, and Rentals; Interest; Miscellaneous Revenues; and Operating Transfers are the categories that comprise the revenue budget.

During the fiscal year, department heads may transfer resources within a department by

following established guidelines. These transfers, along with other budget adjustments, are incorporated into Budget Revisions that must be approved by the City Council. The Executive Branch is afforded the opportunity to submit a maximum of three Budget Revisions to the City Council for approval within the fiscal year.

ACKNOWLEDGMENTS

I would like to express my heartfelt appreciation to the staff of the Department of Administration, and specifically, the Finance Division for their diligence and dedication in the preparation of this report.

The Finance Division would also like to acknowledge and extend our appreciation to other departments and divisions across the city who have contributed, whether directly or indirectly, to the preparation of this report.

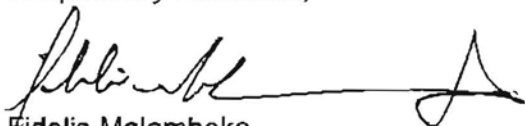
I acknowledge with appreciation the thorough, professional manner in which our independent auditors, Tann, Brown and Russ, conducted the audit.

We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

I thank the Mayor and City Council members for their consistent dedication to the city's goal of excellence in all aspects of financial management.

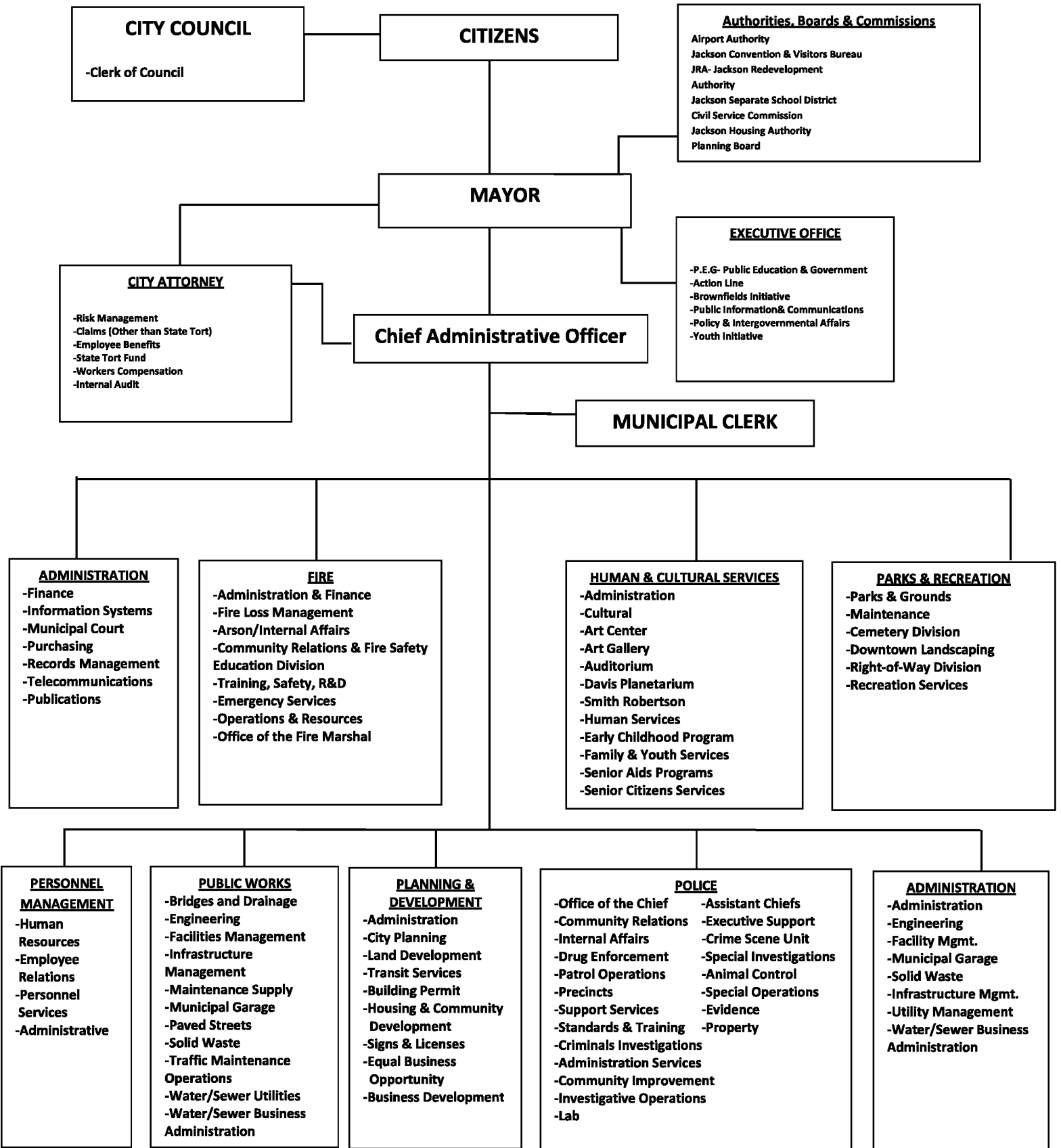
While this report is produced mainly for policy analysts and the investment community, it belongs to the citizens of Jackson; it is the best record of where their taxes are spent and how their city is doing financially. I hereby dedicate it to them.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'F. Malembeka', with a long horizontal flourish extending to the right.

Fidelis Malembeka,
Chief Financial Officer

CITY OF JACKSON ORGANIZATIONAL CHART



**CITY OF JACKSON
MAYOR, CITY COUNCIL AND CITY OFFICIALS
SEPTEMBER 30, 2021**

EXECUTIVE

Chokwe Antar Lumumba
MAYOR

LEGISLATIVE

CITY COUNCIL

Ashby Foote
Ward 1

Angelique C. Lee
Ward 2
Vice President of Council

Kenneth I. Stokes
Ward 3

Brian C. Grizzell
Ward 4

Vernon W. Hartley
Ward 5

Aaron Banks
Ward 6

Virgi Lindsay
Ward 7
President of Council

Shanekia Mosley
Clerk of Council

EXECUTIVE BRANCH

Louis Wright
Chief Administrative Officer

Dr. Safiya Omari
Chief of Staff

Chief of Police
Fire Chief
Director of Public Works
Director of Planning and Development
Director of Human and Cultural Services
Director of Parks and Recreation
Director of Personnel Management
Director of Administration
Interim City Attorney
Municipal Clerk

James Davis
Willie Owens
Marlon King
Jordan Hillman
Adriane Dorsey-Kidd
Ison Harris
Toya Martin
LaaWanda Horton
Monica Allen
Angela Harris

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CERTIFIED PUBLIC ACCOUNTANTS
1501 LAKELAND DRIVE, SUITE 300
JACKSON, MISSISSIPPI 39216-4841
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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Honorable Members of the City Council
City of Jackson, Mississippi

We have audited the accompanying 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 City of Jackson, Mississippi (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's discretely presented component units, the Capital City Convention Center Commission, the Jackson Redevelopment Authority, and the Jackson Municipal Airport Authority, which represent 100% of the assets, net position, and revenues of the City's discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City's discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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 of Jackson, Mississippi, as of September 30, 2021, and, the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements have been prepared assuming the City of Jackson, Mississippi, including its component units, will continue as a going concern. As discussed in Note 6(E), the Capital City Convention Center Commission, which is a discretely presented component unit of the City of Jackson, Mississippi, has incurred losses from operations and has limited unrestricted working capital, which raise substantial doubt about the Capital City Convention Center Commission's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 6(E). The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Changes in Accounting Principle and Reporting Entity

As discussed in Note 1(D)(20), the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, in the year ended September 30, 2021. As described in Note 1(A), the City began reporting the Jackson Municipal Airport Authority as a discretely presented component unit in the year ended September 30, 2021. Our opinion is not modified with respect to those matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and employee benefit plan information on pages 5 through 13 and 90 through 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory, other supplementary information, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements and schedules in the other supplementary information section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the combining statements and schedules in the other supplementary information section and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2023, on our consideration of the City of Jackson, Mississippi'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 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 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 City of Jackson, Mississippi's internal control over financial reporting and compliance.

Turn, Brown & Ross Co.

February 20, 2023

CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City of Jackson, we offer readers of the City of Jackson's financial statements this narrative overview and analysis of the financial activities of the City of Jackson for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ii - xiii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Jackson exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year ended September 30, 2021, by \$285 million (*net position*). Of this amount, there is negative (\$258) million in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$368 thousand.
- As of the close of the current fiscal year, the City of Jackson's governmental funds reported *combined* ending fund balances of \$101.3 million, a decrease of \$19.5 million in comparison with the prior year. Approximately 17% of this total amount is \$17.5 million (unassigned) and is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year unassigned fund balance for the general fund was \$17.5 million, or 16% of total general fund expenditures.
- The City of Jackson's total long-term debt decreased by \$9.2 million (2 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Jackson's basic financial statements. The City of Jackson'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 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 of Jackson's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Jackson's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these 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 of Jackson is improving or deteriorating.

The statement of activities presents information showing 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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Jackson 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 of Jackson include general government, public safety, public works, human & cultural services, and interest on long term debt. The business-type activities of the City of Jackson include water/sewer, transportation and sanitation.

The government-wide financial statements include the City of Jackson itself (known as the *primary government*), and the legally separate Jackson Redevelopment Authority, Capital City Convention Center Commission, and Jackson Municipal Airport Authority for which the City of Jackson is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. Complete financial statements are also issued by and available from these component units.

The government-wide financial statements can be found on pages 15-17 of this report.

CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

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 of Jackson, 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 of Jackson can be divided into two categories: governmental funds and proprietary funds.

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 of Jackson maintains eighteen (18) 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 Fund, 1% Infrastructure Tax Capital Project Fund, Debt Service Fund, Federal Grants Special Revenue Fund, and Infrastructure Bond 2020 Capital Project Fund which are considered to be major funds. Data from the other thirteen (13) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Jackson adopts an annual budget for all of its funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget for governmental funds.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The City of Jackson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Jackson uses enterprise funds to account for its Water/Sewage Disposal System Fund, Madison-Ridgeland Sewage Fund, Transportation Fund and Sanitation Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Jackson's various functions. The City of Jackson uses an Internal Service Fund to account for its Employee Group Health Benefit Fund. Because these services predominantly benefit governmental rather than business-type functions, it has been included within the governmental activities column in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water/Sewage Disposal System Fund and Sanitation Fund, both of which are considered to be major funds of the City of Jackson. Data from the other two (2) proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report. The Internal Service Fund is presented in the Proprietary Fund financial statements as a separate column.

The basic proprietary fund financial statements can be found on pages 22-26 of this report.

Fiduciary funds. Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The function of the City's principal trust fund is discussed in Note 6.A.2. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The purpose of the City's Custodial Funds is to collect and remit to the related organizations the proceeds of a special sales tax received from the State and school property tax collected by the county.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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.

The notes to the financial statements can be found on pages 30-89 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Jackson's General Fund and major special revenue fund budgets and progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on page 91-120 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 131-149 of this report.

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 \$285 million at the close of September 30, 2021.

By far the largest portion of the City of Jackson's net position (168 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Jackson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Jackson's net 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.

City of Jackson's Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 222,426	\$ 223,386	\$ 78,696	\$ 112,172	\$ 301,122	\$ 335,558
Capital assets	387,766	365,883	438,965	435,335	826,731	801,218
Total assets	610,192	589,269	517,661	547,507	1,127,853	1,136,776
Deferred Outflow s of Resources	23,996	21,271	2,958	2,938	26,954	24,209
Long-term liabilities outstanding	372,328	463,953	277,607	279,686	649,935	743,639
Other Liabilities	44,809	25,993	17,913	23,503	62,722	49,496
Total Liabilities	417,137	489,946	295,520	303,189	712,657	793,135
Deferred Inflow s of Resources	146,625	79,776	10,274	2,455	156,899	82,231
Net position:						
Net investment in capital assets	284,282	256,952	194,928	197,266	479,210	454,218
Restricted	63,011	70,930	640	5,145	63,651	76,075
Unrestricted	(276,867)	(287,064)	19,257	42,390	(257,610)	(244,674)
Total net position	\$ 70,426	\$ 40,818	\$ 214,825	\$ 244,801	\$ 285,251	\$ 285,619

The City of Jackson's total net position decreased by \$368 thousand during the current fiscal year primarily as a result of capital grants received for infrastructure projects.

**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

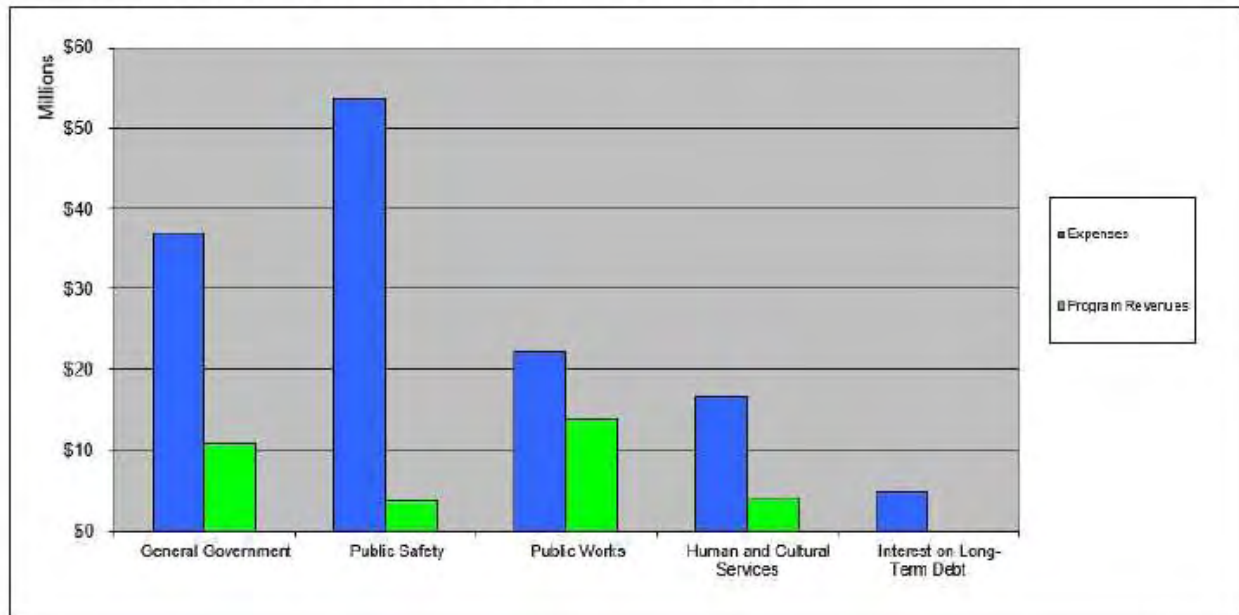
City of Jackson's Changes in Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 9,029	\$ 8,969	\$ 39,894	\$ 56,715	\$ 48,923	\$ 65,684
Operating grants and contributions	8,571	13,295	9,253	8,047	17,824	21,342
Capital grants and contributions	15,005	21,053	-	500	15,005	21,553
General revenues:						
Property taxes	80,103	79,439	-	-	80,103	79,439
Local sales taxes	15,770	14,515	-	-	15,770	14,515
Franchise taxes	7,157	6,842	-	-	7,157	6,842
Other	41,495	39,692	486	15,110	41,981	54,802
Total revenues	<u>177,130</u>	<u>183,805</u>	<u>49,633</u>	<u>80,372</u>	<u>226,763</u>	<u>264,177</u>
Expenses:						
General government	36,992	37,769	-	-	36,992	37,769
Public safety	53,541	65,372	-	-	53,541	65,372
Public works	22,233	21,741	-	-	22,233	21,741
Human and cultural services	16,795	16,884	-	-	16,795	16,884
Interest on long-term debt	4,797	5,669	-	-	4,797	5,669
Water/Sewer	-	-	70,865	68,277	70,865	68,277
Transportation	-	-	9,882	10,275	9,882	10,275
Madison-Ridgeland Sewage Sanitation	-	-	86	223	86	223
Total expenses	<u>134,358</u>	<u>147,435</u>	<u>92,773</u>	<u>89,536</u>	<u>227,131</u>	<u>236,971</u>
Increase in net position before transfers	42,772	36,370	(43,140)	(9,164)	(368)	27,206
Transfers	(13,164)	(9,378)	13,164	9,378	-	-
Increase in net position	<u>29,608</u>	<u>26,992</u>	<u>(29,976)</u>	<u>214</u>	<u>(368)</u>	<u>27,206</u>
Net position - October 1	40,818	13,610	244,801	244,587	285,619	258,197
Cumulative effect of new accounting standard	-	216	-	-	-	216
Net position - September 30	<u>\$ 70,426</u>	<u>\$ 40,818</u>	<u>\$214,825</u>	<u>\$244,801</u>	<u>\$285,251</u>	<u>\$285,619</u>

Governmental activities. Governmental activities increased the City of Jackson's net position by \$30 million primarily as a result of capital grants received for infrastructure projects.

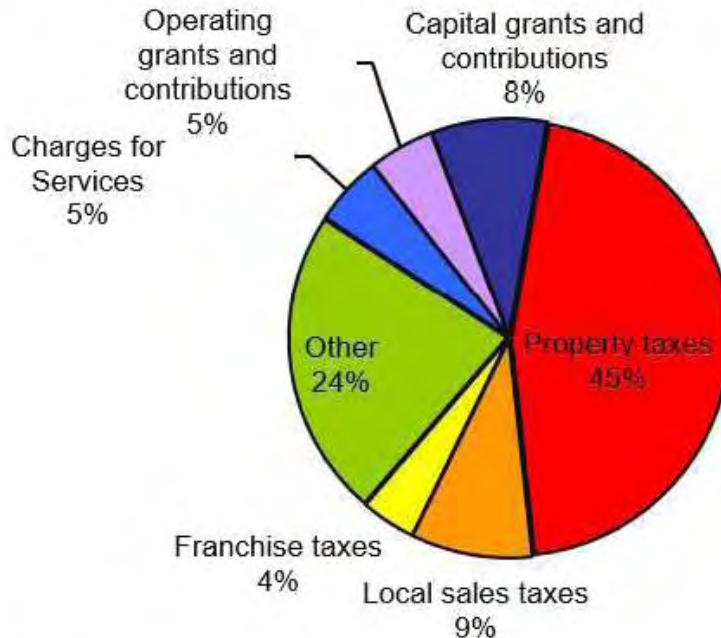
In FY 2007, the City issued \$65 million in General Obligation Bonds on behalf of the Capital City Convention Center Commission to construct the Convention Center. A special sales tax levy was established to pay the debt service for the bonds. The bonds couldn't be issued as revenue bonds because of the uncertainty of the sales tax collections; therefore, the bonds were issued as GO Bonds of the City with full, faith and credit of the City. The asset (the Convention Center facility) is the property of the Capital City Convention Center Commission and recorded on the books of the Commission, but the liability (the bonds to construct the Convention Center) is on the books of the City.

**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Expenses and Program Revenues – Governmental Activities



Revenues by source – Governmental Activities



Financial Analysis of the Government's Funds

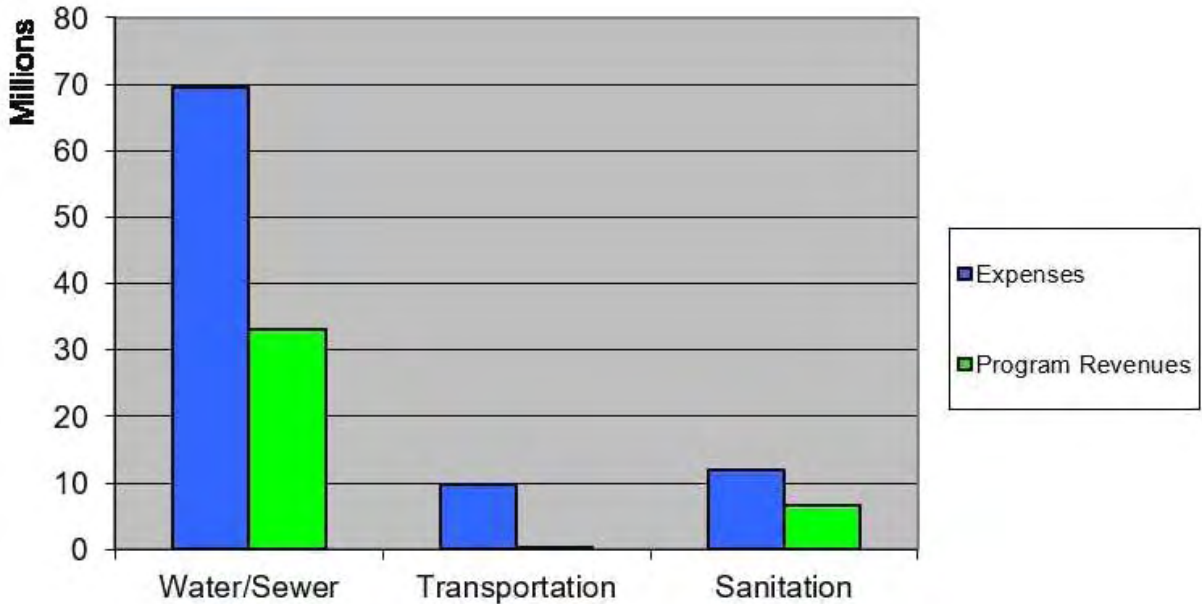
As noted earlier, the City of Jackson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Jackson'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 of Jackson'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.

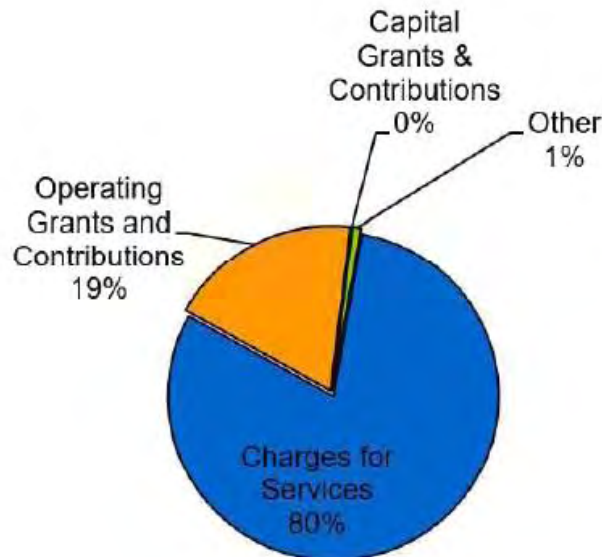
**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Business-type activities. Business-type activities decreased the City of Jackson's net position by \$30 million. This decrease is primarily in the Water/Sewage Disposal Fund and is the result of increasing infrastructure repair costs and continuing problems with customer billing and collection systems.

Expenses and Program Revenues – Business-Type Activities



Revenues by Source – Business-Type Activities



CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

As of the end of the current fiscal year, the City of Jackson's governmental funds reported combined ending fund balances of \$101.3 million, and a decrease of \$19.5 million. 17% of this total fund balances amount is \$17 million which is available for spending at the government's discretion (*unassigned*). Of the remaining fund balance, \$922,166 is *nonspendable* and is not in spendable form, \$73 million is *restricted* and has limitations imposed on its use by external parties, \$13.8 million is *committed* for specific purposes imposed by the City Council, and \$1 million is *assigned* for various purposes by the Director of Administration. Additional information on governmental fund balance can be found in Note 5 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed, and assigned.

The general fund is the chief operating fund of the City of Jackson. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17 million, while total fund balance reached \$33 million. 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.

During the current fiscal year, the fund balance of the City of Jackson's general fund decreased by \$15 million; which is due primarily to increases in public safety expenditures and transfers to the Water/Sewage Disposal Fund and Sanitation Fund to subsidize operations. The Federal Grants Special Revenue Fund is a major governmental fund. Its fund balance decreased by \$1.2 million. The fund balances of the 1% Infrastructure Tax Capital Project Fund and the Infrastructure Bond 2020 Capital Project Fund decreased as a result of increased expenditures for infrastructure improvements. The fund balance of the Debt Service Fund increased because the ad valorem tax millage rate was increased.

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

Unrestricted net position of the Water/Sewage Disposal System Fund at the end of the year amounted to \$13.6 million. The decrease in net position for the Water/Sewage Disposal System Fund was \$30.4 million and resulted from increased costs for infrastructure repairs and continuing problems with customer billing and collection systems.

The fund balance of the Sanitation Fund decreased by \$1.3 million as a result of increased operating costs and continuing problems with customer billing and collection systems.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget expenditures were a \$16 million increase and can be briefly summarized as follows:

- \$0.7 million decrease in personnel services
- \$0.2 million increase in supplies and materials
- \$2.9 million increase in contract services and charges
- \$6.1 million increase in capital outlay
- \$0.1 million increase in debt service
- \$0.7 million increase in grants and contributions
- \$6.7 million increase in transfers to other funds

Significant budgetary expenditure variances between the final amended budget and actual results are as follows:

- Actual personnel services for all city departments was \$3.8 million less than the final budget.
- Actual supplies and materials for all city departments was \$2.3 million less than the final budget.
- Actual contractual services and charges throughout all city departments was \$4.1 million less than the final budget.
- Actual capital outlay for all city departments was \$6.1 million less than the final budget.
- Actual debt service for all city departments was \$1.6 thousand more than the final budget.
- Actual grants and contributions for all city departments was \$3.6 million less than the final budget.
- Actual transfers for all city departments was \$2.6 million less than the final budget.

**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Capital Assets and Debt Administration

Capital assets. The City of Jackson's capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$827 million (net of accumulated depreciation). These capital assets include land, buildings, water/sewer systems, improvements, machinery and equipment, park facilities, roads, and bridges. The total increase in the City of Jackson's capital assets for the current fiscal year was 3.2% (a 6% increase for governmental activities and a 0.8% decrease in business-type activities).

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

- The increase in infrastructure capital assets of governmental activities and business-type activities was the result of continued expenditures for expansion and replacement of water, sewage and streets infrastructure.
- The increase in automotive and equipment assets of the governmental activities resulted primarily from the purchase of six new fire trucks.

City of Jackson's Capital Assets (net of depreciation) (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,721	\$ 13,721	\$ 1,838	\$ 1,838	\$ 15,559	\$ 15,559
Buildings	66,939	68,849	9,726	10,014	76,665	78,863
Automotive and equipment	16,236	14,789	9,367	11,524	25,603	26,313
Infrastructure	242,031	232,315	392,776	392,539	634,807	624,854
Construction in progress	48,839	36,209	25,258	19,420	74,097	55,629
Total	\$ 387,766	\$ 365,883	\$ 438,965	\$ 435,335	\$ 826,731	\$ 801,218

Additional information on the City of Jackson's capital assets can be found in Note 4 on pages 49-52 of this report.

Long-term debt. At the end of the current fiscal year, the City of Jackson had total bonded debt outstanding of \$287 million. Of this amount, \$98 million comprises debt backed by the full faith and credit of the City. The remainder of the City of Jackson's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds and tax increment bonds).

City of Jackson's Outstanding Debt General Obligation and Revenue Bonds and Other Long-Term Debt (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 98,410	\$ 107,663	\$ -	\$ -	\$ 98,410	\$ 107,663
Revenue bonds	-	-	180,465	189,480	180,465	189,480
Tax increment bonds	8,026	8,877	-	-	8,026	8,877
Loans, notes and leases	52,148	58,604	68,170	51,735	120,318	110,339
Premium (discount)	10,984	11,666	10,079	10,798	21,063	22,464
Total	\$ 169,568	\$ 186,810	\$ 258,714	\$ 252,013	\$ 428,282	\$ 438,823

The City of Jackson's total debt decreased by \$9.2 million during the current fiscal year.

**CITY OF JACKSON, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The bond ratings services from Standard & Poor's and Moody's establish that bonds marketed by the City have favorable investment qualities. Presently, the city has the following ratings:

	<u>Moody's</u>	<u>Standard & Poor's</u>
Revenue	Ba2	BB-
General Obligation Bonds	Baa3	BBB
Urban Renewal Revenue Bonds	Ba1	BBB

State statutes limit the amount of general obligation bond debt and total debt a governmental entity may issue to 15 percent and 20 percent, respectively, of its total assessed valuation. The current debt limitation for the City of Jackson under the 15% rule is \$92 million in excess of the City of Jackson's outstanding general obligation bond debt.

Additional information on the City of Jackson's long-term debt can be found in Note 4 on pages 55-66 of this report.

Economic Factors and Next Year's Budgets and Rates

- Major revenues sources are expected to remain basically at existing levels.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Jackson's budget for the 2022 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased \$8 million.

Requests for Information

This financial report is designed to provide a general overview of the City of Jackson'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 Department of Administration, Office of the Director, P.O. Box 17, Jackson, MS, 39205-0017.

**BASIC FINANCIAL
STATEMENTS**

City of Jackson
Statement of Net Position
As of September 30, 2021

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Capital City Convention Center Commission	Jackson Municipal Airport Authority
ASSETS						
Cash and cash equivalents	\$ 125,906,863	\$ 6,714,560	\$ 132,621,423	\$ 5,052,242	\$ 350,934	\$ 11,564,302
Receivables	94,632,659	47,809,966	142,442,625	2,326,720	1,098,453	2,817,142
Inventories	922,166	1,642,013	2,564,179	-	10,885	-
Prepaid expenses	964,749	-	964,749	11,091	6,543	293,363
Restricted assets:						
Cash and cash equivalents	-	22,529,837	22,529,837	28,340	1,500,000	31,461,685
Capital assets:						
Capital assets not being depreciated	62,559,600	27,095,801	89,655,401	11,267,388	5,828,280	8,818,611
Other capital assets, net of depreciation	325,206,409	411,868,933	737,075,342	19,303,601	54,489,467	116,021,925
Total assets	610,192,446	517,661,110	1,127,853,556	37,989,382	63,284,562	170,977,028
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows - debt refunding	-	-	-	-	-	231,203
Deferred outflows - pensions	13,838,001	1,729,664	15,567,665	-	-	1,395,679
Deferred outflows - other post-employment benefits	10,157,602	1,228,421	11,386,023	-	-	-
Total deferred outflows of resources	23,995,603	2,958,085	26,953,688	-	-	1,626,882
LIABILITIES						
Accounts payable	15,324,018	7,584,255	22,908,273	122,843	147,013	1,337,921
Accrued interest payable	1,352,435	2,419,275	3,771,710	84,725	-	-
Unearned revenue	23,586,872	-	23,586,872	-	157,882	-
Other liabilities	4,545,884	7,909,486	12,455,370	22,682	361,486	1,097,361
Compensated absences:						
Due within one year	697,929	67,324	765,253	-	-	-
Due in more than one year	2,870,085	346,054	3,216,139	-	-	-
Claims liabilities:						
Due within one year	3,514,383	-	3,514,383	-	-	-
Due in more than one year	3,552,683	-	3,552,683	-	-	1,650,000
Long term debt:						
Due within one year	14,620,796	12,937,765	27,558,561	1,088,019	258,900	1,950,000
Due in more than one year	156,302,935	245,775,912	402,078,847	4,313,540	-	24,210,000
Other post-employment benefits:						
Due within one year	921,314	111,035	1,032,349	-	-	-
Due in more than one year	40,283,850	4,854,957	45,138,807	-	-	-
Net pension liability:						
Due in more than one year	149,563,620	13,513,770	163,077,390	-	-	12,177,454
Total liabilities	417,136,804	295,519,833	712,656,637	5,631,809	925,281	42,422,736
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - property taxes levied for subsequent year	76,631,633	-	76,631,633	-	-	-
Deferred inflows - pensions	46,484,189	6,088,160	52,572,349	-	-	4,753,334
Deferred inflows - other post-employment benefits	23,509,636	4,185,759	27,695,395	-	-	-
Deferred inflows - unearned revenues	-	-	-	-	-	981,617
Total deferred inflows of resources	146,625,458	10,273,919	156,899,377	-	-	5,734,951
NET POSITION						
Net investment in capital assets	284,281,523	194,928,057	479,209,580	25,654,430	60,317,747	97,785,408
Restricted, expendable for:						
Public Safety	1,980,758	-	1,980,758	-	-	94,486
Human and Cultural Services	1,899,009	-	1,899,009	-	-	-
Debt Service	12,595,018	-	12,595,018	5,658	1,500,000	6,425,985
Capital Projects: restricted by enabling legislation	15,717,657	-	15,717,657	-	-	-
Capital Projects: other	30,607,759	640,179	31,247,938	-	-	25,606,895
Unemployment Claims	209,992	-	209,992	-	-	-
Employee Benefits	636	-	636	-	-	-
Unrestricted	(276,866,565)	19,257,207	(257,609,358)	6,697,485	541,534	(5,466,551)
Total net position	\$ 70,425,787	\$ 214,825,443	\$ 285,251,230	\$ 32,357,573	\$ 62,359,281	\$ 124,446,223

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

City of Jackson
Statement of Activities
For the Year Ended September 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 36,991,692	\$ 6,114,059	\$ 4,820,254	\$ -
Public safety	53,540,987	2,144,718	1,336,908	225,000
Public works	22,232,450	49,156	132,972	13,666,979
Human and cultural services	16,795,382	720,687	2,280,712	1,113,500
Interest and fees on long term debt	4,797,388	-	-	-
Total governmental activities	<u>134,357,899</u>	<u>9,028,620</u>	<u>8,570,846</u>	<u>15,005,479</u>
Business-type activities:				
Water/ Sewage Disposal System	70,864,889	33,101,483	-	-
Transportation	9,881,709	-	9,187,750	-
Madison-Ridgeland Sewage	86,462	117,111	-	-
Sanitation	11,940,403	6,675,897	65,710	-
Total business-type activities	<u>92,773,463</u>	<u>39,894,491</u>	<u>9,253,460</u>	<u>-</u>
Total primary government	<u>\$ 227,131,362</u>	<u>\$ 48,923,111</u>	<u>\$ 17,824,306</u>	<u>\$ 15,005,479</u>
Component Units:				
Jackson Redevelopment Authority	\$ 2,724,156	\$ 970,731	\$ 594,353	\$ 1,522,742
Capital City Convention Center Commission	8,366,472	517,559	570,000	-
Jackson Municipal Airport Authority	27,675,389	17,272,891	6,488,146	5,896,676
Total component units	<u>\$ 38,766,017</u>	<u>\$ 18,761,181</u>	<u>\$ 7,652,499</u>	<u>\$ 7,419,418</u>

General revenues:

- Property taxes
- Local sales taxes
- Franchise taxes based on gross receipts
- Intergovernmental grants and shared revenues not restricted to specific programs
- Unrestricted investments earnings
- Gain (loss) on sale of capital assets

Transfers

- Total general revenues and transfers
- Change in net position
- Net position - beginning of year as previously reported
- Cumulative effect of new accounting standard
- Net position - beginning of year as restated
- Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Capital City Convention Center Commission	Jackson Municipal Airport Authority
\$ (26,057,379)	\$ -	\$ (26,057,379)	\$ -	\$ -	\$ -
(49,834,361)	-	(49,834,361)	-	-	-
(8,383,343)	-	(8,383,343)	-	-	-
(12,680,483)	-	(12,680,483)	-	-	-
(4,797,388)	-	(4,797,388)	-	-	-
<u>(101,752,954)</u>	<u>-</u>	<u>(101,752,954)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(37,763,406)	(37,763,406)	-	-	-
-	(693,959)	(693,959)	-	-	-
-	30,649	30,649	-	-	-
-	(5,198,796)	(5,198,796)	-	-	-
-	<u>(43,625,512)</u>	<u>(43,625,512)</u>	-	-	-
<u>(101,752,954)</u>	<u>(43,625,512)</u>	<u>(145,378,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	363,670	-	-
-	-	-	-	(7,278,913)	-
-	-	-	-	-	1,982,324
-	-	-	<u>363,670</u>	<u>(7,278,913)</u>	<u>1,982,324</u>
80,102,667	-	80,102,667	-	-	-
15,770,432	-	15,770,432	-	5,069,315	-
7,157,495	-	7,157,495	-	-	-
40,365,184	-	40,365,184	-	-	-
747,122	427,030	1,174,152	8,977	13,416	24,767
381,473	59,380	440,853	-	-	-
(13,163,600)	13,163,600	-	-	-	-
<u>131,360,773</u>	<u>13,650,010</u>	<u>145,010,783</u>	<u>8,977</u>	<u>5,082,731</u>	<u>24,767</u>
<u>29,607,819</u>	<u>(29,975,502)</u>	<u>(367,683)</u>	<u>372,647</u>	<u>(2,196,182)</u>	<u>2,007,091</u>
40,601,576	244,800,945	285,402,521	31,984,926	64,555,463	122,439,132
216,392	-	216,392	-	-	-
<u>40,817,968</u>	<u>244,800,945</u>	<u>285,618,913</u>	<u>31,984,926</u>	<u>64,555,463</u>	<u>122,439,132</u>
<u>\$ 70,425,787</u>	<u>\$ 214,825,443</u>	<u>\$ 285,251,230</u>	<u>\$ 32,357,573</u>	<u>\$ 62,359,281</u>	<u>\$ 124,446,223</u>

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

City of Jackson
Balance Sheet
Governmental Funds
As of September 30, 2021

	General Fund	Debt Service	Federal Grants Special Revenue Fund	1% Infrastructure Tax Capital Project Fund	Infrastructure Bond 2020 Capital Project Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 32,383,817	\$ 12,449,472	\$ 21,130,937	\$ 15,048,498	\$ 30,177,039	\$ 13,593,909	\$ 124,783,672
Receivables, net of allowance for uncollectibles	69,126,227	6,655,531	2,947,259	2,648,798	-	12,628,829	94,006,644
Inventories	922,166	-	-	-	-	-	922,166
Total assets	<u>\$ 102,432,210</u>	<u>\$ 19,105,003</u>	<u>\$ 24,078,196</u>	<u>\$ 17,697,296</u>	<u>\$ 30,177,039</u>	<u>\$ 26,222,738</u>	<u>\$ 219,712,482</u>
LIABILITIES							
Accounts payable	\$ 4,834,461	\$ -	\$ 1,801,617	\$ 1,979,639	\$ 1,689,249	\$ 3,269,846	\$ 13,574,812
Unearned grant revenue	-	-	21,925,114	-	-	1,661,758	23,586,872
Other liabilities	4,428,120	-	32,882	-	-	84,882	4,545,884
Total liabilities	<u>9,262,581</u>	<u>-</u>	<u>23,759,613</u>	<u>1,979,639</u>	<u>1,689,249</u>	<u>5,016,486</u>	<u>41,707,568</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-long-term receivables	-	-	29,326	-	-	-	29,326
Unavailable revenue-property taxes levied for subsequent year	59,796,304	6,509,985	-	-	-	10,325,344	76,631,633
Total deferred inflows of resources	<u>59,796,304</u>	<u>6,509,985</u>	<u>29,326</u>	<u>-</u>	<u>-</u>	<u>10,325,344</u>	<u>76,660,959</u>
FUND BALANCES							
Nonspendable	922,166	-	-	-	-	-	922,166
Restricted	8,256,487	12,595,018	289,257	15,717,657	28,487,790	3,983,681	69,329,890
Committed	5,757,197	-	-	-	-	6,897,227	12,654,424
Assigned	947,264	-	-	-	-	-	947,264
Unassigned	17,490,211	-	-	-	-	-	17,490,211
Total fund balances	<u>33,373,325</u>	<u>12,595,018</u>	<u>289,257</u>	<u>15,717,657</u>	<u>28,487,790</u>	<u>10,880,908</u>	<u>101,343,955</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 102,432,210</u>	<u>\$ 19,105,003</u>	<u>\$ 24,078,196</u>	<u>\$ 17,697,296</u>	<u>\$ 30,177,039</u>	<u>\$ 26,222,738</u>	<u>\$ 219,712,482</u>

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

City of Jackson
Reconciliation of Balance Sheet - Governmental Funds
To the Statement of Net Position
September 30, 2021

Total fund balances - governmental funds	\$ 101,343,955
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	387,766,009
Prepaid expenses are not financial resources and are not reflected in the funds.	964,749
Long-term receivables are not available to pay for current period expenditures and are recorded as deferred inflows in the fund statements.	29,326
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to other post-employment benefits	10,157,602
Deferred outflows of resources related to pensions	13,838,001
Deferred inflows of resources related to other post-employment benefits	(23,509,636)
Deferred inflows of resources related to pensions	(46,484,189)
Long-term liabilities, including bonds payable and interest, are not due and payable in the current period and therefore are not reported in the funds:	
Long-term debt, net of premium and discounts	(170,923,731)
Accrued interest on long-term debt	(1,352,435)
Compensated absences	(3,568,014)
Claims payable	(7,067,066)
Other post-employment benefits	(41,205,164)
Net pension liability	(149,563,620)
Net position of governmental activities	\$ <u><u>70,425,787</u></u>

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

City of Jackson
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
As of September 30, 2021

	General Fund	Debt Service	Federal Grants Special Revenue Fund	1% Infrastructure Tax Capital Project Fund	Infrastructure Bond 2020 Capital Project Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
General property taxes	\$ 58,349,042	\$ 11,265,023	\$ -	\$ -	\$ -	\$ 10,488,602	\$ 80,102,667
Franchise taxes	7,157,495	-	-	-	-	-	7,157,495
Licenses and permits	1,292,321	-	-	-	-	-	1,292,321
Intergovernmental	36,150,677	4,706,488	8,203,111	15,770,432	-	10,684,016	75,514,724
Fines and forfeitures	1,920,205	-	-	-	-	-	1,920,205
Admissions, fees, rentals and concessions	5,006,692	-	347,015	-	-	373,648	5,727,355
Interest	315,616	165,421	26,841	165,408	17,493	56,343	747,122
Other	340,467	-	5,316	-	-	875,840	1,221,623
Total revenues	110,532,515	16,136,932	8,582,283	15,935,840	17,493	22,478,449	173,683,512
EXPENDITURES							
Current:							
General government	33,770,043	-	4,179,493	-	-	272,796	38,222,332
Public safety	54,201,736	-	-	-	-	5,340,134	59,541,870
Public works	9,940,714	-	-	107,139	-	1,494,559	11,542,412
Human and cultural services	2,730,198	-	2,034,067	-	-	10,481,848	15,246,113
Debt service:							
Principal retirement	4,457,787	10,380,175	-	-	-	294,508	15,132,470
Interest and service charges	512,502	5,896,347	-	-	-	11,074	6,419,923
Issuance costs	-	259,822	-	-	-	-	259,822
Capital outlay:							
General government	1,244,581	-	1,054,203	-	-	-	2,298,784
Public works	816,763	-	2,389,291	13,202,714	6,531,185	4,633,082	27,573,035
Public safety	4,558,650	-	208,638	-	-	13,300	4,780,588
Human and cultural services	244,844	-	-	-	-	251,066	495,910
Total expenditures	112,477,818	16,536,344	9,865,692	13,309,853	6,531,185	22,792,367	181,513,259
Excess (deficiency) of revenues over expenditures	(1,945,303)	(399,412)	(1,283,409)	2,625,987	(6,513,692)	(313,918)	(7,829,747)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	4,159,639	583,857	-	-	6,990,012	11,733,508
Transfers Out	(14,527,755)	-	(525,958)	(5,057,078)	-	(4,786,317)	(24,897,108)
Issuance of long-term debt	732,965	16,920,000	-	-	-	108,501	17,761,466
Premium on bond issuance	-	2,995,428	-	-	-	-	2,995,428
Payment to refunded bond escrow agent	-	(19,649,611)	-	-	-	-	(19,649,611)
Sale of capital assets	381,473	-	-	-	-	-	381,473
Total other financing sources (uses)	(13,413,317)	4,425,456	57,899	(5,057,078)	-	2,312,196	(11,674,844)
Net change in fund balances	(15,358,620)	4,026,044	(1,225,510)	(2,431,091)	(6,513,692)	1,998,278	(19,504,591)
Fund balances - beginning, previously reported	48,515,553	8,568,974	1,514,767	18,148,748	35,001,482	8,882,630	120,632,154
Cumulative effect of new accounting standard	216,392	-	-	-	-	-	216,392
Fund balances - beginning, restated	48,731,945	8,568,974	1,514,767	18,148,748	35,001,482	8,882,630	120,848,546
Fund balances - ending	\$ 33,373,325	\$ 12,595,018	\$ 289,257	\$ 15,717,657	\$ 28,487,790	\$ 10,880,908	\$ 101,343,955

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

City of Jackson
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances – total governmental funds \$ (19,504,591)

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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the remaining undepreciated cost upon disposal in the current period.	18,813,461
Contributions of capital assets received are not reported in the governmental funds because they do not involve current financial resources.	3,069,658
The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	15,886,691
The statement of activities reports pension expense and other activity related to net pension liability and the related deferred inflows/outflows of resources.	12,038,736
The statement of activities reports other postemployment benefits expense and other activity related to other postemployment benefits liability and the related deferred inflows/outflows of resources.	(2,829,532)
Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	1,905,452
Prepaid expenses are reported as expenditures in the governmental funds when paid since they require the use of current financial resources.	233,267
Revenues are recognized on the full accrual basis for the government-wide statements but long-term receivables are not recognized on the fund statements until payments are received.	<u>(5,323)</u>

Change in the net position of governmental activities \$ 29,607,819

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

City of Jackson
Statement of Net Position
Proprietary Funds
As of September 30, 2021

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,715,355	\$ -	\$ 3,999,205	\$ 6,714,560	\$ 1,123,191
Accounts receivable, less allowances	37,578,419	5,697,192	-	43,275,611	626,015
Intergovernmental receivables	3,359,621	-	1,174,734	4,534,355	-
Inventories	1,642,013	-	-	1,642,013	-
Restricted cash and cash equivalents	18,429,179	-	-	18,429,179	-
Total current assets	<u>63,724,587</u>	<u>5,697,192</u>	<u>5,173,939</u>	<u>74,595,718</u>	<u>1,749,206</u>
Non-current Assets:					
Restricted Assets:					
Cash and cash equivalents	3,889,680	210,978	-	4,100,658	-
Capital Assets:					
Property, plant and equipment, at cost					
Land	1,387,999	-	450,000	1,837,999	-
Buildings	3,256,474	57,301	8,664,594	11,978,369	-
Water plant, distribution system and equipment	751,628,297	-	1,264,792	752,893,089	-
Automotive and other equipment	16,030,836	3,266,276	15,539,651	34,836,763	-
	<u>772,303,606</u>	<u>3,323,577</u>	<u>25,919,037</u>	<u>801,546,220</u>	<u>-</u>
Less: accumulated depreciation	(374,214,084)	(2,842,764)	(10,782,440)	(387,839,288)	-
	<u>398,089,522</u>	<u>480,813</u>	<u>15,136,597</u>	<u>413,706,932</u>	<u>-</u>
Construction in Progress	25,257,802	-	-	25,257,802	-
Net property, plant and equipment	<u>423,347,324</u>	<u>480,813</u>	<u>15,136,597</u>	<u>438,964,734</u>	<u>-</u>
Total Non-current assets	<u>427,237,004</u>	<u>691,791</u>	<u>15,136,597</u>	<u>443,065,392</u>	<u>-</u>
Total Assets	<u>490,961,591</u>	<u>6,388,983</u>	<u>20,310,536</u>	<u>517,661,110</u>	<u>1,749,206</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources- other post- employment benefits					
	922,082	203,715	102,624	1,228,421	-
Deferred outflows of resources - pension	1,340,819	258,334	130,511	1,729,664	-
Total deferred outflows of resources	<u>2,262,901</u>	<u>462,049</u>	<u>233,135</u>	<u>2,958,085</u>	<u>-</u>

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

City of Jackson
Statement of Net Position
Proprietary Funds
As of September 30, 2021

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	5,845,493	755,213	1,156,746	7,757,452	1,749,206
Other Post Employments Benefits liability	94,871	12,650	3,514	111,035	-
Compensated absences	47,153	12,497	7,674	67,324	-
Current portion of Long-Term Debt:					
Capital lease obligations	169,003	70,314	-	239,317	-
Notes payable	3,293,448	-	-	3,293,448	-
Total Current Liabilities Payable from Unrestricted Assets	<u>9,449,968</u>	<u>850,674</u>	<u>1,167,934</u>	<u>11,468,576</u>	<u>1,749,206</u>
Current Liabilities Payable from Restricted Assets:					
Customer deposits	7,736,289	-	-	7,736,289	-
Revenue bonds	9,405,000	-	-	9,405,000	-
Accrued interest payable	2,419,275	-	-	2,419,275	-
Total Current Liabilities Payable from Restricted Assets	<u>19,560,564</u>	<u>-</u>	<u>-</u>	<u>19,560,564</u>	<u>-</u>
Total Current Liabilities	<u>29,010,532</u>	<u>850,674</u>	<u>1,167,934</u>	<u>31,029,140</u>	<u>1,749,206</u>
Noncurrent liabilities:					
Net pension liability	11,695,586	1,125,935	692,249	13,513,770	-
Other Post Employment Benefits liability	4,148,223	553,096	153,638	4,854,957	-
Compensated absences	311,955	19,839	14,260	346,054	-
Revenue bonds	181,139,479	-	-	181,139,479	-
Capital lease obligations	1,566,033	71,508	-	1,637,541	-
Notes payable	62,998,892	-	-	62,998,892	-
Total noncurrent liabilities	<u>261,860,168</u>	<u>1,770,378</u>	<u>860,147</u>	<u>264,490,693</u>	<u>-</u>
Total liabilities	<u>290,870,700</u>	<u>2,621,052</u>	<u>2,028,081</u>	<u>295,519,833</u>	<u>1,749,206</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources- other post-employment benefits	3,570,550	408,016	207,193	4,185,759	-
Deferred inflows of resources- pension	5,282,373	439,747	366,040	6,088,160	-
Total deferred inflows of resources	<u>8,852,923</u>	<u>847,763</u>	<u>573,233</u>	<u>10,273,919</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	179,241,491	549,969	15,136,597	194,928,057	-
Restricted, expendable for capital improvements	640,179	-	-	640,179	-
Unrestricted	13,619,199	2,832,248	2,805,760	19,257,207	-
Total net position	<u>\$ 193,500,869</u>	<u>\$ 3,382,217</u>	<u>\$ 17,942,357</u>	<u>\$ 214,825,443</u>	<u>\$ -</u>

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

City of Jackson
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
OPERATING REVENUES					
Sales to customers	\$ 33,091,148	\$ 6,664,496	\$ 117,111	\$ 39,872,755	\$ -
Contributions - Participants	-	-	-	-	2,639,275
Contributions - City	-	-	-	-	14,486,620
Other revenues	10,335	11,401	-	21,736	-
Total operating revenues	<u>33,101,483</u>	<u>6,675,897</u>	<u>117,111</u>	<u>39,894,491</u>	<u>17,125,895</u>
OPERATING EXPENSES					
Personnel services	7,260,552	910,367	467,228	8,638,147	-
Supplies	5,188,579	158,976	717,303	6,064,858	-
Other services and charges	30,405,785	10,719,527	7,281,882	48,407,194	17,125,895
Depreciation	17,926,943	147,759	1,501,758	19,576,460	-
Total operating expenses	<u>60,781,859</u>	<u>11,936,629</u>	<u>9,968,171</u>	<u>82,686,659</u>	<u>17,125,895</u>
Operating loss	<u>(27,680,376)</u>	<u>(5,260,732)</u>	<u>(9,851,060)</u>	<u>(42,792,168)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)					
Noncapital grants	-	65,710	9,187,750	9,253,460	-
Interest revenue	419,065	15	7,950	427,030	-
Interest and service charges on long-term debt	(10,083,030)	(3,774)	-	(10,086,804)	-
Gain on sale of capital assets	-	-	59,380	59,380	-
Total nonoperating revenues (expenses)	<u>(9,663,965)</u>	<u>61,951</u>	<u>9,255,080</u>	<u>(346,934)</u>	<u>-</u>
Income (loss) before transfers	<u>(37,344,341)</u>	<u>(5,198,781)</u>	<u>(595,980)</u>	<u>(43,139,102)</u>	<u>-</u>
Transfers in	6,915,100	3,857,089	2,391,411	13,163,600	-
Change in net position	<u>(30,429,241)</u>	<u>(1,341,692)</u>	<u>1,795,431</u>	<u>(29,975,502)</u>	<u>-</u>
Total net position - beginning	223,930,110	4,723,909	16,146,926	244,800,945	-
Total net position - ending	<u>\$ 193,500,869</u>	<u>\$ 3,382,217</u>	<u>\$ 17,942,357</u>	<u>\$ 214,825,443</u>	<u>\$ -</u>

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

City of Jackson
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 43,357,148	\$ 7,991,247	\$ 117,111	\$ 51,465,506	\$ 17,138,404
Receipts from other revenue	10,335	11,401	-	21,736	-
Payments to suppliers	(36,214,142)	(10,981,665)	(8,448,483)	(55,644,290)	(16,796,656)
Payments to employees	(7,030,843)	(617,953)	(405,314)	(8,054,110)	-
Payments to internal service fund	(1,539,272)	(205,468)	(68,461)	(1,813,201)	-
Net cash provided by (used for) operating activities	<u>(1,416,774)</u>	<u>(3,802,438)</u>	<u>(8,805,147)</u>	<u>(14,024,359)</u>	<u>341,748</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	65,710	10,705,633	10,771,343	-
Transfers from other funds	2,250,446	3,857,089	2,391,411	8,498,946	-
Net cash provided by (used for) noncapital financing activities	<u>2,250,446</u>	<u>3,922,799</u>	<u>13,097,044</u>	<u>19,270,289</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(25,510,852)	(22,833)	(2,802,988)	(28,336,673)	-
Transfers from other funds for capital purposes	4,664,654	-	-	4,664,654	-
Proceeds from capital debt	25,085,152	210,963	-	25,296,115	-
Principal paid on capital debt	(12,395,453)	(93,754)	-	(12,489,207)	-
Proceeds from capital asset sales	-	-	87,146	87,146	-
Interest paid on capital debt	(10,703,121)	(3,774)	-	(10,706,895)	-
Net cash provided by (used for) capital and related financing activities	<u>(18,859,620)</u>	<u>90,602</u>	<u>(2,715,842)</u>	<u>(21,484,860)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	419,065	15	7,950	427,030	-
Net cash provided by (used for) investing activities	<u>419,065</u>	<u>15</u>	<u>7,950</u>	<u>427,030</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(17,606,883)	210,978	1,584,005	(15,811,900)	341,748
Cash and cash equivalents at beginning of year	42,641,097	-	2,415,200	45,056,297	781,443
Cash and cash equivalents at end of year	<u>\$ 25,034,214</u>	<u>\$ 210,978</u>	<u>\$ 3,999,205</u>	<u>\$ 29,244,397</u>	<u>\$ 1,123,191</u>

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

City of Jackson
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating loss	\$ (27,680,376)	\$ (5,260,732)	\$ (9,851,060)	\$ (42,792,168)	\$ -
Depreciation expenses	17,926,943	147,759	1,501,758	19,576,460	-
(Increase) decrease in accounts receivable	8,861,241	1,326,751	-	10,187,992	548,976
(Increase) decrease in inventories	4,942	-	-	4,942	-
Increase (decrease) in accounts payable and accrued expenses	(837,049)	(119,704)	(468,729)	(1,425,482)	(207,228)
Increase (decrease) in compensated absences	(18,808)	(13,057)	(10,960)	(42,825)	-
Increase (decrease) in customer deposits	1,404,759	-	-	1,404,759	-
Increase (decrease) in pension liability and deferred inflows (outflows)	(1,239,037)	79,736	15,770	(1,143,531)	-
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	160,611	36,809	8,074	205,494	-
Total adjustments	<u>26,263,602</u>	<u>1,458,294</u>	<u>1,045,913</u>	<u>28,767,809</u>	<u>341,748</u>
Net cash provided by (used for) operating activities	<u>\$ (1,416,774)</u>	<u>\$ (3,802,438)</u>	<u>\$ (8,805,147)</u>	<u>\$ (14,024,359)</u>	<u>\$ 341,748</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Accounts payable for capital assets at year end	<u>\$ 2,835,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,835,991</u>	<u>\$ -</u>
Capital debt proceeds receivable at year end	<u>\$ 3,359,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,359,621</u>	<u>\$ -</u>
SUMMARY OF CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents	\$ 2,715,355	\$ -	\$ 3,999,205	\$ 6,714,560	\$ 1,123,191
Restricted cash and cash equivalents					
Current	18,429,179	-	-	18,429,179	-
Noncurrent	3,889,680	210,978	-	4,100,658	-
	<u>\$ 25,034,214</u>	<u>\$ 210,978</u>	<u>\$ 3,999,205</u>	<u>\$ 29,244,397</u>	<u>\$ 1,123,191</u>

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

**CITY OF JACKSON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2021**

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,569
Investment at fair value:		
Certificate of deposit	32,844	-
Taxes receivable	-	663,600
Total assets	32,844	666,169
 LIABILITIES		
Payable to other governments	-	666,169
Total liabilities	-	666,169
 NET POSITION		
Held in trust for individuals and organizations	32,844	\$ -
Total net position	\$ 32,844	-

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

**CITY OF JACKSON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:		
Interest	\$ 42	\$ -
Sales tax collected for other governments	-	3,567,504
Property tax collected for other governments	<u>-</u>	<u>15,036,520</u>
Total additions	<u>42</u>	<u>18,604,024</u>
Deductions:		
Sales tax distributed to other governments	-	3,567,504
Property tax distributed to other governments	<u>-</u>	<u>15,036,520</u>
Total deductions	<u>-</u>	<u>18,604,024</u>
Change in Net Position	42	-
Net position - beginning of year	<u>32,802</u>	<u>-</u>
Net position - end of year	<u>\$ 32,844</u>	<u>\$ -</u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

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

Note 1 – Summary of Significant Accounting Policies

A. REPORTING ENTITY

The City of Jackson, Mississippi (the City) is incorporated under the Laws of the State of Mississippi. The City operates under the Mayor-Council form of government with a full-time Mayor elected from the City at large and seven part-time Council members (City Council) elected from wards. The City's major operations include police and fire protection, parks and recreation, public works, public transit system, urban development and general administrative services. In addition, the City owns and operates a water and sewer system.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

In evaluating the City as a reporting entity, management has considered potential component units for which the City may be financially accountable and as such, may be required to be included within the City's financial statements. The component units discussed below are included because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Units

Using the criteria above, management has determined that the Jackson Redevelopment Authority (JRA), the Jackson Municipal Airport Authority, and the Capital City Convention Center Commission should be reported as discretely presented component units of the City. The City began reporting the Jackson Municipal Airport Authority as a component unit for the year ending September 30, 2021, after re-evaluating the relevant factors and criteria. The discretely presented component units are reported in separate columns in the Government-Wide Statements to emphasize they are legally separate from the primary government. The following is a summary of the City's discretely presented component units.

The Jackson Redevelopment Authority (JRA) was established in 1968 under Section 43-35-1 through 235 of the Mississippi Code of 1942, as annotated. In 1970, JRA became the Parking Authority for the City under the same statute. The Mayor of the City makes appointments to a seven-member Board of Commissioners for staggered five-year terms to oversee the operations of JRA. Members may be removed from office for inefficiency, neglect of duty or misconduct in office. The City Council appropriates the administrative operating budget of JRA and must review and approve any amendments or budgetary adjustments. The City Council is responsible for designation of those urban renewal projects undertaken by JRA. The City makes annual contributions necessary to pay a portion of JRA's urban renewal bonds and has agreed to make payment of substantially all of the outstanding bonds. JRA operates on a September 30 fiscal year and its financial statement data is presented as a proprietary fund type in its separately issued financial statements. Complete financial statements for JRA may be obtained at its administrative office located at 218 South President Street, Jackson, Mississippi 39201.

The Capital City Convention Center Commission, a non-profit corporation, was authorized to be created by House Bill 1832 during the 2004 Regular Session of the Mississippi State Legislature. The entity is governed by nine commissioners, who serve for five-year terms. The Mayor of the City appoints two hotel/motel members, two restaurant members, two members representing the business community, and two members at large. One member is appointed by the Governor of Mississippi.

The Jackson Municipal Airport Authority (the Authority) operates two airports in the Jackson, Mississippi, metropolitan area: the Jackson-Medgar Wiley Evers International Airport (JAN) and the Hawkins Field Airport (HKS). The Authority, created in 1960 as a component unit of the City of Jackson, Mississippi, is governed by five (5) commissioners appointed by the Mayor of Jackson and confirmed by the Jackson City Council to serve staggered terms of five (5) years each. The Commissioners are responsible for planning, development, and operation of JAN and HKS. Substantially all of the Authority's business activity is with customers in the transportation industry. Complete financial statements for the Jackson Municipal Airport Authority may be obtained at 100 International Drive, Suite 300, Jackson, MS 39208.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

A. REPORTING ENTITY (Continued):

The City issued \$65,000,000 of General Obligation Bonds for the development of the Convention Center. The Capital City Convention Center Commission has jurisdiction and authority over all matters relating to the acquisition, construction, furnishing, equipping, erection, operation, maintenance, and promotion of a convention center. The Commission submits its budget and certain other planned actions to the City for comment prior to initiation. The Commission operates on a September 30 fiscal year and its financial statement data is presented as a proprietary fund type in its separately issued financial statements. Complete financial statements for the Capital City Convention Center Commission may be obtained at P.O. Box 3563, Jackson, Mississippi 39207.

Related Organizations

The following entities are legally separate governmental entities established within the City of Jackson that do not meet the criteria for inclusion as component units. While the Mayor appoints the board members of each respective agency as confirmed by the City Council, each agency is fiscally independent from the City of Jackson. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City of Jackson is not obligated in any manner for the debt issues of these agencies. Financial statements for these agencies can be obtained at the following addresses:

Jackson Housing Authority
2747 Livingston Road
Jackson, MS 39213

Jackson Public School District
662 South President Street
Jackson, MS 39201

Jackson Convention & Visitors Bureau
111 East Capital St., Suite 102
Jackson, MS 39201

Joint Ventures

The Jackson/Hinds Library System (the System) operates under a joint agreement between the City and Hinds County and is funded equally by the City and the County. The joint agreement was effective October 1, 1986. All buildings used by the System within the City of Jackson are owned or leased and maintained by the City and, as such, have been included in the capital assets of the City's governmental activities. However, the System itself is not included as a component unit or equity interest of the City. The Jackson/Hinds Library System's financial statements may be obtained by writing to 300 North State Street, Jackson, MS 39201.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE AND FUND LEVEL STATEMENTS

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type enterprise funds. However, the government-wide financial statements do not include fiduciary funds. The City's police and fire protection, public safety, parks and recreation, human and cultural services, public works, and general government services are classified as governmental activities. The City's water/sewer, sanitation, and public transportation services are classified as business-type activities and enterprise funds.

In the Government-Wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on the consolidated basis by column, and (b) reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE AND FUND LEVEL STATEMENTS (Continued):

The Government-Wide Statement of Activities reports both the gross and net costs of each of the City's functions and business-type activities (public safety, public works, etc.). The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicants who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The net costs (by function or business-type activities) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect cost. An administrative service fee is charged by the General Fund to the other operating funds and is eliminated as a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the changes in the City's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds and proprietary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest income and similar items associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The City reports the following major government funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial transactions of the City, except those required or elected to be accounted for in another fund.

Debt Service Fund- This fund is used to record the accumulation of resources and principal and interest payments on long-term obligations as well as lease and contractual obligations.

Federal Grants Special Revenue Fund - This fund is used to account for proceeds of various federal grant programs.

1% Infrastructure Tax Capital Project Fund - This fund is used to account for proceeds received for the improvement of infrastructure in the city. Financing is provided by special sales tax of 1%.

Infrastructure Bond 2020 Capital Project Fund- This fund is used to account for proceeds of bonds issued to finance infrastructure projects.

The City reports the following major proprietary funds:

Water/Sewage Disposal System Fund - This enterprise fund accounts for activities associated with the provision of water, sewerage and water pollution control services to individuals, organizations and other governmental units within and around the City.

Sanitation Fund – This enterprise fund accounts for activities associated with the City's sanitation and recycling services.

Additionally, the City reports the following fund types:

The Internal Service Fund is used to account for the financing of employee health insurance provided to other departments of the governmental unit on a cost-reimbursement basis.

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The City has one trust fund, the Mausoleum Trust Fund. The function of the Mausoleum Trust Fund is to maintain and upkeep the Henry Mausoleum.

The purpose of the City's Custodial Funds is to collect and remit to the related organizations the property taxes collected and proceeds of a special sales taxes received from the State.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):

The emphasis in fund financial statements is on the major funds in either the governmental or enterprise fund categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental activities column when presented in the Government-Wide Financial Statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (public safety, public works, etc.).

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Cash Equivalents

Cash and cash equivalents include demand deposit accounts, petty cash, money market mutual funds, and certificates of deposit with a maturity date generally within 90 days of the date acquired by the City. Collateral as further discussed in Note 4.A, is pledged by the various financial institutions to secure City funds.

2. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Investments

Investments are recorded at fair value with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements. Income from short-term interest-bearing securities is recognized as earned. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Mississippi obligations, and obligations of a corporation of the U.S. Government.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at fair value when published prices are available, or at cost plus accrued interest, which approximates fair value. For individual investments where no readily ascertainable fair value exists, the City of Jackson, in consultation with its investment advisors and custodial bank, has determined the fair values.

4. Restricted Assets

Certain proceeds of the City's Proprietary Fund revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and trust accounts and their use is limited by applicable bond covenants.

5. Inventories

Inventories are priced at cost using the weighted average method. Inventories are accounted for using the consumption method and are not charged out until used. Inventories consist of major stores of materials and supplies held at central locations. The user departments and other funds of the City are charged for the cost value of the items, as they are withdrawn from inventory.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

6. Capital Assets

Capital assets purchased or acquired are recorded at historical cost. Contributed assets are recorded at the estimated acquisition value at the date received. The City's classes of capital assets and their capitalization levels are: land – cost or acquisition value, buildings - \$50,000, land improvements - \$25,000, machinery and equipment - \$1,000, infrastructure - \$100,000, and construction in progress – based on the project's class. The cost of normal maintenance and repair that do not add to the value of capital assets or materially extend their respective lives are not capitalized. Interest expenditures within governmental activities are not capitalized.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land improvements	20
Heavy machinery and equipment	5-15
Computer equipment and software	3-15
Vehicles	3-10
Infrastructure	8-50

Prior to the implementation of GASB statement No. 89 in the year ended September 30, 2020, interest was capitalized on proprietary fund capital assets constructed with the proceeds of tax-exempt debt. The amount of interest capitalized was calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Interest is not capitalized on governmental activities' capital assets.

The City has a collection of artwork presented for public exhibition and education that is being preserved for future generations. The proceeds from the sales of any pieces of the collection are used to purchase other acquisitions. The collection is not capitalized or depreciated as part of capital assets.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, and similar types of capital assets.

7. Compensated Absences

The City accrues accumulated unpaid personal leave and associated employee-related costs when earned (or estimated to be earned) by employees up to 240 hours, which is the maximum payable upon termination of employment. For the Proprietary Funds and the Government-Wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, all of the compensated absences are considered long-term and therefore, are not a fund liability and represent a reconciling item between the fund level and government-wide presentation. The compensated absences liability is liquidated by the following funds: general fund, special revenue, transportation, sanitation & water/sewage disposal system.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

8. Bond Discounts, Bond Premiums and Issuance Costs

In the governmental funds, bond issuance costs are treated as period costs in the year of issue. Bond premiums and discounts are shown as “Other Financing Sources/Uses”.

In the proprietary funds and Government-Wide Financial Statements, bond discounts and bond premiums are amortized using the straight-line method over the terms of the bonds outstanding using the effective interest method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the revenue bond payable. Bond issuance costs, excluding any prepaid bond insurance, are reported as expenses in the year of the debt issuance. Gains (losses) on refunding’s are reported as deferred outflows/inflows of resources.

9. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near fair market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements.

10. Revenues

Substantially all governmental fund revenues are accrued. Property taxes receivable are recognized at the levy date. All property taxes are billed, collected and recognized as revenue within the same period for which they are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non-operating revenues. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the government’s internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. In, applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

11. Expenditures

Expenditures in governmental funds are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

12. Restricted and Committed Fund Balances

Portions of fund balances are segregated for future use and therefore, are not available for future appropriations or expenditure. The City has a municipal bond debt service reserve insurance policy for the proprietary funds in lieu of cash. Amounts committed for state tort claims represent amounts required by state law to be segregated for these purposes. The restricted and committed fund balances of the Capital Projects Funds are appropriated for expenditures in future years.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLows AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

13. Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investments in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

14. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This component includes 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 - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned - This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Council, Mayor or their designee as established in the City's Fund Balance Policy.

Unassigned - This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

15. Fund Balance/Net Position Policy

The City has adopted a fund balance / net position policy that is tailored to the needs of the City to ensure against unanticipated events that would adversely affect the financial condition of the City and would jeopardize the continuation of necessary public services. This policy is intended to ensure the City maintains adequate fund balance / net position in the City's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns and revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

The City intends to maintain adequate Fund Balance / Net Position in the General Fund and Proprietary funds of the City. The City shall retain the minimum requirement for each fund listed below.

General Fund – There shall be an unassigned fund balance equal to 7.5% of the adopted General Fund operating revenues. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 15th for the subsequent fiscal year. The unassigned fund balance shall be in addition to all other categories of fund balance.

The total required General Fund unassigned fund balance for 2021 is \$8,623,316, and the actual amount is \$17,490,211 at September 30, 2021.

Enterprise Funds – The City maintains a Sanitation Fund, Water/Sewage Disposal System Fund, and Transportation Fund. Under the Water & Sewer Bond Ordinance, the following reserve funds are required: 1/12 of the Operation & Maintenance budget as an Operation & Maintenance Fund; 1/12 of the actual debt service as a Debt Service Fund; and, 2/12 of the Operation & Maintenance budget as a Contingent Fund.

The total required reserve funds for the Water & Sewer Operation & Maintenance Fund, Debt Service Fund, and Contingent Fund was \$10,692,890 and the actual total amount at September 30, 2021, exceeded the required amount.

Replenishment of Fund Balance/Net Position Deficits - If, at the end of any fiscal year, the actual amount of unassigned fund balance or reserve funds fall below the required fund levels set forth herein, the Mayor shall prepare and submit a plan for expenditure or expense reductions and / or revenue increases to the City Council. As a part of the annual budget review, the City Council shall review and, if necessary, amend the plan submitted by the Mayor for restoring the amounts of unassigned fund balance or unassigned net position to the required levels.

16. Pensions

The City funds pension expenses as required by applicable statute. Two plans, funded from both City and employee contributions are described in NOTE 6.G. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

17. Postemployment Benefits Other Than Pensions (OPEB)

The City's OPEB plan is described in Note 6.H. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense of the OPEB plan have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

18. Use of Estimates

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

19. Deferred Outflows/Inflows of Resources

The statement of financial position and the balance sheet will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

The City reflects deferred outflows of resources related to its pension plans and other post-employment benefits plan. Deferred inflows of resources reflected by the City relate to pension plans, the other post-employment benefits plan, property taxes levied for the subsequent year, and long-term receivables that are not yet available.

20. New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84 "Fiduciary Activities". GASB 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (a) whether a government is controlling the assets of the fiduciary activity and (b) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (a) pension (and other employee benefits) trust funds, (b) investment trust funds, (c) private-purpose trust funds, and (d) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. GASB 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement were implemented for the year ended September 30, 2021; and resulted in a \$216,392 increase in the General Fund's beginning fund balance because the unemployment compensation revolving fund no longer meets the criteria to be treated as a fiduciary fund and is now reflected as part of the General Fund.

In October 2021, the GASB issued Statement No. 98, the Annual Comprehensive Financial Report. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement were implemented for the year ended September 30, 2021.

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

Note 1 – Summary of Significant Accounting Policies (Continued):

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR FUND BALANCE (Continued):

The City will adopt the following new accounting pronouncements in future years:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City is evaluating the impact of the implementation on its financial statements, and the effects are expected to be significant.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The City is evaluating the impact of the implementation on its financial statements, and the effects are expected to be significant.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and accounting and financial reporting for internal revenue code section 457 Deferred Compensation Plans- an amendment of GASB statements No. 14 and No. 84, and supersession of GASB statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and its implementation is not expected to have a significant effect on the City's financial statements.

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

Note 2 – Reconciliation of government-wide and fund financial statements

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a Reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the Government-Wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 35,148,317
Depreciation Expense	<u>(16,334,856)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of government activities</i>	<u>\$ 18,813,461</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Principal repayments on long-term debt:	\$ 15,132,470
Principal payment to refunded bond escrow agent	19,189,000
Long-term debt issued	(17,761,466)
Premium on long-term debt issued	(2,995,428)
Amortization of debt premiums and discounts	<u>2,322,115</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 15,886,691</u>

Another element of that reconciliation states that “The statements of activities reports pension expense and other activity related to the net pension liability and the related deferred inflows/outflows of resources.” The details of this difference are as follows :

Net pension liability change	\$ 56,203,955
Pension deferred inflows of resources change	(44,522,951)
Pension deferred outflows of resources change	<u>357,732</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 12,038,736</u>

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

Note 2 – Reconciliation of government-wide and fund financial statements (Continued):

Explanation of certain differences between the governmental fund statement of revenues expenditures, and changes in fund balances and the government-wide statement of activities (Continued):

Another element of that reconciliation states that “The statement of activities reports other postemployment benefits expense and other activity related to the other postemployment benefits liability and the related deferred inflows/outflows of resources.” The details of this difference are as follows:

Other postemployment benefits liability change	\$ 17,649,665
Other postemployment benefits deferred inflows of resources change	(22,846,275)
Other postemployment benefits deferred outflows of resources change	2,367,078
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (2,829,532)

Another element of that reconciliation states that “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.” The details of this difference are as follows:

Compensated absences liability change	\$ 540,576
Claims and judgments liability change	1,344,022
Accrued interest payable change	20,854
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 1,905,452

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

Note 3 – Stewardship, Compliance and Accountability

A. BUDGETARY INFORMATION

The City follows these procedures in establishing budgetary data reflected in the financial statements.

1. The Finance Division of the Department of Administration prepares estimates of available revenue.
2. Department Directors submit proposed expenditure budgets to the Budget Division of the Department of Administration by June 1 each year.
3. The Budget Division of the Department of Administration reviews the expenditure budgets, and the necessary revisions are communicated to department directors.
4. Budgeted revenues and expenditures are balanced, and a summary budget is prepared by July 1, and presented to the Mayor.
5. The Mayor submits the proposed budget to the City Council by August 1. The final budget is approved by September 15 and must be published in a local newspaper on or before September 30.
6. The budget is formally amended in September each year or any time that budget revisions through funds reallocation are necessary or a budget deficit is indicated.
7. The City prepares annual budgets for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, Enterprise Funds, Internal Service Fund and Trust Funds (with the exception of the Charitable Trust Fire and Police Fund). The Mississippi law requires that municipalities budget on modified-cash basis. Claims that have been incurred prior to the end of the year and are paid within 30 days after the end of the year are recorded in the year they are budgeted. Prior year claims that are paid more than 30 days after the end of the year are reflected as expenditures of the year in which they are paid. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered to be in accordance with U.S. generally accepted accounting principles.

Expenditures other than capital outlay, election, and other emergency expenditures may not legally exceed budgeted appropriations at the purpose level (e.g., personal services, other services and charges, and debt services). Budget and actual comparisons are presented in the accompanying financial statements for all governmental type funds for which a budget is adopted.

The legal level of control for all budgets adopted is at the purpose level by funds with the exception of the General Fund, which is appropriated at the purpose level by department. Administrative control for all budgets is maintained through the establishment of more detailed line-item budgets.

During the fiscal year, several adjustments are normally required to the adopted budget. The approved budget may be amended as required in accordance with the following protocol:

- a. Revenues are reviewed at least quarterly, and the projections are adjusted if warranted. These adjustments to expected revenues, if material, can precipitate adjustments to the expenditure budget.
- b. Adjustments to transfer approved expenditure budgets from one department to another or to transfer from one purpose to another within a department must be approved by the City Council.
- c. All new appropriations must be approved by the City Council and are normally submitted by the Mayor's Office.

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

Note 3 – Stewardship, Compliance and Accountability (Continued):

A. BUDGETARY INFORMATION (Continued):

The Budget Division of the Department of Administration exercises budgetary monitoring throughout the fiscal year. An adopted budget may not exceed its appropriated level without City Council approval. The Budget Division of the Department of Administration advises the Mayor whenever a requested expenditure will exceed budgeted amounts. Adjustments in expenditure rates, if necessary, are implemented by the City Council as required, so that the total expenditures and resources will remain in balance throughout the year.

8. Budgeted expenditure or expense amounts as originally adopted were amended by the City Council in September, 2021, as provided by law, as follows (in thousands):

	Originally Adopted Budget	Budget as Amended	Increase (Decrease)
General Fund	\$ 135,518	\$ 151,513	\$ 15,995
Special Revenue Funds	48,854	81,706	32,852
Debt Service Fund	45,187	51,268	6,081
Capital Projects Funds	81,841	86,604	4,763
Enterprise Funds	212,055	241,309	29,524
Internal Service Fund	16,622	17,322	700
	<u>\$ 540,077</u>	<u>\$ 629,722</u>	<u>\$ 89,645</u>

9. Unexpended appropriations lapse at year-end in all funds.

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

Note 4 – Detailed notes on all funds

A. DEPOSITS AND INVESTMENTS

1. Policies and Practices

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

2. Deposits – Primary government

Of the City's cash deposit balances (including certificates of deposit) at September 30, 2021, up to \$250,000 at each financial institution was insured by federal deposit insurance and the remainder was covered by pooled and/or pledged collateral, as allowed by the Mississippi Code.

Restricted cash and cash equivalents in the Water & Sewage Disposal System Fund consisted of the following at September 30, 2021:

Revenue bond reserve funds:		
Debt service fund	\$	1,625,535
Contingent fund		6,044,903
Operation & maintenance fund		<u>3,022,452</u>
		10,692,890
Customer deposits		7,736,289
Unspent debt proceeds		3,249,501
Capital improvement fund under U.S. EPA consent decree		<u>640,179</u>
Total restricted cash and cash equivalents	<u>\$</u>	<u>22,318,859</u>

3. Investments – Primary Government

Following is a summary of the City's investments, which are reflected as cash equivalents in the financial statements, as of September 30, 2021:

Investment Type	Quality Ratings	Maturities (in years)	Total Fair Value	Level 1 Fair Value
Money market mutual funds	Aaa/AAA	Less than 1	\$14,216,990	\$14,216,990

Fair Value – Fair value measurements are categorized 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 assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The recurring fair value measurements as of September 30, 2021, are reflected above.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Moody's or Standard and Poor's credit ratings for the investments are reflected above.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to losses from rising interest rates, the City's investment policy limits investment maturities in its portfolio to no more than 12 months for U.S. Treasury obligations for all investments except bond funds. With respect to bond funds, the City can invest in obligations of U.S. federal agencies for no more than 18 months.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Consistent with the City's investment policy, all investments above are held by counterparty and are not insured.

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

Note 4 – Detailed notes on all funds (Continued):

A. DEPOSITS AND INVESTMENTS (Continued):

Following is a list of the City's eligible investments, which in accordance with State statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

- Certificates of deposit with municipal depositories approved annually by the State Treasurer
- Money market mutual funds where portfolios consist entirely of U. S. governmental and/or federal agency securities
- Bonds or direct obligations of:
 - United States of America
 - State of Mississippi
 - Counties or Municipalities of Mississippi
 - School Districts in Mississippi

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness, which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

4. Cash and Investments - Component Units

The component units' policies are to invest available funds in the following types of investments: 1) direct obligations of the United States of America, including such instruments as treasury bills, treasury notes and treasury bonds; 2) obligations of U. S. Government agencies that are deliverable on the Federal Reserve System; 3) Repurchase agreements in U. S. Government securities made with dealers that report to and are regulated by the Federal Reserve Bank; 4) deposits with financial institutions which are insured or are fully collateralized by qualifying securities.

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2021, all of the component units' cash deposits in excess of the amounts covered by the FDIC were covered under the collateral pool administered by the State Treasurer.

Restricted cash and cash equivalents of the Capital City Convention Center Commission and the Jackson Redevelopment Authority is restricted for debt service. Restricted cash and cash equivalents of the Jackson Municipal Airport Authority is restricted for capital projects and debt service.

Investments are reflected at cost, which approximates fair value, and are uninsured, unregistered, and held by the counterparty brokerage firm. At September 30, 2021, the component units did not have any investments.

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

Note 4 - Detailed notes on all funds (Continued):

B. RECEIVABLES AND PAYABLES

Receivables at September 30, 2021, for the primary government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	1% Infrastructure Tax Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes	\$ 60,353	\$ 6,574	\$ -	\$ -	\$ -	\$ -	\$ 10,405	\$ 77,332
Sales taxes	5,825	-	-	2,649	-	-	664	9,138
Franchise Fees	1,572	-	-	-	-	-	-	1,572
Federal and state assistance	984	-	2,918	-	3,360	-	3,290	10,552
Water, sewer, and sanitation user charges	-	-	-	-	131,737	20,936	-	152,673
Debt proceeds	376	-	-	-	-	-	109	485
Other	16	81	346	32	-	-	625	1,100
Gross receivables	69,126	6,655	3,264	2,681	135,097	20,936	15,093	252,852
Allowance for uncollectible	-	-	(317)	(32)	(94,159)	(15,239)	-	(109,747)
Net receivables	\$ 69,126	\$ 6,655	\$ 2,947	\$ 2,649	\$ 40,938	\$ 5,697	\$ 15,093	\$ 143,105

Revenues are reported net of uncollectible amounts. The uncollectible amounts netted from revenue of the water and sewage disposal fund and the sanitation fund were \$14,036,166 and \$2,760,649, respectively, for the year ended September 30, 2021.

Deferred inflows of resources related to the receivables consisted of the following at September 30, 2021 (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	1% Infrastructure Tax Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes levied for the subsequent year	\$ 59,796	\$ 6,510	\$ -	\$ -	\$ -	\$ -	\$ 10,325	\$ 76,631
Long-term receivables unavailable for current use	-	-	29	-	-	-	-	29
	\$ 59,796	\$ 6,510	\$ 29	\$ -	\$ -	\$ -	\$ 10,325	\$ 76,660

Amounts reflected as accounts payable and other liabilities at September 30, 2021, for the primary government's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, are as follows (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	1% Infrastructure Tax Fund	Infrastructure Bond 2020 Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Accounts payable	\$ 4,834	\$ -	\$ 1,802	\$ 1,980	\$ 1,689	\$ 5,689	\$ 743	\$ 4,481	\$ 21,218
Payroll and benefits	842	-	33	-	-	119	12	90	1,096
Seized and forfeited cash	2,706	-	-	-	-	-	-	-	2,706
Health claims	-	-	-	-	-	-	-	1,690	1,690
Other	881	-	-	-	-	37	-	666	1,584
	\$ 9,263	\$ -	\$ 1,835	\$ 1,980	\$ 1,689	\$ 5,845	\$ 755	\$ 6,927	\$ 28,294

The component units' receivables at September 30, 2021, consisted of the following (in thousands):

	Jackson Redevelopment Authority	Capital City Convention Center Commission	Jackson Municipal Airport Authority
Accounts receivable	\$ 30	\$ 234	\$ 803
Sales taxes	-	864	-
Government grants	-	-	1,349
Rent	417	-	-
Facility charges - restricted	-	-	665
Notes - current portion	34	-	-
Notes - long-term	1,741	-	-
Other	105	-	-
	\$ 2,327	\$ 1,098	\$ 2,817

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

Note 4 – Detailed notes on all funds (Continued):

B. RECEIVABLES AND PAYABLES (Continued):

1. Property taxes

Property taxes on real and personal property, exclusive of automobiles, attach as an enforceable lien on the levy date or January 1 for the preceding calendar year. Hinds, Rankin and Madison Counties bill and collect the real, personal and auto ad valorem taxes for the City of Jackson, Jackson Municipal Separate School District and the Jackson/Hinds Library System. Automobile taxes are remitted monthly and real and personal property taxes are remitted on a weekly basis to the City of Jackson. Hinds County remits directly to the Jackson Municipal Separate School District taxes collected for all school funds except the Bond and Interest Fund in accordance with State law. Hinds County also remits to the City a pro rata shares of road and bridge taxes collected by the County.

The taxes are due on or before February 1; however, installment payments can be made for one-half of the balance due on February 1 and one-fourth each on May 1 and August 1.

Tax millage levies for 2021 were collected in the current fiscal year and statutory maximum millage rates were as follows:

<u>Fund</u>	<u>Levy (in mills)</u>	<u>Purpose</u>	<u>Maximum</u>
General Fund	45.91	General	None
Parks and Recreation Fund	2.00	Recreation	2.00 mills
Debt Service Fund	9.59	Debt retirement	None
Disability and Relief Fund	<u>3.82</u>	Retirement	None
Total City of Jackson	<u>61.32</u>		
 Jackson/Hinds Library System	 <u>1.71</u>	 Public library	 None
 Jackson Municipal Separate School District:			
District Supplement Levy	65.91	Public schools	None
Special Debt Retirement Bond	2.91	Public schools	None
Special Debt Retirement Bond	13.41	Public schools	None
Special Debt Retirement Bond	0.21	Public schools	None
Special Debt Retirement Bond	<u>4.33</u>	Public schools	None
	<u>86.77</u>		
Total mills	<u>149.80</u>		

The City levies an assessment for the Business Improvement fund, which consists of ten cents times the gross square footage of land and building of property owners located in the downtown development district. The City is permitted to levy taxes based on a percentage of up to 100% of fair value of property at the millage indicated above. At the present time, the City levies taxes based on 11% of fair value for homeowner-occupied real property, 15% of fair value for all other real and personal property, and 30% of fair value for all motor vehicles and property owned by public service corporations. The City may levy taxes as necessary to meet bonded debt retirement. Limitations are imposed on the amount of bonded debt that may be issued based upon assessed valuation of properties.

Annual tax increases for all purposes except payment of general obligation bonds and interest are limited by State law to 10% of the preceding year's receipts plus new construction.

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

Note 4 – Detailed notes on all funds (Continued):

C. CHANGES IN CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2021, was as follows (in thousands):

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,721	\$ -	\$ -	\$ 13,721
Construction in progress	36,209	31,942	(19,312)	48,839
Total capital assets not being depreciated	49,930	31,942	(19,312)	62,560
Capital assets being depreciated:				
Buildings	109,269	23	-	109,292
Infrastructure	376,046	19,749	-	395,795
Automotive and equipment	82,002	5,816	-	87,818
Total capital assets being depreciated	567,317	25,588	-	592,905
Less accumulated depreciation for:				
Buildings	(40,420)	(1,933)	-	(42,353)
Infrastructure	(143,731)	(10,033)	-	(153,764)
Automotive and equipment	(67,213)	(4,369)	-	(71,582)
Total accumulated depreciation	(251,364)	(16,335)	-	(267,699)
Total capital assets being depreciated, net	315,953	9,253	-	325,206
Total governmental activities capital assets, net	\$ 365,883	\$ 41,195	\$ (19,312)	\$ 387,766
	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,838	\$ -	\$ -	\$ 1,838
Construction in progress	19,420	22,617	(16,779)	25,258
Total capital assets not being depreciated	21,258	22,617	(16,779)	27,096
Capital assets being depreciated:				
Buildings	11,978	-	-	11,978
Infrastructure	735,648	17,244	-	752,892
Automotive and equipment	35,220	152	(535)	34,837
Total capital assets being depreciated	782,846	17,396	(535)	799,707
Less accumulated depreciation for:				
Buildings	(1,964)	(288)	-	(2,252)
Infrastructure	(343,109)	(17,007)	-	(360,116)
Automotive and equipment	(23,696)	(2,281)	507	(25,470)
Total accumulated depreciation	(368,769)	(19,576)	507	(387,838)
Total capital assets being depreciated, net	414,077	(2,180)	(28)	411,869
Total business-type activities capital assets, net	\$ 435,335	\$ 20,437	\$ (16,807)	\$ 438,965

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

Note 4 – Detailed notes on all funds (Continued):

C. CHANGES IN CAPITAL ASSETS (Continued):

2. Depreciation expense was charged to functions of the primary government as follows (in thousands):

Governmental Activities:

General government	\$	1,143
Public Works		10,944
Human & Cultural		1,634
Public Safety		<u>2,614</u>
Total Depreciation Expense – Governmental Activities	\$	<u>16,335</u>

Business-Type Activities:

Water/Sewage Disposal	\$	17,927
Sanitation		148
Madison-Ridgeland Sewage		11
Transportation		<u>1,490</u>
Total Depreciation Expense – Business-type Activities	\$	<u>19,576</u>

3. Construction work in progress at September 30, 2021 for the governmental activities of the primary government is composed of the following:

	SPENT-TO-DATE	REMAINING COMMITMENT
	FY21	FY21
	<u> </u>	<u> </u>
Community Development Block Grant	\$ 1,054,203	\$ 1,477,136
2020 Infrastructure Bond	6,531,185	5,944,661
2003 G O Public Improvement Construction Bond	-	216,825
Russel C Davis Planetarium	244,844	-
Capital Street 2-Way Project	574,829	77,679
Museum to Market Trail	1,884,735	-
Economic Development Initiative		
Traffic - Repair and Replacement	1,995,870	33,102
Resurfacing - Repair and Replacement	8,115,294	2,901,363
Drainage - Repair and Replacement	81,846	-
1% Infrastructure Tax	14,851,788	6,868,193
Hail Damage March 2013	136,356	-
Tiger Grant	13,367,902	
Fire Protection	-	760,000
Flood of 2020	-	107,013
Capital City Revenue	-	44,141
Total	\$ <u>48,838,852</u>	\$ <u>18,430,113</u>

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

Note 4 – Detailed notes on all funds (Continued):

C. CHANGES IN CAPITAL ASSETS (Continued)

4. Construction work in progress at September 30, 2021 for primary government enterprise funds is composed of the following:

<u>Project</u>	<u>Spent-To-Date</u> <u>FY21</u>	<u>Remaining Commitment</u> <u>FY21</u>
Water/Sewer Construction Fund	\$ 25,257,806	\$ 5,886,875
Total	<u>\$ 25,257,806</u>	<u>\$ 5,886,875</u>

5. A summary of changes in capital assets for component units is as follows (in thousands):

Activity for the Jackson Redevelopment Authority for the year ended September 30, 2021, was as follows (in thousands):

Business-Type Activities:	<u>Balance</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u> <u>2021</u>
Capital assets not being depreciated:				
Land	\$ 5,268	\$ -	\$ -	\$ 5,268
Property held for development	5,959	-	-	5,999
Total capital assets not being depreciated	<u>11,267</u>	<u>-</u>	<u>-</u>	<u>11,267</u>
Other capital assets:				
Land improvements	76	-	-	76
Buildings	50,635	-	-	50,635
Equipment and furniture	1,515	20	-	1,535
Total other capital assets	<u>52,226</u>	<u>20</u>	<u>-</u>	<u>52,246</u>
Less accumulated depreciation for:				
Land improvements	(48)	(9)	-	(57)
Buildings	(30,367)	(1,041)	-	(31,408)
Equipment and furniture	(1,477)	-	-	(1,477)
Total accumulated depreciation	<u>(31,892)</u>	<u>(1,050)</u>	<u>-</u>	<u>(35,942)</u>
Total other capital assets, net	<u>20,334</u>	<u>(1,030)</u>	<u>-</u>	<u>19,304</u>
Total capital assets, net	<u>\$ 31,601</u>	<u>\$ (1,030)</u>	<u>\$ -</u>	<u>\$ 30,571</u>

Activity for the Capital City Convention Center Commission for the year ended September 30, 2021, was as follows (in thousands):

Business-Type Activities:	<u>Balance</u> <u>October 1,</u> <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u> <u>2021</u>
Capital assets not being depreciated:				
Land and improvements	\$ 5,828	\$ -	\$ -	\$ 5,828
Total capital assets not being depreciated	<u>5,828</u>	<u>-</u>	<u>-</u>	<u>5,828</u>
Capital assets being depreciated:				
Building and improvements	80,113	-	-	80,113
Equipment	5,612	-	-	5,612
Total other capital assets	<u>85,725</u>	<u>-</u>	<u>-</u>	<u>85,725</u>
Less accumulated depreciation	<u>(29,106)</u>	<u>(2,129)</u>	<u>-</u>	<u>(31,235)</u>
Other capital assets, net	<u>56,619</u>	<u>(2,129)</u>	<u>-</u>	<u>54,490</u>
Total capital assets, net	<u>\$ 62,447</u>	<u>\$ (2,129)</u>	<u>\$ -</u>	<u>\$ 60,318</u>

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

Note 4 – Detailed notes on all funds (Continued):

C. CHANGES IN CAPITAL ASSETS (Continued)

Activity for the Jackson Municipal Airport Authority for the year ended September 30, 2021, was as follows (in thousands):

Business-Type Activities:	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 4,622	\$ -	\$ -	\$ 4,622
Construction in progress	<u>9,510</u>	<u>10,557</u>	<u>(15,870)</u>	<u>4,197</u>
Total capital assets not being depreciated	<u>14,132</u>	<u>10,557</u>	<u>(15,870)</u>	<u>8,819</u>
Capital assets being depreciated:				
Land improvements	140,594	13,087	-	153,681
Building	120,723	1,499	-	122,222
Utility systems	9,485	-	-	9,485
Furniture, fixtures, and equipment	<u>32,318</u>	<u>964</u>	<u>-</u>	<u>33,282</u>
Total other capital assets	<u>303,120</u>	<u>15,550</u>	<u>-</u>	<u>318,670</u>
Less accumulated depreciation	<u>(191,489)</u>	<u>(11,159)</u>	<u>-</u>	<u>(202,648)</u>
Other capital assets, net	<u>111,631</u>	<u>4,391</u>	<u>-</u>	<u>116,022</u>
Total capital assets, net	<u>\$ 125,763</u>	<u>\$ 14,948</u>	<u>\$ (15,870)</u>	<u>\$ 124,841</u>

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

Note 4 – Detailed notes on all funds (Continued):

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Summary of transfer in/transfer out within primary government (in thousands):

	Transfer In	Transfer Out
General Fund	\$ -	\$ 14,528
Debt Service	4,160	-
Federal Grants Special Revenue Fund	584	526
1% Infrastructure Tax Capital Project Fund	-	5,057
Infrastructure Bond 2021 Capital Project Fund	-	-
Water/Sewage Disposal System Fund	6,915	-
Sanitation Fund	3,857	-
Nonmajor Governmental Funds	6,990	4,786
Nonmajor Proprietary Funds	2,391	-
Total	\$ 24,897	\$ 24,897

Interfund transfers at September 30, 2021 consist of the following (in thousands):

\$ 897	From the 1% infrastructure Tax Capital Project Fund to the Water/Sewage Disposal System Fund for infrastructure projects.
584	From the General Fund to the Federal Grants Special Revenue Fund to subsidized grant programs.
1,211	From the General Fund to the Water/Sewage Disposal System Fund to subsidize operations.
3,857	From the General Fund to the Sanitation Fund to subsidize operations.
6,485	From the General Fund to Nonmajor Special Revenue Funds to subsidize operations.
2,391	From the General Fund to a Nonmajor Proprietary Fund to subsidize operations.
526	From the Federal Grants Special Revenue Fund to the Water/Sewage Disposal System Fund for maintenance projects.
4,160	From the 1% Infrastructure Tax Capital Project Fund to the Debt Service Fund for debt service.
505	From a Nonmajor Special Revenue Fund to Nonmajor Capital Project Funds for capital projects.
4,281	From Nonmajor Capital Project Funds to the Water/Sewage Disposal System Fund for infrastructure projects.
<u>\$ 24,897</u>	<u>Total</u>

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

Note 4 – Detailed notes on all funds (Continued):

E. CAPITAL LEASES:

The City leases property with varying terms and options. Most leases contain a clause that states that the lease shall terminate in the event that no funds or insufficient funds are appropriated. However, if renewal is reasonably assured, leases are considered noncancellable leases for financial reporting purposes.

The City has financed through lease agreements the acquisition of various equipment and a building. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception. Future minimum lease payments for capital leases are disclosed in Note 4.G.8. At September 30, 2021, there were capital assets under capital leases with a total cost of \$31,664,454 and estimated accumulated depreciation of \$11,850,586. Amortization of the capital lease assets is included in depreciation expense.

F. OPERATING LEASES:

The City is obligated under certain noncancellable leases for land, buildings and equipment with terms remaining more than one year that are classified as operating leases. Operating leases do not give rise to property rights; therefore, the results of the lease agreements are not reflected in the City's capital assets. The following is a schedule by years of future minimum lease payments required under the noncancellable land and building operating leases as of September 30, 2021, (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 508
2023	442
2024	406
2025	332
2026	201
2027 - 2031	212
2032 – 2036	162
2037 – 2041	162
2042 – 2046	162
2047 – 2051	162
2052 – 2056	162
2057 – 2061	162
2062 – 2066	162
2067 – 2071	162
2072 – 2076	162
2077 – 2081	162
2082 – 2086	<u>162</u>
Total	<u>\$ 3,883</u>

The total rental expenditures for all operating leases of the City for the year ended September 30, 2021 totaled \$1,278,427. There were no subleases or contingent rentals associated with the operating leases.

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT:

1. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds if they are to be repaid from proprietary revenues.

The City issued \$20 million of general obligation bonds in January 2003 to provide funds for the costs of: (A) erecting, repairing, improving, and equipping municipal buildings, (B) improving streets, (C) traffic signals, (D) drainage improvements.

On September 1, 2010, the City issued \$23,665,000 in General Obligation Refunding Bonds Series A & B. The bonds were issued to provide funds to the City in order to refund, defease and/or restructure certain outstanding maturities on the \$5,490,000 General Obligation Refunding Bond, Series 1998, the \$35,000,000 General Obligation Bonds, Series 1998, the \$20,000,000 General Obligation Bonds, Series 2003, the \$20,960,000 General Obligation Refunding Bonds, Series 2005, the \$5,155,000 General Obligation Refunding Bonds, Series 2008, and the \$26,210,000 General Obligation Bonds, Series 2009, and to pay the costs of issuance. The average interest rate on the 2010 General Obligation Refunding Bond is 4.17%. The 1998 General Obligation Bond \$5,490,000, the 1998 General Obligation Bond \$35,000,000, and the 2008 General Obligation Bond \$5,155,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position. A portion of the 2003 General Obligation Bond \$20,000,000, 2005 General Refunding Bond \$20,960,000, and the 2009 General Obligation Bond \$26,210,000 were not refunded.

On February 21, 2013, the City issued \$64,940,000 in General Obligation Refunding Bonds, Series 2013. The proceeds of the Series 2013 Bonds were used by the City for the purposes of (a) refunding, defeasing and/or restructuring all or a portion of the outstanding maturities of the 2006 City Bond and (b) paying certain costs of issuance of the Series 2013 Bonds and the City Bond. The 2006 Bank Bonds were issued to provide funds to purchase the 2006 City Bond. The proceeds of the 2006 City Bond were used by the City to finance construction and equipping of the Capital City Convention Center (the "Convention Center").

On December 18, 2015, the City issued \$17,635,000 in General Obligation Refunding Bonds Series 2015 A & B. The bonds were issued for the purpose of (a) refunding, defeasing and restructuring all or a portion of the outstanding maturities on the original principal amount of (i) \$20,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2003 (City of Jackson, Mississippi General Obligation Bonds Project) dated January 15, 2003, and a corresponding portion of the \$20,000,000 City of Jackson, Mississippi General Obligation Bond, Series 2003, (ii) \$20,960,000 City of Jackson, Mississippi General Obligation Bonds, Series 2005, dated August 4, 2005, (iii) \$65,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2006 (City of Jackson, Mississippi General Obligation Capital City Convention Center Project), dated November 8, 2006, and a corresponding portion of the \$65,000,000 City of Jackson, Mississippi General Obligation Bond, Series 2006 (Capital City Convention Center Project), (iv) \$26,210,000 Mississippi Development Bank Special Obligation Bonds, Series 2009 (City of Jackson, Mississippi General Obligation Street Resurfacing Project), dated January 6, 2009, and a corresponding portion of the \$26,210,000 City of Jackson, Mississippi General Obligation Street Resurfacing Bond, Series 2009, and (v) \$64,940,000 Mississippi Development Bank Special Obligation Bonds, Series 2013 (City of Jackson, Mississippi General Obligation Capital City Convention Center Refunding Project), dated February 28, 2013, and a corresponding portion of the \$64,940,000 City of Jackson, Mississippi General Obligation Refunding Bond, Series 2013 (Capital City Convention Center Project), and (b) paying the costs incident to the sale and issuance of the Series 2015 A & B Bonds.

The average interest rate on the 2015 General Obligation Refunding Bond is 4.15%. The 2005 General Obligation Bond \$20,960,000 and the 2006 General Obligation Bond \$65,000,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position. A portion of the 2003 General Obligation Bond \$20,000,000, the 2009 General Obligation Bond \$26,210,000, and the 2013 General Obligation Refunding Bond \$64,940,000 were not refunded.

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

On August 30, 2016, the City issued \$12,384,000 in General Obligation Refunding Bonds, Series 2016. The bonds were issued to provide funds for the purpose of advance refunding and defeasing a portion of the \$26,210,000 (original principal amount) Mississippi Development Bank Special Obligation Bonds, Series 2009 (City of Jackson, Mississippi General Obligation Street Resurfacing Project), dated January 6, 2009. The average interest rate on the 2016 General Obligation Refunding Bond is 2.125%. A portion of the 2009 General Obligation Bond \$26,210,000 were not refunded.

On February 25, 2021, the City issued \$16,920,000 in General Obligation Refunding Bonds, Series 2021. The proceeds of the Series 2021 Bonds was used by the City for the purposes of (a) a current refunding of the outstanding maturities of the 2010A and the 2016 General Obligation Refunding Bonds and (b) paying certain costs of issuance of the Series 2021 General Obligation Refunding Bonds. The refunding increased total debt service payments by \$233,034 (the difference between the debt service payments on the new refunding bonds and the old refunded bonds) but resulted in an economic gain of \$276,833 (the net present value of the difference between the debt service payments). The 2010A General Obligation Refunding Bond was issued to provide funds to the City in order to refund, defease and/or restructure certain outstanding maturities on the \$5,490,000 General Obligation Refunding Bond, Series 1998, the \$35,000,000 General Obligation Bonds, Series 1998, the \$20,000,000 General Obligation Bonds, Series 2003, the \$20,960,000 General Obligation Refunding Bonds, Series 2005, the \$5,155,000 General Obligation Refunding Bonds, Series 2008, and the \$26,210,000 General Obligation Bonds, Series 2009, and to pay the costs of issuance. The 2016 General Obligation Refunding Bond was issued to provide funds for the purpose of advance refunding and defeasing a portion of the \$26,210,000 (original principal amount) Mississippi Development Bank Special Obligation Bonds, Series 2009 (City of Jackson, Mississippi General Obligation Street Resurfacing Project), dated January 6, 2009.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds in denominations of \$5,000 with principal maturing annually and interest due at various semi-annual dates. General obligation bonds currently outstanding at September 30, 2021, were as follows (in thousands):

<u>General Obligation Bonds:</u>	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
MS Development Bank GO Bonds, Series 2003	01/05/03	2.00 – 5.25%	03/01/23	\$ 20,000	\$ 2,985
General Obligation Refunding, Series 2010A	09/01/10	3.00 – 5.00%	09/01/24	16,655	-
General Obligation Refunding, Series 2010B	09/01/10	4.37%	09/01/24	7,010	3,735
General Obligation Refunding, Series 2013	02/21/13	3.00 – 5.00%	03/01/36	64,940	57,495
General Obligation Refunding, Series 2015A	12/18/15	3.00 – 5.00%	05/01/36	17,465	17,275
General Obligation Refunding, Series 2015B	12/18/15	2.95%	05/01/20	170	-
General Obligation Refunding, Series 2016	08/30/16	3.00 – 4.00%	01/01/24	12,384	-
General Obligation Refunding Series 2021	2/25/21	5.00%	03/01/30	16,920	16,920
Total General Obligation Bonds				\$	<u>98,410</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

2. Revenue Bonds

On September 1, 2011, the City issued \$46,720,000 and \$2,565,000 in Water/Sewer System Revenue Refunding Bonds to advance refund \$42,355,000 of outstanding Water/Sewer System Revenue Bonds, Series 2002, \$1,140,000 of outstanding Water/Sewer Revenue Refunding, Series 2004, and \$2,790,000 of outstanding Water/Sewer Revenue Refunding, Series 2005. The purpose for issuing the Tax-Exempt Bonds is (a) to fund the 2011A Purchase Account, in order to provide funds for the purchase of the Tax-Exempt City Bond (which amounts are to provide financing for the refunding, defeasance and/or restructuring of a portion of the Prior Bonds pursuant to the Act), (b) to pay the premium for the Bond Insurance Policy and the Surety Bond for the Tax-Exempt Bonds, and (c) to fund the 2011A Bond Issuance Expense Account to pay the Costs of Issuance in connection with the Tax-Exempt Bonds and the Tax-Exempt City Bond. The purpose for issuing the Taxable Bonds is (a) to fund the 2011B Purchase Account, in order to provide funds for the purchase of the Taxable City Bond (which amounts are to provide financing for the refunding and/or restructuring of a portion of the Prior Bonds pursuant to the Act), (b) to pay the premium for the Bond Insurance Policy and the Surety Bond for the Taxable Bonds, and (c) to fund the 2011B Bond Issuance Expense Account to pay the Costs of Issuance in connection with the Taxable Bonds and the Taxable City Bond.

On September 1, 2012, the City issued \$63,045,000 and \$19,180,000 in Water/Sewer Revenue Refunding Bonds to advance refund \$76,120,000 of outstanding Water/Sewer System Revenue Refunding, Series 2004. The purpose for issuing the Tax-Exempt Bonds is (a) amount will provide financing for the refunding, defeasance and/or restructuring of the Series 2004 Bonds and the 2004 City Bonds, (b) as to the Taxable Bonds, to purchase the Taxable City Bond, which amount will provide financing for the refunding, defeasance and/or restructuring of the Series 2004 Bonds and 2004 City Bonds, (c) to pay premium for the Surety Bond and the Policy and (d) to fund the costs of issuance in connection with the Series 2012 Bonds and the Series 2012 City Bonds.

On June 1, 2013, the City issued \$89,990,000 in Water/Sewer Revenue Bonds with an average interest rate of 6.07. The Series 2013 Bonds are being issued pursuant to the Act for the purpose of providing funds to purchase the Series 2013 City Bond. This amount will provide financing for improvement and repair of the system in accordance with the Performance Contract, pay the premium for the Surety Bond and the Policy, and fund the costs of issuance in connection with the Series 2013 Bonds and the Series 2013 City Bond.

On August 24, 2016, the City issued \$17,135,000 in Water/Sewer Revenue Refunding Bonds, Series 2016. The Series 2016 Bonds were issued to realize debt service savings and for the purpose of providing funds to: (i) currently refund all of the City's outstanding Water and Sewer System Revenue Refunding Bonds, Series 2005, issued in the original principal amount of \$27,180,000, of which \$18,325,000 remains outstanding; (ii) pay the premium for the Surety Bond and the Policy; and (iii) pay certain costs of issuance in connection with the Series 2016 Bonds. The average interest rate on the 2016 Water/Sewer Revenue Refunding Bonds is 4.66%. The 2005 Water/Sewer System Revenue Refunding Bonds of \$27,180,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position.

Revenue bonds outstanding at September 30, 2021, were as follows (in thousands):

<u>Revenue Bonds:</u>	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Enterprise Funds:					
Water/Sewer Revenue Refunding 2011A	09/01/11	2.50 - 5.00%	09/01/34	\$ 46,720	\$ 30,455
Water/Sewer Revenue Refunding 2011B	09/01/11	4.07 - 5.40%	09/01/34	2,565	1,810
Water/Sewer Revenue Refunding 2012A	09/01/12	3.50 - 5.00%	09/01/34	63,045	59,975
Water/Sewer Revenue Refunding 2012B	09/01/12	1.00 - 2.375%	09/01/20	19,180	-
Water/Sewer Revenue 2013	06/01/13	5.00 - 6.875%	12/01/40	89,990	81,145
Water/Sewer Revenue Refunding 2016	08/24/16	3.00 - 4.000%	09/01/24	17,135	7,080
Total Revenue Bonds					<u>\$ 180,465</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

3. Tax Increment Limited Obligation Bonds

On April 24, 2009, the City issued \$407,000 of tax increment limited obligation bonds to provide funds for infrastructure improvements, including site utilities such as electrical, water, sanitary sewer and natural gas lines; installation of storm drainage and site work; construction of entrances with curb and gutter, sidewalks; landscaping of rights-of-way; installation of fencing and entry gates; capitalized interest; related engineering costs and expenses; TIF plan preparation fees; other incidental costs; and related professional fees.

On June 19, 2009, the City issued \$1,600,000 of tax increment limited obligation bonds to provide funds for infrastructure improvements supporting the project including, installation of site utilities such as water, sanitary sewer, and natural gas lines; landscaping of rights-of-way; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees for the project.

On December 30, 2010, the City issued \$2,800,000 of tax increment limited obligation bonds to provide funds for the renovation and related construction of properties generally known as the King Edward Hotel and Garage and the Standard Life Building and related properties located in a portion of the City Block bounded by Mill, Capitol, Roach, and Pearl Streets.

On August 24, 2018, the City issued \$4,447,000 tax increment limited obligation bonds to provide funds for infrastructure and site improvements to the District Project located between the City's Eastover and Fondren neighborhoods, adjacent to the I-55 corridor and the University of Mississippi Medical Center, and to pay cost of issuance of the Loan Obligation.

On October 15, 2018, the City issued \$1,750,000 tax increment limited obligation bonds to provide funds for infrastructure and site improvement costs of the Westin Hotel Project located in downtown Jackson, Mississippi on Congress Avenue, to fund a debt service reserve account, and to pay the costs of issuance.

On August 30, 2019, the City issued \$1,762,000 tax increment limited obligation bonds to provide funds for infrastructure and site improvements to the Landmark Healthcare Facilities Project located in downtown Jackson, Mississippi, the Project on Congress Avenue, to fund a debt service reserve account, and to pay the costs of issuance.

Limited obligation bonds outstanding at September 30, 2021, are as follows (in thousands):

<u>Limited Obligation Bonds:</u>	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
General Long-Term Debt:					
Tax Increment Financing Bonds, 2009	04/23/09	4.20%	04/01/24	407	106
Tax Increment Financing Bonds, 2009	06/19/09	4.75%	07/01/22	1,600	155
Tax Increment Financing Bonds, 2010A/B	12/30/10	4.75-5.50%	03/01/30	2,800	1,147
Tax Increment Financing Bonds, 2018	08/24/18	3.83%	07/01/33	4,447	3,726
Tax Increment Financing Bonds, 2018	10/15/18	3.50%	03/15/29	1,750	1,303
Tax Increment Financing Bonds, 2019	04/02/19	4.49%	03/01/34	1,762	1,589
Total Limited Obligation Bonds					<u>\$8,026</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

4. Section 108 Loan

On July 1, 2008, the City entered into a loan guaranty assistance agreement in an amount not to exceed the \$10,000,000 under Section 108 of the Housing and Community Development Act of 1974 for the purpose of providing assistance for the Capital City Center Revitalization Project and for development of a revolving business loan program. Under the Contract for Loan Guarantee Assistance between the City and HUD, HUD authorized the City to loan up to \$10,000,000 under the 108 Program to TCI MS Investment, Inc. for special economic development activities under 24 CFR 570.703(i)(1) and 570.203(b) and, in particular, for “site assemblage” costs for the Revitalization Project. Upon repayment of the TCI Loan, the City is authorized to use funds under the 108 program for the Business Loan Pool.

The Revitalization Project is to consist of development of two (2) hotels, commercial and retail space, a parking garage and residential facilities to help revitalize the City’s Central Business District while providing job creation for persons of low and moderate income through construction activities and then through the new businesses opened as part of the Revitalization Project. The Business Loan Pool is to be used to provide loans to for-profit and non-profit businesses and organizations which meet the eligibility requirements of 24 CFR 570.703, the national objective requirements of 570.208 and, if applicable, the public benefit standards of 570.209(b).

As required by the Guaranty Agreement, the City also entered into an agreement with Regions Bank to serve as custodian of original loan and security documents for the loan to TCI. As of September 30, 2021, \$4,800,000 was outstanding under the Section 108 loan.

5. Component Units

Jackson Redevelopment Authority

Urban renewal bonds issued to provide funds for various rehabilitation projects at September 30, 2021, were as follows (in thousands):

	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
<u>Urban Renewal Bonds:</u>					
Urban Renewal Bond, Series 2011A	06/01/11	3.25%-4.50%	06/01/31	\$ 7,165	\$ 4,570
Urban Renewal Bond, Series 2011B	06/01/11	5.15%	06/01/23	2,745	485
Urban Renewal Bond, Series 2018A	11/13/18	1.375%	11/01/21	2,763	<u>483</u>
Total Urban Renewal Bonds					<u>\$ 5,538</u>

Jackson Municipal Airport Authority

Jackson Municipal Airport Authority revenue bonds outstanding at September 30, 2021, were as follows (in thousands):

	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Outstanding</u>
<u>Revenue Bonds:</u>			
Revenue Bonds, Series 2015A	1.21% - 3.09%	10/2031	\$11,830
Revenue Bonds, Series 2015B	3.12% - 3.27%	10/2035	7,855
Revenue Bonds, Series 2017A	2.60%	10/2026	2,975
Revenue Bonds, Series 2017B	2.75%	10/2027	<u>3,500</u>
Total Revenue Bonds			<u>\$26,160</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

6. A summary of long-term liabilities transactions for the primary government and for the component units for the year ended September 30, 2021, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 107,663	\$ 16,920	\$ 26,173	\$ 98,410	\$ 6,705
Limited obligation bonds	8,877	-	851	8,026	785
State revolving loan (MDA)	332	357	74	615	93
Miss. Development Bank Loan	729	-	315	414	294
Mississippi Development Bank Note	32,140	-	2,545	29,595	2,685
Section 108 Loan	5,450	-	650	4,800	650
Capital lease obligations	19,953	484	3,712	16,725	3,409
Issuance discount	(291)	-	(21)	(270)	-
Issuance premium	11,957	2,995	2,343	12,609	-
Total Long-Term Debt Payable	<u>186,810</u>	<u>20,756</u>	<u>36,642</u>	<u>170,924</u>	<u>14,621</u>
Net pension liability	205,768	-	56,204	149,564	-
Other Post-employment benefits	58,855	-	17,650	41,205	921
Claims and judgments	6,432	-	859	5,573	2,563
Workers' Compensation Claims	1,979	-	485	1,494	951
Compensated absences	4,109	157	698	3,568	698
	<u>277,143</u>	<u>157</u>	<u>75,896</u>	<u>201,404</u>	<u>5,133</u>
Total Governmental Activities	<u>\$ 463,953</u>	<u>\$ 20,913</u>	<u>\$ 112,538</u>	<u>\$ 372,328</u>	<u>\$ 19,754</u>
Business-Type Activities					
Bonds and loans payable:					
General Obligation Note	\$ 2,932	\$ 4,068	\$ -	\$ 7,000	\$ -
Revenue bonds	189,480	-	9,015	180,465	9,405
State revolving loan (DEQ)	36,647	10,396	1,992	45,051	2,035
State revolving loan (DOH)	7,911	5,445	276	13,080	406
State revolving loan (MDA)	2,015	-	853	1,162	853
Capital lease obligations	2,230	-	353	1,877	239
Issuance discount	(650)	-	(48)	(602)	-
Issuance premiums	11,448	-	767	10,681	-
Total Long-Term Debt Payable	<u>252,013</u>	<u>19,909</u>	<u>13,208</u>	<u>258,714</u>	<u>12,938</u>
Net pension liability	19,262	-	5,748	13,514	-
Other Post-employment benefits	7,955	-	2,989	4,966	111
Compensated absences	456	24	67	413	67
	<u>27,673</u>	<u>24</u>	<u>8,804</u>	<u>18,893</u>	<u>178</u>
Total Business-type activities	<u>\$ 279,686</u>	<u>\$ 19,933</u>	<u>\$ 10,132</u>	<u>\$ 277,607</u>	<u>\$ 13,116</u>
Jackson Redevelopment Authority:					
Urban Renewal bonds	\$ 7,060	\$ -	\$ 1,522	\$ 5,538	\$ 1,088
Issuance discount	(136)	-	-	(136)	-
Total Jackson Redevelopment Authority	<u>\$ 6,924</u>	<u>\$ -</u>	<u>\$ 1,522</u>	<u>\$ 5,402</u>	<u>\$ 1,088</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital City Convention Center Commission:					
Loan Payable	\$ -	\$ 259	\$ -	\$ 259	\$ 259
Total	\$ -	\$ 259	\$ -	\$ 259	\$ 259
Jackson Municipal Airport Authority:					
Revenue bonds	\$ 28,065	\$ -	\$ 1,905	\$ 26,160	\$ 1,950
Net pension liability	17,191	-	5,014	12,177	-
Claims liability	-	1,650	-	1,650	-
Total	\$ 45,256	\$ 1,650	\$ 6,919	\$ 39,987	\$ 1,950

7. The City's legal debt margin for the issuance of general obligation bonds was \$92,160,000 at September 30, 2021.

8. Annual Maturities Requirements

The annual requirements to amortize all long-term debt outstanding of September 30, 2021, including interest, by source of retirement are as follows (in thousands):

Debt Service Fund (Special Tax Levy)

Fiscal Year	<u>General Obligation Bonds</u>		
	Interest	Principal	Total
2022	\$ 4,002	\$ 6,705	\$ 10,707
2023	3,668	6,935	10,603
2024	3,333	6,870	10,203
2025	3,023	6,780	9,803
2026	2,699	6,705	9,404
2027 – 2031	9,762	30,980	40,742
2032 – 2036	3,843	33,435	37,278
Total	\$ 30,330	\$ 98,410	\$ 128,740

Fiscal Year	<u>State Revolving Loan MDA</u>		
	Interest	Principal	Total
2022	\$ 8	\$ 93	\$ 101
2023	7	94	101
2024	5	96	101
2025	5	96	101
2026	2	98	100
2027-2031	4	138	142
Total	\$ 31	\$ 615	\$ 646

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

Fiscal Year	MS Development Bank Loans		
	Interest	Principal	Total
2022	\$ 31	\$ 294	\$ 325
2023	9	87	96
2024	5	33	38
Total	\$ 45	\$ 414	\$ 459

Fiscal Year	Limited Obligation Bonds		
	Interest	Principal	Total
2022	\$ 364	\$ 785	\$ 1,149
2023	463	543	1,006
2024	444	566	1,010
2025	404	569	973
2026	226	752	978
2027 – 2031	647	3,616	4,263
2032 - 2036	74	1,195	1,269
Total	\$ 2,622	\$ 8,026	\$ 10,648

1% Infrastructure Tax Special Revenue Fund

Fiscal Year	Mississippi Development Bank Note		
	Interest	Principal	Total
2022	\$ 1,480	\$ 2,685	\$ 4,165
2023	1,346	2,820	4,166
2024	1,205	2,960	4,165
2025	1,056	3,105	4,161
2026	901	3,265	4,166
2027 - 2031	1,890	14,760	16,650
Total	\$ 7,878	\$ 29,595	\$ 37,473

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

General Fund (General Fund Revenues)

Fiscal Year	Obligation Under Capital Leases		Total
	Interest	Principal	
2022	\$ 297	\$ 3,422	\$ 3,719
2023	232	3,052	3,284
2024	176	2,652	2,828
2025	125	2,369	2,494
2026	34	2,412	2,446
2027 – 2031	93	2,696	2,789
2032 - 2036	1	122	123
Total	\$ 958	\$ 16,725	\$ 17,683

Fiscal Year	HUD Section 108		Total
	Interest	Principal	
2022	\$ 133	\$ 650	\$ 783
2023	116	650	766
2024	99	650	749
2025	82	650	732
2026	64	650	714
2027 - 2031	72	1,550	1,622
Total	\$ 566	\$ 4,800	\$ 5,366

Enterprise Funds - Water/Sewage Disposal System Fund (Water/Sewer Revenue)

Fiscal Year	Revenue Bonds		Total
	Interest	Principal	
2022	\$ 9,750	\$ 9,405	\$ 19,155
2023	9,333	9,820	19,153
2024	8,849	10,300	19,149
2025	8,331	8,565	16,896
2026	7,867	9,035	16,902
2027 – 2031	31,290	53,210	84,500
2032 – 2036	16,755	48,710	65,465
2037 – 2041	5,697	31,420	37,117
Total	\$ 97,872	\$ 180,465	\$ 278,337

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

Fiscal Year	Obligations Under Capital Leases		
	Interest	Principal	Total
2022	\$ 30	\$ 239	\$ 269
2023	26	224	250
2024	22	155	177
2025	20	158	178
2026	17	160	177
2027 - 2031	45	854	899
2032 - 2036	-	87	87
Total	\$ <u>160</u>	\$ <u>1,877</u>	\$ <u>2,037</u>

Fiscal Year	General Obligation Note		
	Interest	Principal	Total
2022	\$ 236	\$ -	\$ 236
2023	228	-	228
2024	228	-	228
2025	228	7,000	7,228
Total	\$ <u>920</u>	\$ <u>7,000</u>	\$ <u>7,920</u>

Fiscal Year	State Revolving Loans		
	Interest	Principal	Total
2022	\$ 539	\$ 3,294	\$ 3,833
2023	1,683	2,754	4,437
2024	941	3,269	4,210
2025	881	3,216	4,097
2026	820	3,277	4,097
2027 - 2031	3,197	16,249	19,446
2032 - 2036	1,725	15,628	17,353
2037 – 2041	564	10,310	10,874
2042 – 2046	10	1,296	1,306
Total	\$ <u>10,360</u>	\$ <u>59,293</u>	\$ <u>69,653</u>

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

Jackson Redevelopment Authority (Urban Renewal Project Revenues)

<u>Jackson Redevelopment Authority</u> <u>Urban Renewal Revenue Bonds</u>				
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	
2022	\$ 240	\$ 1,088	\$	1,328
2023	202	635		837
2024	172	410		582
2025	153	425		578
2026	134	445		579
2027 - 2031	353	2,535		2,888
Total	<u>\$ 1,254</u>	<u>\$ 5,538</u>	<u>\$</u>	<u>6,792</u>

Capital City Convention Center Commission

<u>Loan Payable</u>				
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	
2022	\$ -	\$ 259	\$	259
Total	<u>\$ -</u>	<u>\$ 259</u>	<u>\$</u>	<u>259</u>

Jackson Municipal Airport Authority

<u>Revenue Bonds</u>				
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	
2022	\$ 562	\$ 1,950	\$	2,512
2023	539	1,995		2,534
2024	513	2,050		2,563
2025	485	2,100		2,585
2026	455	2,160		2,615
2027 - 2031	1,766	7,750		9,516
2032 - 2036	682	8,155		8,837
Total	<u>\$ 5,002</u>	<u>\$ 26,160</u>	<u>\$</u>	<u>31,162</u>

The City has unconditionally and irrevocably agreed to grant and contribute to the Jackson Redevelopment Authority from the General Fund of the City sums sufficient to pay the principal of and interest on the bonds issued by the Jackson Redevelopment Authority for urban renewal purposes, as the same shall mature and become due. In addition, the city has agreed to contribute to the Jackson Redevelopment Authority \$200,000 annually in June of the years 2023 through 2027. Principal and interest maturities for 2021 were paid by contributions from the General Fund of \$1,823,302.

There are a number of requirements contained in various revenue bond ordinances. As indicated in Note 1(D) (15), the Water/Sewage Disposal Fund's operation and maintenance fund, debt service fund, and contingent fund were at the required amounts at September 30, 2021.

The net pension and other postemployment benefits liabilities of the governmental activities are typically liquidated by the General Fund.

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

Note 4 – Detailed notes on all funds (Continued):

G. LONG-TERM DEBT (Continued):

9. Annual Maturities Requirements

The annual requirements to amortize all debt outstanding for the City and the component units as of September 30, 2021, including interest are as follows (in thousands):

Fiscal Year	City of Jackson	Jackson Redevelopment Authority	Capital City Convention Center Commission	Jackson Municipal Airport Authority
2022	\$ 44,442	\$ 1,328	\$ 259	\$ 2,512
2023	44,090	837	-	2,534
2024	42,858	582	-	2,563
2025	46,663	578	-	2,585
2026	38,984	579	-	2,615
2027 - 2031	171,053	2,888	-	9,516
2032 - 2036	121,575	-	-	8,837
2037 - 2041	47,991	-	-	-
2042 - 2046	1,306	-	-	-
Total	<u>\$ 558,962</u>	<u>\$ 6,792</u>	<u>\$ 259</u>	<u>\$ 31,162</u>

10. Revenue Pledge to Secure Debt

The City has pledged its share of general sales tax collected by the State Mississippi (the State) to secure its notes payable to the State for various public improvements and utility improvement projects. The City received general sales tax revenue totaling \$29,302,774 for the current year and made principal and interest payments on the notes payable to the state totaling \$4,053,855 during the current year. As of September 30, 2021, the future principal and interest requirements for the notes payable totaled \$70.8 million, and the maturity dates of the notes payable extend through June, 2042.

The City has pledged its 1% infrastructure sales tax revenues to secure its limited obligation note payable to the Mississippi Development Bank for infrastructure projects. The City received 1% infrastructure sales tax revenue totaling \$15,770,432 for the current year and made principal or interest payments totaling \$4,156,464 on the note payable during the current year. As September 30, 2021, the future principal and interest requirements for the note payable totaled \$37.5 million, and the maturity date of the note payable extends through September, 2030.

The City has pledged incremental ad valorem tax revenues resulting from commercial development projects to secure limited obligation bonds that were issued to fund the projects. The City's incremental ad valorem tax revenues and interfund transfers received in the current year totaled, \$1,051,384, and the City also received \$65,165 from Hinds County in the current year for the county's pledged portion of incremental ad valorem tax revenues. The principal and interest payments made by the City on the limited obligation bonds totaled \$1,147,110 during the current year. As of September 30, 2021, the future principal and interest requirements on the bonds totaled \$10.6 million, and the maturity dates extend through March, 2034.

The City has pledged Water/Sewage Disposal System Fund revenues, net of operating expenses, to repay revenue bonds issued for utility improvement projects. The Water/Sewage Disposal System Fund had an operating loss of \$27,680,376 in the current year, and the principal and interest payments made by the City on revenue bonds totaled \$19,156,509 during the current year. As of September 30, 2021, the future principal and interest requirements for revenue bonds totaled \$278 million, and the maturity dates extend through December, 2040.

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

Note 5 – Fund Balance Presentation – Classification Total

The fund balances of the governmental funds at September 30, 2021, are classified by specific purpose as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Federal Grants Special Revenue Fund</u>	<u>1% Infrastructure Tax Capital Project Fund</u>	<u>Infrastructure Bond 2020 Capital Project Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:							
Non Spendable:							
Public Works Supplies Inventory	\$ 922,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,166
	<u>922,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,166</u>
Restricted For:							
Public Safety	1,576,472	-	130,828	-	-	273,458	1,980,758
Public Works Projects	81,063	-	128,047	15,717,657	28,487,790	1,862,381	46,276,938
Human and Cultural Services	317,091	-	30,382	-	-	1,551,536	1,899,009
Capital Outlay - Equipment	6,071,233	-	-	-	-	296,306	6,367,539
Debt Service	-	12,595,018	-	-	-	-	12,595,018
Unemployment Claims	209,992	-	-	-	-	-	209,992
Employee Benefits	636	-	-	-	-	-	636
	<u>8,256,487</u>	<u>12,595,018</u>	<u>289,257</u>	<u>15,717,657</u>	<u>28,487,790</u>	<u>3,983,681</u>	<u>69,329,890</u>
Committed To:							
Public Works Projects	142,500	-	-	-	-	6,320,528	6,463,028
Human and Cultural Services	-	-	-	-	-	511,866	511,866
Employee Benefits	-	-	-	-	-	64,833	64,833
Tort Claims	5,614,697	-	-	-	-	-	5,614,697
	<u>5,757,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,897,227</u>	<u>12,654,424</u>
Assigned To:							
Technology and Communication	72,789	-	-	-	-	-	72,789
Public Works Projects	855,162	-	-	-	-	-	855,162
Various Other Specific Purposes	19,313	-	-	-	-	-	19,313
	<u>947,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>947,264</u>
Unassigned							
	<u>17,490,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,490,211</u>
Total Fund Balances	<u>\$ 33,373,325</u>	<u>\$ 12,595,018</u>	<u>\$ 289,257</u>	<u>\$ 15,717,657</u>	<u>\$ 28,487,790</u>	<u>\$ 10,880,908</u>	<u>\$ 101,343,955</u>

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

Note 6 – Other Information

A. RISK MANAGEMENT

1. Workers Compensation Benefits

The City maintains a self-funded workers' compensation plan accounted for in the General Fund for claims incurred. Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments and case reserves development. Liabilities are based on the ultimate costs of settling claims, including inflation and other factors, and include provisions for estimated claims adjustment expenses. Benefits paid to employees during fiscal year 2021 were \$716,405.

Excess workers' compensation insurance was obtained to cover the City for workers' compensation claims incurred through July, 2018, in excess of the City's liability of \$1,000,000. Coverage limit was up to \$750,000 except \$1,000,000 for police, firefighters, and first responders.

The City obtained commercial insurance to fully cover workers' compensation claims incurred after July, 2018.

2. Unemployment Benefits

The City also maintains an unemployment compensation revolving fund (part of the General Fund, established pursuant to state law). In addition to funding all valid claims, the City is required to maintain the balance in the fund at not less than 2% of the first \$6,000 paid each employee during the preceding year and the General Fund typically provides the necessary funding. As of September 30, 2021, the required amounts were funded. Claims totaled \$172,671 during fiscal year 2021. Estimates of the liability for unpaid claims are based on patterns of claims payments.

3. Group Benefits

Additionally, the City maintains the Employees' Group Benefit Fund (Internal Service Fund) to account for the accumulation of revenues, principally contributions from the City of Jackson and employees to be used to fund future liabilities and current payment of employer medical claims and related administration expenditures of the City's group benefit plan. The City's contributions are typically funded primarily by the General Fund and Water/Sewage Disposal System Fund. Revenues totaled \$17,125,895 and employee benefit costs were \$17,125,895, net of \$906,216 stop-loss insurance proceeds, during fiscal year 2021. Claims incurred but not reported at September 30, 2021, in the Employees' Group Benefit Fund are provided for based on pattern of claim payments. The City has obtained stop-loss insurance through December 31, 2021 to cover medical claims in excess of \$300,000 annually per individual.

4. Tort Liability

In compliance with the Tort Claims Act, Chapter 46 of Title 11 and as amended by the 1993 Legislature, Section 11-46-17(3) requires all municipalities from and after October 1, 1993, to obtain such policies of insurance, establish self-insurance reserves, or provide a combination of insurance and reserves necessary to cover all risks of claims and suits for which the City of Jackson may be liable under the Tort Claims Act.

In order to assure compliance with the Tort Claims Act, House Bill 417 established the Mississippi Tort Claims Board. Municipalities are required to submit plans of insurance, self-insurance and or reserves to the Tort Claims Board for approval.

Municipalities may comply with the requirements of the Tort Claims Act by one of the following methods: (1) Purchase of liability insurance, (2) Pooling of two or more municipalities or other political subdivisions to purchase liability insurance or to self-insure, (3) Self-insure with the establishment of a self-insurance reserve fund.

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

Note 6 – Other Information (Continued):

A. RISK MANAGEMENT (Continued):

The City of Jackson is in compliance by using method number three as indicated above, and the necessary funding is typically provided by the General Fund. The 2021 fiscal year budget had the monies necessary to establish the reserve fund within the General Fund at the required funding level. Estimates of the liability for unpaid claims are actuarially determined.

5. Claims Liabilities

The following table provides a reconciliation of changes in the liabilities for claims and related expenses for years ended September 30, 2021 and 2020:

	Employees' Group Benefit Fund	Tort Claims	Unemployment Benefits	Workers' Compensation Benefits
2021:				
Beginning Balance	\$ 1,956,434	\$ 6,431,883	\$ -	\$ 1,979,205
Current Year Claims/Changes in Estimates	17,125,895	(442,742)	180,691	716,405
Payments of Claims and Related Expenses	17,333,123	416,554	180,691	1,201,131
Ending Balance	<u>\$ 1,749,206</u>	<u>\$ 5,572,587</u>	<u>\$ -</u>	<u>\$ 1,494,479</u>
2020:				
Beginning Balance	\$ 2,102,853	\$ 5,633,736	\$ -	\$ 2,497,794
Current Year Claims/Changes in Estimates	17,171,682	1,093,029	93,152	13,402
Payments of Claims and Related Expenses	17,318,101	294,882	93,152	531,991
Ending Balance	<u>\$ 1,956,434</u>	<u>\$ 6,431,883</u>	<u>\$ -</u>	<u>\$ 1,979,205</u>

6. Other Risks:

Commercial insurance is obtained by the city for certain risk coverages. The commercial policy includes various amounts of coverage ranging from \$25,000 to \$250,000. Commercial property crime carries a limit of \$25,000 per occurrence for computer fraud, employee theft, forgery or alteration, funds transfer fraud, money and securities-inside buildings, money and securities-outside buildings. The property deductible is \$100,000; the crime deductible is \$5,000; the unintentional errors and omissions coverage is \$1,000,000 per occurrence; and the catastrophe coverage is \$25,000,000 per occurrence. Amounts of settlements have not exceeded insurance coverage for these risk types in the past three years.

B. COMMITMENTS

Federal Grants

The City participates in a number of state and federally funded grant programs, principal of which are Community Development Block Grant, Federal Highway Administration, Department of Transportation and Department of Justice grants. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

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

Note 6 – Other Information (Continued):

C. WATER AND SEWER OPERATION & MAINTENANCE FUND

As specified in Section 6.03 (d) of the General Bond Resolution, a transfer may be made from the Water and Sewer Contingent Fund when a deficiency occurs in the deposit amount for the Water and Sewer Operation and Maintenance Fund. The Water and Sewer Operation and Maintenance Fund has first priority on revenues of the Water and Sewer System. As specified by Section 6.03 (d) of the General Bond Resolution for the Water and Sewer Contingent Fund, as of September 30, 2021, the balance in the Water and Sewer Contingent Fund was in compliance with the required reserve.

D. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 28, 2023, which represents the date the comprehensive annual financial report was available to be issued.

In September, 2018, the City was approved for a loan from the Mississippi Department of Environmental Quality (MDEQ) for improvements at the Savanna Wastewater Treatment Plant. The maximum loan amount is \$26,808,150 bearing interest at 1.75%, and proceeds of \$22,126,501 had been received or requested through September 30, 2021. Monthly repayments are to begin in December, 2021 for a period of 237 months and are secured by sales tax revenue.

In September, 2019, the City received a loan from the Mississippi Department of Health (MSDH) for improvements at both O.B. Curtis and J.H. Fewell Treatment Plants and distribution improvements. The maximum loan amount is \$12,903,093 bearing interest at 1.95%, and proceeds of \$6,126,159 had been received or requested through September 30, 2021. Monthly repayments are to begin in May, 2022, for a period of 237 months and are secured by sales tax revenue.

In September, 2021, the City received a Drinking Water System Improvement revolving fund loan from the Mississippi Department of Health for OB Curtis & JH Fewell Water Treatment facility improvements. The maximum loan amount is \$28 million to be financed over 20 years at 1.95%, and will be secured by sales tax revenue.

In November, 2021, the City authorized the issuance of \$3,300,000 of tax increment financing bonds to provide funding for a residential and commercial development project to be financed over 15 years. The bonds will be secured by the incremental ad valorem and sales tax revenues generated by the development project.

In September, 2022, the City entered a \$369,000 master lease agreement with a bank to finance equipment purchases at an interest rate of 3.7% over three years.

In November, 2022, the City authorized the issuance of \$1,000,000 of tax increment financing bonds to provide funding for a hotel development project to be financed over 15 years. The bonds will be secured by the incremental ad valorem and sales tax revenues generated by the development project.

In November, 2022, the City authorized the issuance of \$7,500,000 of general obligation bonds to provide funding for renovations to the planetarium and arts center to be financed over 15 years.

In November, 2020, the City as lessee entered into an agreement under which the lessor will replace the City's customer water meters, and the City will pay monthly lease charges for the new installed meters. The meter lease agreement was subsequently revised to also include upgrades to the customer meter and billing information systems, and the lease charges per meter were adjusted to include the additional lease components. The lease is cancellable by the City with a 30-day notice, and upon cancellation the City would be required to purchase the installed meters at their designated cost less depreciation based on a 25 year useful life. After installation of all components, the City's lease payments required under the agreement would total approximately \$5.5 million annually. As of September 30, 2021, none of the meters had been placed in service yet.

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

Note 6 – Other Information (Continued):

D. SUBSEQUENT EVENTS (Continued):

Litigation

The City is defendant in a number of legal actions and claims seeking actual and punitive damages. Contingencies totaling \$5,572,587 for which it is probable a loss has been incurred and which are subject to reasonable estimation, are recognized as liabilities in the financial statements. The City is vigorously defending all matters of litigation and believes there will be no material adverse financial effect

E. CONTINGENCIES:

Water/Sewage Disposal System Fund and Sanitation Fund

The Water/Sewage Disposal System Fund and the Sanitation Fund had both an operating loss and negative cash flows from operating activities during the year ended September 30, 2021. These conditions resulted primarily from complications experienced in the installation and operation of water meters and a water, sewer, and garbage customer billing system, which caused customer billing delays and inaccuracies and extended delays in collection of revenues from customers. The City has established customer payment plans and collection procedures to facilitate the collection of the past due balances from customers. To provide cash for operations and debt service while the City works to collect the past due customer balances, the General Fund made transfers to the Water/Sewage Disposal System Fund and the Sanitation Fund. The City has begun the process of replacing the water meters and billing system to resolve these issues.

The City is subject to a 2013 consent decree order by the U.S. Environmental Protection Agency (EPA) requiring the City to make improvements with an estimated cost of \$600 million to address sanitary sewer overflows.

In addition, the City is subject to a November, 2022, interim stipulated order by the EPA regarding the City's water system. Under the 2022 order, the EPA appointed an interim third-party manager to operate and maintain the City's water system, manage the water/sewer user billing and collection system, and implement a capital improvements plan to address recurring disruptions in the operations of the water treatment plants and distribution system. The estimated cost of the necessary capital improvements under the 2022 order has not yet been determined.

A proposed bill advancing within the Mississippi Legislature, if enacted, would establish a separate regional utility authority to take over the ownership, control and operations of the City's water, sewage, and storm drainage systems. The proposed regional utility authority would be governed by a nine-member board to consist of four members appointed by the City and five members appointed by the State of Mississippi.

Capital City Convention Center Commission

The Capital City Convention Center Commission (the Commission), which is a discretely presented component unit of the City, has a contractual obligation to provide operational funding as needed for the operations of the Jackson Convention Complex (the Complex). While initial pro forma forecasts anticipated operating losses would be incurred by the Complex from inception and funded by the Commission, lagging tax revenues due to the general economy have depleted the Commission's general and unrestricted working capital funds and have limited the Commission's resources to provide such operational funding going forward. Also, as noted below, these trends are further negatively impacted by the spread of the COVID-19 coronavirus. Operating losses and cash shortfalls are still expected in 2022 and beyond. The Commission is continuing to seek ways to alleviate this condition through budgeting and seeking additional funding sources. There is no assurance as to the availability, timing or terms of such additional funding that might be available. This condition raises substantial doubt about the Commission's ability to continue as a going concern.

As a result of the spread of the COVID-19 coronavirus in 2020 and 2021, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Commission. Events have been postponed or cancelled during the spread. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

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

Note 6 – Other Information (Continued):

E. CONTINGENCIES (Continued):

Further, in August, 2022, the Commission received a notice of default under the FY22 Agreement from the management company related to past due receivables from the Commission to the management company. If the FY22 Agreement were to terminate, the loan payable to the management company becomes due in full 30 days after termination.

Jackson Municipal Airport Authority

During the 2016 Mississippi legislative session, Section 61-3-6 of the Mississippi Code of 1972, was passed and signed into law. This law would create a new Jackson Metropolitan Area Airport Authority that would manage the airports. A suit has been filed in US District Court challenging the validity of this law. The City of Jackson and the Jackson Municipal Airport Authority have both intervened in this suit to challenge the validity of this law. Regarding the lawsuit, pursuant to the December 12, 2016, Court order, the Governor and Lieutenant Governor will maintain the status quo by not naming or officially appointing anyone to the new Jackson Metropolitan Area Airport Authority until such time as the Court renders a decision on the merits (or as otherwise ordered by the Court) or until after ninety (90) days written notice is given by the Governor or Lieutenant Governor to the Authority and the Court of their intent to do otherwise. Further, in its June 6, 2016, Notice of Policy on Evaluating Disputed Changes of Sponsorship at Federally Obligated Airports, the FAA stated that “only the FAA has the authority to determine sponsor eligibility, approve and formally change airport sponsorship, and approve and issue a new Airport Operating Certificate pursuant to 14 CFR part 139.” The FAA further stated in that June 6, 2016, Notice: “In matters in which a proposed change is contested by a current sponsor or operator, the FAA will not act on a part 139 application or a change of airport sponsorship and/or operating authority until the dispute is definitively resolved to the satisfaction of the FAA.”

In October, 2020, a former concessionaire filed a complaint related to the termination of their lease and concession agreement with the Jackson Municipal Airport Authority. The concessionaire sought damages related to the termination and reimbursement for certain leasehold improvements. The Jackson Municipal Airport Authority subsequently agreed to a settlement of \$1,650,000, which is recorded in the claims liability in the statement of net position. This liability will be paid in two installments in fiscal year 2023.

In March, 2020 the President declared a national state of emergency due to the COVID-19 coronavirus pandemic. This event, and the response to it, caused enplanements at Jackson-Medgar Wiley Evers International Airport during year ended September 30, 2020 to decline to 5.6% of prior year enplanements at its peak in April, 2020. By September, 2020, enplanements had recovered slightly to 30.5% of prior year, and by September, 2021, enplanements had recovered to 41.2% of pre-pandemic levels.

The Coronavirus Aid, Relief and Economic Security (CARES) Act signed into law in March, 2020, allocated \$8,630,630 in economic relief to Jackson-Medgar Wiley Evers International Airport over a four-year period beginning in May, 2020. The Jackson Municipal Airport Authority used \$2,416,000 of this relief during the year ended September 30, 2020. The Jackson Municipal Airport Authority used the remaining \$6,214,630 during the year ended September 30, 2021. The pandemic is the primary driver of the Authority’s operating loss for the year ended September 30, 2021. The long-term effects of this pandemic on the Jackson Municipal Airport Authority’s operations and finances are unknown at this time.

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

Note 6 – Other Information (Continued):

F. JOINT VENTURES

The following provides the summary financial information of the Jackson/Hinds Library System as of and for the year ended September 30, 2021 (in thousands):

<u>Jackson/Hinds Library System</u>	
Total assets	\$ <u>1,342</u>
Total liabilities	\$ 300
Total fund balances	<u>1,042</u>
Total liabilities and fund balances	\$ <u>1,342</u>
Total revenues	\$ 4,042
Total expenditures	<u>3,469</u>
Net increase in fund balances	\$ <u>573</u>

The Jackson/Hinds Library System is funded equally by the City and Hinds County.

G. EMPLOYEES' RETIREMENT SYSTEM:

The City of Jackson participates in two retirement systems administered by the Public Employees' Retirement System of Mississippi (PERS). Both systems are defined benefit plans and include a multi-employer, cost-sharing pension plan and an agent multi-employer pension plan as described below. The total pension expense for both plans was \$2,177,529 for the year ended September 30, 2021.

Public Employees' Retirement System

1. Plan Description and Provisions

The City of Jackson, Mississippi contributes to the Public Employees Retirement System of Mississippi ("PERS"), a cost-sharing multiple- employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the PERS Board of Trustee's authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring.

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death,

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (CONTINUED):

a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

2. Description of Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the City of Jackson, Mississippi is required to contribute at an actuarially determined rate. The City's contribution rate is 17.4% of annual covered payroll and is typically funded primarily by the General Fund and the Water/Sewage Disposal System Fund. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Jackson, Mississippi contributions (excluding amounts withheld from members' salaries) to PERS for the year ended September 30, 2021, were \$10,122,396, which was equal to the required contributions for the year, and includes \$1,102,288 payable at September 30, 2021.

3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the City reported a liability of \$127,480,678 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to contributions of all participating entities for the measurement year. For the year ended June 30, 2021, the City's proportion was 0.862496 percent, which was a decrease of 0.045167percent from its 0.907663 percent proportion for the year ended June 30, 2020.

For the year ended September 30, 2021, the City recognized PERS pension expense of \$2,664,695. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

A. Governmental Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,822,335	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	34,321,985
Changes of assumptions	8,769,684	-
Changes in the City's proportion	-	5,805,565
City contributions subsequent to the measurement date	2,473,499	-
Total	\$ 13,065,518	\$ 40,127,550

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is a decrease of \$27,062,032 at September 30, 2021.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

B. Business-Type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 216,085	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	4,069,773
Changes of assumptions	1,039,878	-
Changes in the City's proportion	180,403	2,018,387
City contributions subsequent to the measurement date	<u>293,298</u>	<u>-</u>
Total	<u>\$ 1,729,664</u>	<u>\$ 6,088,160</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on business-type activities' net position is a decrease of \$4,358,496 at September 30, 2021.

Collective Deferred Outflows of Resources and Deferred Inflows of Resources. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographics factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members.

At September 30, 2021, \$2,766,797 was reported as deferred outflows of resources related to pensions resulting from City PERS contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2022	\$ (7,640,214)
2023	(7,231,427)
2024	(7,875,154)
2025	<u>(11,440,530)</u>
Total	<u>\$ (34,187,325)</u>

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

4. Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary changes	2.65% – 17.90%, average, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pubs.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to ages 72 and 100% for ages above 76. Mortality rates for disability retirees were based on Pub.G.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the Pubs-H-2010(B) Contingent Annuitants Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27%	4.60%
International Equity	22	4.50
Global Equity	12	4.80
Fixed Income	20	(0.25)
Real Estate	10	3.75
Private Equity	8	6.00
Cash Equivalents	1	(1.00)
<i>Total</i>	<u>100%</u>	

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

Following is a summary of the actuarial assumption changes in 2021:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in in the line of duty was decreased from 6% to 4%.

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be at the current contribution rate (17.40%). Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to change in the discount rate. The following table presents the City's proportionate share of the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.55%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
City's proportionate share of net pension liability	\$ 180,542,527	\$ 127,480,678	\$ 83,753,493

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately-issued PERS financial report.

Firefighters and Police Officers Disability and Relief- Municipal Retirement Systems Pension Plan

1. Plan Description

The City of Jackson contributes to the Municipal Retirement Systems Fire and Police Disability and Relief Fund (MRS), an agent multiple-employer defined benefit pension plan administered by the Public Employees' Retirement System of Mississippi. The City's uniformed police officers and firefighters employed prior to April 1, 1976, participate in MRS. Firefighters and police officers employed subsequent to April 1, 1976, are members of the Public Employees' Retirement System of the State as previously described. MRS provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefit provisions are established by Sections 21-29, Articles 1, 3, 5 and 7, Mississippi Code Ann. (1972) and annual local and private legislation. Legislation may be amended only by the State of Mississippi Legislature. At June 30, 2021, the date of the most recent actuarial valuation, there were 500 retired participants and beneficiaries currently receiving benefits. PERS issues a publicly available financial report that includes financial statements and required supplementary information for MRS. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

As of the most recent measurement date of the net pension liability, membership data for the pension plan is as follows:

<u>Members Category</u>	<u>Pension</u>
Retirees and beneficiaries currently receiving benefits	500
Former members entitled to benefits but not yet receiving them	-
Former members – not entitled to benefits	-
Active members:	-
Vested	-
Non-vested	-
Total Participants	<u>500</u>

Benefits Provided: Plan members who are vested and retire at or after age 65 or those who retire with at least 20 years of creditable service regardless of age are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.5% of their average compensation for each year of creditable service up to and including 20 years plus 1.7% for each additional year of creditable service over 20 years, not to exceed a total retirement allowance of 66.67% of average compensation. Average compensation is the average of the employee's earnings during the last six month period of service. A cost of living adjustment is made annually for eligible retirees and beneficiaries based on the change in the Consumer Price Index, not to exceed a total adjustment of 19.5%. MRS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

2. Description of Funding Policy

Under the funding policy adopted in 2011, the employer contribution rate, expressed as a millage rate tax applied to assessed property values, is established that will generate an ultimate asset reserve level equal to a reasonable percentage (initially 100% - 150%) of the next year's projected benefit payments. At that point, employer contributions are set equal to the fiscal year's projected benefit payments and adjusted as necessary to maintain the assets at the established reserve level. This calculation is performed using projected cash flow analysis using the current market value of assets as of the valuation date, a 6.05% assumption on investment earnings, and an assumption that assessed property values will remain level over time. During the year ended September 30, 2021, the City of Jackson contributed the avails of a 3.82% mill tax levy in the Disability and Relief Special Revenue Fund. The contribution requirements for MRS are established, and may only be amended, by the State of Mississippi Legislature. Annual MRS tax levy increases are limited to 1/2 mill per year. Contributions from other funds may be provided.

The City of Jackson's contributions to MRS for the year ended September 30, 2021, were \$4,819,931, which was equal to the required contributions for the year, and includes \$485,915 payable at September 30, 2021. In addition, the State of Mississippi contributed fire insurance premium taxes of \$316,800, including \$51,673 payable at September 30, 2021, to MRS on behalf of the City for the year ended September 30, 2021.

3. Net Pension Liability

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability: (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plan. The City's net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Net Pension Liability

Measurement Date	<u>June 30, 2021</u>
Total Pension Liability	\$ 89,616,360
Fiduciary Net Pension	<u>54,019,648</u>
Net Pension Liability	<u>\$ 35,596,712</u>

A schedule of Net Pension Liability, in addition to the information above, includes multi-year trend information (beginning with FY 2015) and is presented in the Required Supplementary Information Section.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

4. Schedule of Changes in Net Pension Liability

The change in Net Pension Liability, for the Disability and Relief municipal pension plan, for the fiscal year ended September 30, 2021 is as follows:

Change in Net Pension Liability:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	6,995,159	-	6,995,159
Benefit terms changes	-	-	-
Difference between expected and actual experience	(973,772)	-	(973,772)
Changes of assumptions	(1,190,024)	-	(1,190,024)
Employer's contributions	-	5,197,189	(5,197,189)
Employees' contributions	-	-	-
Pension plan net investment income	-	13,458,124	(13,458,124)
Benefit payments, including refunds of employee contributions	(10,950,231)	(10,950,231)	-
Administrative expense	-	(103,944)	103,944
Other changes	-	-	-
Net Changes	(6,118,868)	7,601,138	(13,720,006)
Net Pension Liability, Beginning of Year	95,735,228	46,418,510	49,316,718
Net Pension Liability, End of Year	\$ 89,616,360	\$ 54,019,648	\$ 35,596,712

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

5. Pension Expense

For the year ended September 30, 2021, the City recognized MRS pension expense (income) of (\$487,166). Pension expense (income) recognized by the plan is as follows:

		Pension Expense
Service cost	\$	-
Interest on the total pension liability		6,995,159
Expensed portion of current-period difference between expected and actual experience in the total pension liability		(973,772)
Expensed portion of current-period changes of assumptions		(1,190,024)
Members contributions		-
Projected earnings on plan investments		(3,370,476)
Expensed portion of current-period difference between actual and projected earnings on plan investments		(2,017,530)
Administrative expense		103,944
Other		-
Recognition of beginning deferred inflows of resources as pension expense		(34,467)
Pension Expense (Income) for MRS	\$	(487,166)

6. Schedule of Deferred Outflows and Inflows of Resources

Deferred outflows of resources and deferred inflows of resources by source reported by the City at September 30, 2021 for the Disability and Relief municipal plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 772,483	\$ -
Net difference between projected and actual earnings on pension plan investments	-	6,356,639
Total	\$ 772,483	\$ 6,356,639

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

At September 30, 2021, \$772,483 was reported as deferred outflows of resources related to pensions resulting from city MRS contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2021 will be recognized in pension expense (income) as follows:

Year Ended September 30	Amount
2022	\$ (1,402,859)
2023	(1,380,392)
2024	(1,555,859)
2025	(2,017,529)
Total	\$ (6,356,639)

The net effect of these deferred outflows of resources and deferred inflows of resources on the governmental activities' net position is a decrease of \$5,584,156 at September 30, 2021.

7. Actuarial Assumptions

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan. 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.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability	\$ 41,704,164	\$ 35,596,712	\$ 30,202,915

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MRS financial report.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

8. Schedule of Assumptions

<u>Schedule of Assumptions</u>	<u>Disability and Relief Municipal Pension</u>
Valuation date	June 30, 2021
Actuarial cost method	Entry Age
Amortization method	Level dollar ,closed
Remaining amortization period	13 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.55% net of pension plan investment expense, including inflation at 2.40%

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77. For females, 84% of female rates up to age 72, 100% for ages above 76. Mortality rates for disability retirees were based on PubG.H-2010 Disabled Table with the following adjustments: For males, 134% of male rates at all ages. For females, 121% of female rates at all ages. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitants Table with the following adjustments: For males, 97% of male rates at all ages. For females, 110% of female rates at all ages. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The PubT.H-2010 Disabled Retiree Table was used for disabled retirees with the following adjustments: 137% of male rates at all ages and 115% of female rates at all ages. Projection scale MP-2018 was used to project future improvements in life expectancy generationally.

The actuarial assumptions used in the June 30, 2021 valuation are based on the results of the experience investigation for the four-year period ended June 30, 2020 and adopted by the MRS Board in August, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected normal return, net of pension plan investment expense and the assumed rate of 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30,2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27%	4.60%
International Equity	22	4.50
Global Equity	12	4.80
Fixed Income	20	(0.25)
Real Estate	10	3.75
Private Equity	8	6.00
Cash Equivalents	1	(1.00)
Total	<u>100%</u>	

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

Following is a summary of the actuarial assumption changes in 2021:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The City’s OPEB plan is a single-employer defined-benefit plan that provides post-employment healthcare coverage, including dental benefits, and life insurance to eligible individuals. Eligible individuals include all regular, full-time employees of the City, as well as permanent part-time employees who work at least 20 hours per week, and their spouses and dependent children. Employees must have earned at least 25 years of service with the City in order to be eligible for retiree healthcare coverage. Coverage continues at the election of the retiree until age 65. Retirees must pay the required monthly premium for either single or family medical coverage, as applicable, which was \$325 and \$675 respectively as of September 30, 2021. Dental and life insurance benefits are provided under a fully-insured plan, and retirees pay the entire insurance premiums for these coverages. The plan was established under authority of the City Council and may be amended or abolished by council action. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, Paragraph 4. The City funds the plan on a pay-as-you-go basis, and funding is primarily provided from the General Fund.

Employees Covered by Benefit Terms. At September 30, 2021, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	81
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active plan members	<u>1,839</u>
	<u>1,920</u>

Total OPEB Liability

The City’s total OPEB liability of \$46,171,156 was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2020, rolled forward to September 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability as of September 30, 2021, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3% per annum
Healthcare cost trend rates	8.0% for 2021 graded down 0.5% per year to a rate of 5% for 2027 and later
Age-related morbidity	Healthcare costs are assumed to increase 3.5% for each year of age
Retirement	Retirement is assumed to occur at any age with 25 years of service
Other decrements	Assumed employment termination is based on the Scale 155 table; no pre-retirement disability was assumed.
Spousal age	Husbands are assumed to be three years older than wives.
Coverage election	75% of eligible employees are assumed to elect medical coverage until age 65 upon retirement
Retirees’ contributions	Retiree contributions have been assumed to increase 2.5% per year

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

A discount rate of 2.43% was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for 20-year, high-grade, municipal bonds.

Mortality rates were based on the sex-distinct PUB-2010 Mortality Table (without income adjustments) for general employees with full generational improvements in mortality using Scale MP-2020.

The actuarial assumptions used in the September 30, 2021; measurements were based on the results of an actuarial experience study for the year ended September 30, 2020.

Since the prior measurement date, the discount rate was increase from 2.14% per annum to 2.43% per annum and the healthcare cost trend rates were increased from 6.50% for the 2021 fiscal year to 8.00% for the 2021 fiscal year graded down to 5.00% by 0.5% per year.

Changes in the total OPEB liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at September 30, 2020	\$ <u>66,809,297</u>
Changes for the year:	
Service cost	3,590,451
Interest	1,698,246
Changes of benefit terms	-
Difference between expected and actual experience	(27,892,353)
Changes in assumptions or other inputs	2,997,864
Benefit payments and refunds	<u>(1,032,349)</u>
Net changes	<u>(20,638,141)</u>
Balance at September 30, 2021	\$ <u>46,171,156</u>

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

	1.0% Decrease (1.43%)	Discount Rate (2.43%)	1.0% Increase (3.43%)
Total OPEB liability	\$ <u>51,428,574</u>	\$ <u>46,171,156</u>	\$ <u>41,552,276</u>

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

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

		1.0% Decrease (7% decreasing to 4%)		Healthcare Cost Trend Rates (8% decreasing to 5%)		1.0% Increase (9% decreasing to 6%)
Total OPEB liability	\$	37,659,727	\$	46,171,156	\$	56,353,830

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$3,035,019 as follows:

Service cost	\$	3,590,451
Interest		1,698,246
Difference between expected and actual experience		(2,302,385)
Benefit payments and refunds		(1,032,349)
Assumption changes		1,081,056
OPEB expense	\$	3,035,019

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

A. Governmental Activities

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$	23,509,636
Changes of assumptions		8,954,438		-
Changes in proportion		1,203,164		-
Total	\$	10,157,602	\$	23,509,636

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is a decrease of \$13,352,034 at September 30, 2021.

B. Business-Type Activities:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$	2,833,350
Changes of assumptions		1,079,177		-
Changes in proportion		149,244		1,352,409
Total	\$	1,228,421	\$	4,185,759

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

The net effect of these deferred outflows of resources and deferred inflows of resources on business-type activities' net position is a decrease of \$2,957,338 at September 30, 2021.

Collective Deferred Outflows of Resources and Deferred Inflows of Resources. Annual changes to the OPEB liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographics factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members.

At September 30, 2021, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2022	\$ (1,221,328)
2023	(1,221,328)
2024	(1,221,328)
2025	(1,221,328)
2026	(1,221,328)
Thereafter	<u>(10,202,732)</u>
Total	\$ <u>(16,309,372)</u>

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

Note 7 – Transactions between Primary Government and Component Units

Following is a summary of the transactions between the primary government and the discretely presented component units for the year ended September 30, 2021:

Jackson Redevelopment Authority:

Contributions from the primary government for:	
Debt service	\$ 1,823,302
Operations	429,404
Other	492,704

Capital City Convention Center Commission:

Contributions from the primary government for:	
Operations	\$ 570,000
Contributions to the primary government for:	
Debt service	(4,312,643)

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF JACKSON
Required Supplementary Information
Schedule of Employer
Other Post-Employment Benefits (OPEB) Plan Liability
Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service Cost	\$ 3,590,451	\$ 4,374,997	\$ 3,266,727	\$ 2,978,551
Interest	1,698,246	1,226,679	1,898,654	1,778,355
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(27,892,353)	-	(909,245)	-
Changes of assumptions and other inputs	2,997,864	8,895,842	68,876	-
Benefit payments	<u>(1,032,349)</u>	<u>(1,262,683)</u>	<u>(1,028,674)</u>	<u>(705,951)</u>
Net change in total OPEB liability	\$ (20,638,141)	13,234,835	3,296,338	4,050,955
Total OPEB liability, beginning	<u>66,809,297</u>	<u>53,574,462</u>	<u>50,278,124</u>	<u>46,227,169</u>
Total OPEB liability, ending	<u>46,171,156</u>	<u>\$ 66,809,297</u>	<u>\$ 53,574,462</u>	<u>\$ 50,278,124</u>
Covered-employee payroll	\$ 58,863,471	\$ 54,458,536	\$ 54,458,536	\$ 48,212,278
Total OPEB liability as a percentage of covered-employee payroll	78.62%	122.68%	98.38%	104.28%

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF JACKSON
Notes to Required Supplementary Information-OPEB
For the Year Ended September 30, 2021

No assets are accumulated in a trust that meets the requirements of GASB Statement No. 75, Paragraph 4. The City funds the plan on a pay-as-you-go basis, and funding is primarily from the General Fund.

Changes in OPEB assumptions:

2021:

Since the prior measurement date, the discount rate was increased from 2.14% per annum to 2.43% per annum and the healthcare cost trend rates were increased from 6.50% for the 2020/21 fiscal year graded down to 5.00% by 0.5% per year to 8.00% for the 2020/21 fiscal year graded down to 5.00% by 0.5% per year.

2020:

Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum and the mortality rate improvement scale was changed from scale MP-2017 to Scale MP-2020.

2019:

Since the prior measurement date, the discount rate was decreased from 3.64% per annum to 3.58% per annum and the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to the PUB-2010 Mortality Table for general employees (without income adjustments) with generational improvements in mortality using Scale MP-2017.

Earlier years of OPEB information: Because GASB Statement No. 75 was first implemented by the City for the year ended September 30, 2018, all ten years of the required supplementary information in accordance with GASB Statement No. 75 was not available. Additional years of data will be added as they become available.

CITY OF JACKSON
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and the City's Contributions
to the Public Employees Retirement System of Mississippi (PERS)
Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
City's proportionate share of the net pension liability	\$ 127,480,678	175,713,009	162,902,901	154,248,183	157,007,624	165,975,320	134,815,609
City's proportion of the net pension liability	0.862496%	0.907663%	0.926007%	0.927364%	0.944498%	1.073716%	1.110675%
City's covered payroll for the measurement years ended June 30th	\$ 57,347,213	60,439,126	60,308,457	59,221,035	60,590,070	68,688,190	69,388,616
City's proportionate share of the net pension liability as a percentage of its covered payroll for the measurement years ended June 30th	222.30%	290.73%	270.12%	260.46%	259.13%	241.64%	194.29%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%
	2021	2020	2019	2018	2017	2016	2015
Contractually required Contributions for the fiscal years ended September 30th	\$ 10,242,244	10,685,195	10,102,426	9,392,492	9,523,772	10,201,773	11,504,087
Actual Contributions for the fiscal years ended September 30th	10,242,244	10,685,195	10,102,426	9,392,492	9,523,772	10,201,773	11,504,087
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
City's covered payroll for fiscal years ended September 30th	\$ 58,863,471	61,409,165	60,885,622	59,634,873	60,468,391	64,753,114	73,041,822
Contributions as a percentage of covered payroll for the fiscal years ended September 30th	17.40%	17.40%	16.59%	15.75%	15.75%	15.75%	15.75%

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF JACKSON
Notes to Required Supplementary Information-PERS
For the Year Ended September 30, 2021

Changes of pension assumptions:

2021:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 was used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all rates.
 - Projection scale MP_2020 will be used to project future improvements in life expectancy generationally.
- The price of inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2020: None

2019:

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

CITY OF JACKSON
Notes to Required Supplementary Information-PERS (Continued)
For the Year Ended September 30, 2021

- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2018: None

2017:

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016:

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2015:

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and from 8.00% to 7.75%, respectively.

CITY OF JACKSON
Notes to Required Supplementary Information-PERS(Continued)
For the Year Ended September 30, 2021

Changes in pension benefit provision:

2016:

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Earlier years of pension information: Because GASB statement no. 68 was first implemented by the City of Jackson for the year ended September 30, 2015, all ten years of the required supplementary information in accordance with GASB statement no. 68 was not available. Additional years of data will be added as they become available.

CITY OF JACKSON
Required Supplementary Information
Schedule Of Employer Net Pension Liability and the City's Contributions
to the Fire and Police Disability and Relief Fund (MRS)
Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 5,136,731	\$ 4,836,683	\$ 5,538,892	\$ 5,464,210	\$ 5,247,946	\$ 5,099,714	\$ 5,544,877
Annual Contributions	<u>5,136,731</u>	<u>4,836,683</u>	<u>5,538,892</u>	<u>5,464,210</u>	<u>5,247,946</u>	<u>5,099,714</u>	<u>5,544,877</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Payroll-related information is not provided because the plan is closed to new entrants and there were very few remaining active members and many municipalities have no remaining active members.

The accompanying notes to the required supplementary information are an integral part of this schedule.

CITY OF JACKSON
Required Supplementary Information
Schedule of Employer Net Pension Liability and the City's Contributions to the Fire and Police
Disability and Relief Fund (MRS)
Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,995,159	7,290,938	7,577,988	7,998,928	8,297,602	8,619,793	8,901,563
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(973,772)	35,465	676,814	(1,617,123)	(305,474)	(462,872)	(91,754)
Changes of assumptions	(1,190,024)	-	(438,615)	-	213,769	-	3,676,246
Benefit payments, including refunds of employee contributions	(10,950,231)	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Net change in total pension liability	(6,118,868)	(4,009,184)	(3,888,345)	(5,540,240)	(3,991,575)	(4,274,032)	(147,914)
Total pension liability - beginning	95,735,228	99,744,412	103,632,757	109,172,997	113,164,572	117,438,604	117,586,518
Total pension liability - ending (a)	\$ 89,616,360	\$ 95,735,228	\$ 99,744,412	\$ 103,632,757	\$ 109,172,997	\$ 113,164,572	\$ 117,438,604
Plan fiduciary net position							
Contributions - employer	\$ 5,197,189	\$ 5,114,519	\$ 5,569,716	\$ 5,541,778	\$ 5,247,946	\$ 5,099,714	\$ 5,544,877
Contributions - member	-	-	-	-	2,363	6,022	4,750
Net investment income	13,458,124	1,423,772	3,578,675	4,220,438	7,314,024	306,774	2,168,108
Benefit payments, including refunds of employee contributions	(10,950,231)	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Administrative Expense	(103,944)	(102,290)	(111,394)	(110,837)	(104,958)	(101,994)	(114,673)
Other	-	-	6,370	(3,408)	(29,110)	175,260	-
Net change in plan fiduciary net position	7,601,138	(4,899,586)	(2,661,165)	(2,274,074)	232,793	(6,945,177)	(5,032,907)
Plan net position - beginning	-	51,318,096	53,979,261	56,253,335	56,020,542	62,965,719	67,998,626
Plan net position - ending (b)	\$ 7,601,138	\$ 46,418,510	\$ 51,318,096	\$ 53,979,261	\$ 56,253,335	\$ 56,020,542	\$ 62,965,719
Net pension liability - ending (a) - (b)	\$ 35,596,712	\$ 49,316,718	\$ 48,426,316	\$ 49,653,496	\$ 52,919,662	\$ 57,144,030	\$ 54,472,885
Plan fiduciary net position as a percentage of the total pension liability	60.28%	48.49%	51.45%	52.09%	51.53%	49.50%	53.62%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Payroll-related information is not provided because the plan is closed to new entrants and there are no remaining active members.

The accompanying notes to the required supplementary information are an integral part of the schedule.

CITY OF JACKSON
Notes to Required Supplementary Information-MRS
For the Year Ended September 30, 2021

The information presented is based on June 30th measurement dates for each year. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ended September 30, 2021 were based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Ultimate Asset Reserve
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	Market Value of Assets
Inflation	2.75%
Salary increases	3.00% - 4.50%, including inflation
Investment rate of return	6.25%, net of pension plan investment expenses, including inflation

The following changes in actuarial assumptions or methods were made:

2021: Changes were made to the Mortality Table for both healthy and disabled lives.

The investment rate of return assumption was reduced from 7.75% to 7.55%.

The investment return assumption to calculate the certified millage rates was lowered from 6.25% to 6.05% to maintain a 150 basis point difference with the long-term investment return assumption.

2020: None

2019: The investment return assumption to calculate the certified millage rates was lowered from 6.50% to 6.25% and will maintain a 150 basis point difference with the long-term investment return assumption.

The wage inflation assumption was reduced from 3.25% to 3.00%.

The price inflation assumption was reduced from 3.00% to 2.75%.

Changes were made to the Mortality Table for both healthy and disabled lives.

2018: None

2017: Assumed rates of mortality have been revised to reflect the results of the experience investigation for the four-year period ended June 30, 2016 and adopted by the Board on April 25, 2017.

2016: None

CITY OF JACKSON
Notes to Required Supplementary Information-MRS
For the Year Ended September 30, 2021

2015: The post-retirement mortality tables have been changed.

The price of inflation assumption has been reduced from 3.50% to 3.00%.

The real rate of return net investment expenses has been changed from 4.50% to 4.75%. Due to this change and the change in price inflation, the investment return assumption has been changed from 8.00% to 7.75%.

Earlier years of pension information: Because GASB Statement No. 68 was first implemented by the City of Jackson for the year ended September 30, 2015, all ten years of the required supplementary information in accordance with GASB Statement No. 68 was not available. Additional years of data will be added as they become available.

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance
GENERAL FUND (001,002,003,004,010,011,01R,078,079,124,167,189,233,300,301,302,303,305,370,371,375,384)				
REVENUES				
Licenses and Permits:				
Privilege Licenses-Misc	\$ 100	\$ 100	\$ 237	\$ 137
Privilege Licenses	355,000	355,000	264,787	(90,213)
Building Permits	685,309	685,309	621,324	(63,985)
Air Conditioning & Duct Permit	43,085	43,085	19,083	(24,002)
Plumbing Permits	32,000	32,000	36,071	4,071
Electric Permits	156,509	156,509	123,913	(32,596)
Gas Permits	32,144	32,144	39,719	7,575
Maintenance Fees	3,470	3,470	-	(3,470)
Landscape Permits	350	350	-	(350)
Historic Preservation Applic.	1,390	1,390	2,841	1,451
Dance Hall & Other Recr Fees	2,000	2,000	1,812	(188)
Transit Merchants-Peddlers Lic	1,250	1,250	-	(1,250)
Aircraft Registration	12,710	12,710	10,180	(2,530)
Adult Entertn-Licenses & Fees	2,000	2,000	6,945	4,945
Special Event Fee	3,000	3,000	2,660	(340)
Signs-Misc.	7,527	7,527	4,050	(3,477)
Sign Permits	35,850	35,850	24,890	(10,960)
Sign Registration	9,260	9,260	9,100	(160)
Signs Temporary	2,570	2,570	1,800	(770)
Fire Inspection Permit	19,000	19,000	76,015	57,015
Commercial Burn Permit	401	401	800	399
Combust & Flamm Liquid Permit	7,400	7,400	11,100	3,700
Fireworks Display Permit	900	900	900	-
Zoning Permits	38,834	38,834	43,975	5,141
Taxicab License Fees	500	500	300	(200)
Total Licenses & Permits	1,452,559	1,452,559	1,302,502	(150,057)
Fines and Forfeitures:				
Misdemeanor Fines	200,000	200,000	156,160	(43,840)
Vehicle Parking Fines	50,000	50,000	44,312	(5,688)
Moving Traffic Violations	711,704	711,704	988,288	276,584
City Court Costs	6,425	6,425	3,648	(2,777)
Warrant Fee	69,439	69,439	66,535	(2,904)
Animal Control Citations	1,387	1,387	296	(1,091)
Municipal Court Computer	9,766	9,766	10,688	922
Drug Court	-	-	325	325
Municipal Ct Drivers Impr Fees	35	35	-	(35)
Administrative Fee + Del Cases	184,683	184,683	210,369	25,686
Contempt Fee + Municipal Court	51,674	51,674	39,919	(11,755)
Computerzd Crime Preven+Police	11,115	11,115	11,546	431
Municipl Court Enhancement Fee	85,000	85,000	107,448	22,448
Jackson Enhancement Fee	49,976	49,976	53,687	3,711
Bad Check Fees	1,153	1,153	450	(703)
Daily Storage Fee+Vehicle	60,000	60,000	45,250	(14,750)
Wrecker Fees	60,000	60,000	53,875	(6,125)
Expungement Fee + Municipal Ct	8,650	8,650	3,533	(5,117)

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance
Jackson Collection Fee (15%)	30,000	30,000	33,717	3,717
Docket Fee + Municipal Court	70,535	70,535	63,323	(7,212)
Dropped Charge Fee + Mun Crt	900	900	1,650	750
Cash Bond Clearing Account +Mc	(5,091)	(5,091)	14,985	20,076
Rearraignment Fee + Mun Court	9,833	9,833	10,201	368
Total Fines and Forfeitures	<u>1,667,184</u>	<u>1,667,184</u>	<u>1,920,205</u>	<u>253,021</u>
REVENUES				
INTERGOVERNMENTAL REVENUE				
FEDERAL				
Police Overtime - FBI/DEA Grant	59,325	59,325	60,109	784
DEA - Ms Gulf Coast (HIDTA)	26,806	26,806	12,784	(14,022)
DEA - Asset & Forfeiture	31,000	31,000	15,069	(15,931)
Total Intergovernmental - Federal	<u>117,131</u>	<u>117,131</u>	<u>87,962</u>	<u>(29,169)</u>
STATE				
Alcohol Permits + ABC	330,649	330,649	323,075	(7,574)
Gasoline Tax	569,395	569,395	625,448	56,053
Municipal Revolving Fund	133,412	133,412	86,528	(46,884)
State Fire Protection	1,024,101	1,024,101	-	(1,024,101)
Pro-rata State Sales Tax	26,000,000	26,000,000	26,175,015	175,015
Sewer Grant Repayment-Sales Tax	-	1,270,257	2,799,462	1,529,205
Homestead Exemption	1,808,881	1,808,881	1,548,398	(260,483)
Homestead Exemption Chargeback	20,423	20,423	15,076	(5,347)
Wireless Radio Communication Prgm	360,275	360,275	-	(360,275)
Bus & Truck Privilege Tax	431,879	431,879	355,097	(76,782)
MDOT Litter Pickup+JPD	12,660	12,660	-	(12,660)
Total Intergovernmental- State	<u>30,691,675</u>	<u>31,961,932</u>	<u>31,928,099</u>	<u>(33,833)</u>
LOCAL				
Pro-Rata County Road Tax	594,357	594,357	670,283	75,926
Smith Robertson Museum	3,300	3,300	7	(3,293)
Total Intergovernmental - Local	<u>597,657</u>	<u>597,657</u>	<u>670,290</u>	<u>72,633</u>
ADMISSIONS, FEES, RENTALS				
Parking Meters	100,000	100,000	43,994	(56,006)
Local Records Fee	3,669	3,669	1,804	(1,865)
MS GOV Crash Reports	-	37,750	89,150	51,400
Mun Aud+Thalia Mara Hall Rents	131,625	131,625	42,850	(88,775)
Smith Robtsn Museum+Donations	600	600	25	(575)
Sm Robtsn Mus+Admission Rental	4,000	4,000	1,940	(2,060)
Smith Robtsn Mus + Room Rent	5,425	5,424	2,715	(2,709)
Senior Centers Reservation Fee	1,200	1,200	-	(1,200)
Smith Robertson+Gift Shop Sale	80	80	346	266
Arts Ctr+Rent on Community Rm	4,100	4,100	1,320	(2,780)
Carnival Inspection Fee	50	50	100	50
Daycare Fire Inspection+Afterc	5,880	5,880	6,310	430
Fire Water Flow Test Fee	2,800	2,800	2,800	-
Fire Reports	17,200	17,200	12,725	(4,475)
Accident Report Fee	124,171	124,171	35,610	(88,561)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
Background Check Fee	10,530	10,530	1,975	(8,555)
Fingerprinting	24,115	24,115	20,508	(3,607)
Verification of Records	17,789	17,789	13,545	(4,244)
Bail Bondsman Applicant Photo	150	150	-	(150)
Telecomm. Franchise Agreement	518,845	518,845	386,342	(132,503)
Rents And Royalties	11,100	11,100	11,100	-
Tower Rentals	3,694,644	3,694,644	4,072,671	378,027
Pistol Range Rent	2,323	2,323	1,510	(813)
Sprinkler+Hydro Static+Pump	720	720	510	(210)
Fire Alarm Acceptance Test	630	630	1,680	1,050
Fire Re+Inspection	300	300	6,810	6,510
Fire Suppression System Test	-	25	25	-
Fire Knox	600	600	740	140
Fire Truck on Site	-	3,600	7,700	4,100
Outdoor Advertising Leases	11,970	11,970	11,970	-
Rental Fee + Fire Museum	260	260	-	(260)
School TOURS Fee+ Fire Museum	1,476	1,476	-	(1,476)
Land Rental	10,000	10,000	13,104	3,104
Passport Fee	-	6,058	22,468	16,410
TSA Pre-check Services	-	10,166	29,176	19,010
Zoo Gift Shop	-	-	359	359
Zoo Admissions	-	-	2,884	2,884
Zoo Vendor Fees	-	-	68	68
Ad Val Applications	-	100	100	-
Small Cell Application Fees	-	3,500	9,000	5,500
Total Admissions, Fees and Rentals	4,706,252	4,767,450	4,855,934	88,484
Interest Revenues:				
Interest Earned on Investments	11,267	11,399	884	(10,515)
Interest Earned on Repos	268,686	292,388	313,694	21,306
Total Interest Earned	279,953	303,787	314,578	10,791
Revenues				
Miscellaneous Income:				
Miscellaneous	-	-	717	717
JSU Reimbu	-	-	20,293	20,293
Data Collection	-	-	2,000	2,000
Public Utility Franchise Fee	4,752,792	4,752,792	4,475,461	(277,331)
Franchise Cable Television	1,200,000	1,200,000	1,153,535	(46,465)
Nuclear Power Plant	1,602,421	1,602,421	1,589,903	(12,518)
In+Lieu+of Property Tax	61,027	61,027	61,763	736
Water/Sewer Franchise Fee	972,534	972,534	972,534	-
T Warner+Pa/Ga Operation Fund	72,237	72,237	45,619	(26,618)
Sale of Land	60,167	60,167	2,980	(57,187)
Sale of Fixed Assets	127,916	421,099	378,493	(42,606)
Small Animal Control	1,200	1,200	920	(280)
Police+Misc	65,348	65,348	1,823	(63,525)
Police + Sale Of Weapons	15	15	12	(3)
Public Safety Comm Trng Reim	100,000	100,000	29,291	(70,709)
Union Station Tenants/Jra	102,379	102,379	98,927	(3,452)
Proceeds of Forfeitures	80,644	80,644	-	(80,644)
Grants & Donations	33,166	200,166	167,116	(33,050)
Indirect Cost	2,680,223	2,680,223	2,402,913	(277,310)
Other Departments	65,148	65,148	61,327	(3,821)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
Hoener Endowment	-	81,600	81,600	-
I.d. Badge Fee+City Employees	180	180	-	(180)
Parking Fee+City Employees	6,730	6,730	5,121	(1,609)
Admin. Fee+Payroll Deductions	15,725	15,725	8,900	(6,825)
MS Valley Refund	-	800	348	(452)
Entergy Refund	-	1,000	943	(57)
SCB Refund	-	220	125	(95)
Building & Permit+Misc.	110,957	110,957	126,827	15,870
Plumbing Exam	-	200	275	75
Electrical Exam	-	100	250	150
Penalty on Demo/Grass/Weeds	10,000	10,000	99,876	89,876
Site Plan Review	16,157	16,157	13,860	(2,297)
Sale of Maps Plan Specs	158	158	(936)	(1,094)
Smith Robertson + Nissan Grant	23,775	20,115	-	(20,115)
Traffic	170	170	41	(129)
Abstract Fees MCS	6,961	6,961	6,495	(466)
Finance - Misc.	-	10	77	67
Cellular Rebate	30,707	30,707	28,765	(1,942)
City Clerk	15,271	15,271	16,560	1,289
Inkind Pkg Fees	38,810	38,810	29,237	(9,573)
Publications + Misc	7,089	7,089	-	(7,089)
Mary Jones Daycare	-	220	-	(220)
Cafeteria Plan+Flexible Spend	150,000	150,000	-	(150,000)
Settlement of Insurance Claim Prop	75,000	509,108	469,629	(39,479)
Fire Department	-	-	102	102
Proceeds of Long Term Debt	375,000	732,115	9,103,945	8,371,830
Fees for Lost Fuelman Cards	-	181	405	224
Total Miscellaneous Income	12,859,907	14,191,984	21,458,072	7,266,088
Operating Transfers In:				
Transfer In/From General Fund	1,690,225	2,400,240	-	(2,400,240)
Transfer In/From Other Funds	1,659,830	1,446,000	-	(1,446,000)
Total Operating Transfers In	3,350,055	3,846,240	-	(3,846,240)
Beginning Fund Balance	16,218,107	28,981,917	27,262,257	(1,719,660)
Total Revenue from Sources other than Taxation and Beginning Fund Balance	71,940,480	87,887,841	89,799,899	1,912,058
Taxes:				
Current Realty Taxes	32,560,151	32,560,151	32,725,458	165,307
Current Personal Taxes	15,848,648	15,848,648	15,892,955	44,307
Delinquent Realty Taxes	927,952	927,952	791,690	(136,262)
Delinquent Personal Taxes	218,093	218,093	95,135	(122,958)
Ad Valorem Tax on Automobiles	6,338,610	6,338,610	7,536,789	1,198,179
Motor Vehicle Rental Tax DISTR	784,544	784,544	426,193	(358,351)
Interest on Delinquent Taxes	801,265	801,265	704,079	(97,186)
Damages on Delinquent Taxes	614,406	614,406	693,731	79,325
Vehicle Tag Penalty	-	-	125	125
Hazardous Waste Tax	-	-	80	80
Rail Car Taxes	64,473	64,473	68,958	4,485
Tax Forfeited Land	100,000	100,000	224,443	124,443
MISC Fees Community Improvement	100,000	100,000	40,412	(59,588)
Total Taxes	58,358,142	58,358,142	59,200,048	841,906
Total Revenue from all Sources and Beginning Fund Balance	\$ 130,298,622	\$ 146,245,983	\$ 148,999,947	\$ 2,753,964

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance
POLICE				
EXPENDITURES				
Personnel Services	27,578,635	27,013,735	26,310,258	(703,477)
Supplies	2,111,599	2,599,322	2,226,294	(373,028)
Other Services & Charges	1,209,949	1,833,449	1,635,378	(198,071)
Capital Outlay	1,397,619	1,891,763	986,260	(905,503)
Grants, Contributions	1,298,566	1,298,566	1,298,566	-
Debt Services	40,796	40,796	850,759	809,963
Total Expenditures	<u>33,637,164</u>	<u>34,677,631</u>	<u>33,307,515</u>	<u>(1,370,116)</u>

FIRE				
EXPENDITURES				
Personnel Services	21,341,520	21,334,920	21,207,977	(126,943)
Supplies	907,129	1,022,866	853,241	(169,625)
Other Services & Charges	948,453	814,453	670,022	(144,431)
Capital Outlay	1,435,770	6,239,770	3,572,390	(2,667,380)
Grants, Contributions	69	69	-	(69)
Debt Services	34,506	97,746	702,261	604,515
Total Expenditures	<u>24,667,447</u>	<u>29,509,824</u>	<u>27,005,891</u>	<u>(2,503,933)</u>

PUBLIC WORKS				
EXPENDITURES				
Personnel Services	7,207,578	7,142,891	5,993,149	(1,149,742)
Supplies	1,692,170	1,671,148	1,455,889	(215,259)
Other Services & Charges	3,282,643	3,954,015	2,484,176	(1,469,839)
Capital Outlay	728,032	1,287,944	816,763	(471,181)
Grants, Contributions	151,041	151,041	7,500	(143,541)
Transfer to other funds	-	-	42,175	42,175
Debt Services	60,763	115,558	630,255	514,697
Total Expenditures	<u>13,122,227</u>	<u>14,322,597</u>	<u>11,429,907</u>	<u>(2,892,690)</u>

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
PLANNING & DEVELOPMENT				
EXPENDITURES				
Personnel Services	2,612,791	2,523,306	2,307,884	(215,422)
Supplies	86,456	78,595	47,237	(31,358)
Other Services & Charges	4,531,120	4,635,120	4,712,422	77,302
Capital Outlay	17,815	187,834	96,636	(91,198)
Grants, Contributions	71,675	71,675	71,660	(15)
Transfer to other funds	2,391,411	2,391,411	2,391,411	-
Debt Service	1,025	1,025	-	(1,025)
Total Expenditures	<u>9,712,293</u>	<u>9,888,966</u>	<u>9,627,250</u>	<u>(261,716)</u>
HUMAN & CULTURAL SERVICES				
EXPENDITURES				
Personnel Services	1,537,402	1,527,402	1,592,899	65,497
Supplies	251,498	114,848	56,529	(58,319)
Other Services & Charges	1,640,001	565,405	458,933	(106,472)
Capital Outlay	432,792	707,166	244,844	(462,322)
Grants, Contributions	465,000	650,000	621,837	(28,163)
Transfer to other funds	258,898	1,535,384	1,528,488	(6,896)
Debt Service	56,964	48,776	435,554	386,778
Total Expenditures	<u>4,642,555</u>	<u>5,148,981</u>	<u>4,939,084</u>	<u>(209,897)</u>
PERSONNEL				
EXPENDITURES				
Personnel Services	919,615	919,615	830,560	(89,055)
Supplies	15,687	17,687	11,515	(6,172)
Other Services & Charges	745,520	2,272,084	2,033,120	(238,964)
Capital Outlay	61,036	61,036	-	(61,036)
Grants, Contributions	1,337	1,337	-	(1,337)
Debt Services	11,541	11,541	48,383	36,842
Total Expenditures	<u>1,754,736</u>	<u>3,283,300</u>	<u>2,923,578</u>	<u>(359,722)</u>

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance
ADMINISTRATION				
EXPENDITURES				
Personnel Services	6,817,818	6,716,165	6,056,880	(659,285)
Supplies	2,369,463	2,191,381	700,343	(1,491,038)
Other Services & Charges	5,984,112	6,803,692	5,329,035	(1,474,657)
Capital Outlay	2,918,709	2,476,507	1,031,122	(1,445,385)
Grants, Contributions	10,100	10,100	-	(10,100)
Transfer to other funds	1,446,000	1,446,000	-	(1,446,000)
Debt Service	86,335	86,335	-	(86,335)
Total Expenditures	19,632,537	19,730,180	13,117,380	(6,612,800)
GENERAL GOVERNMENT				
EXPENDITURES				
Personnel Services	5,479,516	5,628,646	4,759,124	(869,522)
Supplies	296,291	306,996	344,536	37,540
Other Services & Charges	5,492,751	5,580,625	4,652,122	(928,503)
Capital Outlay	84,676	84,676	116,823	32,147
Grants, Contributions	410,648	903,352	2,745,410	1,842,058
Transfer to other funds	7,423,332	12,896,356	11,671,970	(1,224,386)
Debt Service	2,999,112	2,999,112	2,303,077	(696,035)
Total Expenditures	22,186,326	28,399,763	26,593,062	(1,806,701)
MUNICIPAL CLERK				
EXPENDITURES				
Personnel Services	490,201	593,943	511,431	(82,512)
Supplies	19,268	26,208	19,739	(6,469)
Other Services & Charges	433,823	664,545	441,843	(222,702)
Capital Outlay	45	45	-	(45)
Total Expenditures	943,337	1,284,741	973,013	(311,728)
Ending Fund Balance	-	-	19,083,267	19,083,267
Total General Fund Expenditures and Ending Fund Balance	\$ 130,298,622	\$ 146,245,983	\$ 148,999,947	\$ 2,753,964

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance
STATE TORT CLAIMS FUND (018)				
REVENUES				
Interest Earned on Investments	\$ -	\$ 200	\$ 458	\$ 258
Interest Earned on Repos	-	23	579	556
Transfers from General Fund	931,998	931,998	931,998	-
Beginning Fund Balance	4,138,362	4,138,362	5,099,066	960,704
Total Revenues and Beginning Fund Balance	\$ 5,070,360	\$ 5,070,583	\$ 6,032,101	\$ 961,518
EXPENDITURES				
Other Services and Charges	\$ 5,500	\$ 5,723	\$ 417,404	\$ 411,681
Grants, contributions	5,064,860	5,064,860	-	(5,064,860)
Ending Fund Balance	-	-	5,614,697	5,614,697
Total Expenditures and Ending Fund Balance	\$ 5,070,360	\$ 5,070,583	\$ 6,032,101	\$ 961,518

UNEMPLOYMENT COMPENSATION FUND (115)

REVENUES				
Interest Earned on Investments	\$ -	\$ 1,169	\$ -	\$ (1,169)
Transfers from General Fund	-	56,013	174,291	118,278
Beginning Fund Balance	148,653	139,028	216,392	77,364
Total Revenues and Beginning Fund Balance	\$ 148,653	\$ 196,210	\$ 390,683	\$ 194,473
EXPENDITURES				
Other Services and Charges	\$ 8,020	\$ 8,020	\$ 180,691	\$ 172,671
Grants, contributions	140,633	188,190	-	(188,190)
Ending Fund Balance	-	-	209,992	209,992
Total Expenditures and Ending Fund Balance	\$ 148,653	\$ 196,210	\$ 390,683	\$ 194,473

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Reconciliation of Budgetary Information to GAAP
For the Year Ended September 30, 2021**

GENERAL FUND

This budgetary statement represents a modified General Fund. Certain other funds are combined with the General Fund for financial reporting purposes. For managerial purposes, the City treats the General Fund, State Tort Fund, and the Unemployment Compensation Fund separately. However, the latter do not meet the criteria of major funds as set forth by GASB and for reporting purposes are presented in combination with the General Fund in order to comply with GAAP. However, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual compares the General Fund, State Tort Fund, and the Unemployment Compensation Fund as adopted in the budget along with the related revenues and expenditures. It does not separately reflect the budget or actual data for other individual funds captured within the General Fund. The table below shows the combination of the General Fund, the State Tort Fund, and the Unemployment Compensation Fund.

	General Fund	State Tort Claims Fund	Unemployment Compensation Fund	Eliminations	Combined General Fund
REVENUES					
General property taxes	\$ 58,349,042	\$ -	\$ -	-	\$ 58,349,042
Franchise taxes	7,157,495	-	-	-	7,157,495
Licenses and permits	1,292,321	-	-	-	1,292,321
Intergovernmental	36,150,677	-	-	-	36,150,677
Fines and forfeitures	1,920,205	-	-	-	1,920,205
Admissions, fees, rentals and concessions	5,006,692	-	-	-	5,006,692
Interest	314,579	1,037	-	-	315,616
Other	340,467	-	-	-	340,467
Total revenues	110,531,478	1,037	-	-	110,532,515
EXPENDITURES					
Current:					
General government	33,171,948	417,404	180,691	-	33,770,043
Public safety	54,201,736	-	-	-	54,201,736
Public works	9,940,714	-	-	-	9,940,714
Human and Cultural services	2,730,198	-	-	-	2,730,198
Debt Service:					
Principal	4,457,787	-	-	-	4,457,787
Interest and service charges	512,502	-	-	-	512,502
Capital outlay:					
General government	1,244,581	-	-	-	1,244,581
Public works	816,763	-	-	-	816,763
Public safety	4,558,650	-	-	-	4,558,650
Human and Cultural services	244,844	-	-	-	244,844
Total expenditures	111,879,723	417,404	180,691	-	112,477,818
Excess (deficiency) of revenues over (under) expenditures	(1,348,245)	(416,367)	(180,691)	-	(1,945,303)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	174,291	(174,291)	(174,291)
Transfers out	(15,634,044)	931,998	-	174,291	(14,527,755)
Proceeds from long-term debt	732,965	-	-	-	732,965
Sale of capital assets	381,473	-	-	-	381,473
Total other financing sources (uses)	(14,519,606)	931,998	174,291	-	(13,413,317)
Net change in fund balances	(15,867,851)	515,631	(6,400)	-	(15,358,620)
Fund balances at beginning of year	43,416,487	5,099,066	216,392	-	48,731,945
Fund balances at end of year - GAAP basis	27,548,636	5,614,697	209,992	-	33,373,325
Reconciliation of Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual					
Amounts reported for general fund activities under the budgetary basis are different from the amounts reported under the GAAP basis because:					
Revenues recognized on the budgetary basis for the general fund are recognized when cash is received					
	(8,465,369)	-	-	-	(8,465,369)
Fund balances at end of year - budgetary basis	\$ 19,083,267	\$ 5,614,697	\$ 209,992	\$ -	\$ 24,907,956

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
SENIOR AIDES FUND (012)				
REVENUES				
NCSC Senior Aides	\$ 385,161	\$ 479,418	\$ 452,429	\$ (26,989)
Transfer In/From General Fund	78,953	85,182	85,182	-
Beginning Fund Balance	-	-	(149,023)	(149,023)
Total Revenues and Beginning Fund Balance	\$ 464,114	\$ 564,600	\$ 388,588	\$ (176,012)
EXPENDITURES				
Personnel Services	\$ 456,234	\$ 548,472	\$ 519,903	\$ (28,569)
Supplies	2,600	9,013	5,949	(3,064)
Other Services and Charges	3,000	7,115	1,462	(5,653)
Capital Outlay	2,280	-	-	-
Ending Fund Balance	-	-	(138,726)	(138,726)
Total Expenditures and Ending Fund Balance	\$ 464,114	\$ 564,600	\$ 388,588	\$ (176,012)
FEDERAL GRANT FUND (019, 063, 069, 083, 084, 087,090, 103, 106, 117, 119, 139)				
REVENUES				
Interest Income	\$ -	\$ -	\$ 5,070	\$ 5,070
Beginning Fund Balance	-	-	825,021	825,021
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 830,091	\$ 830,091
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	\$ 830,091	\$ 830,091
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 830,091	\$ 830,091

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
EARLY CHILDHOOD FUND (081)				
REVENUES				
USDA Food Revenue (Daycare)	\$ 216,928	\$ 155,017	\$ 58,985	\$ (96,032)
OCY- Partnership	750,027	750,027	36,435	(713,592)
Mary Jones Daycare	66,000	66,000	130,109	64,109
Westside Daycare	73,000	73,000	176,262	103,262
Daycare Program	-	3,305	3,305	-
Transfer In/From General Fund	158,265	158,265	151,369	(6,896)
Beginning Fund Balance	273,840	273,840	(10,600)	(284,440)
Total Revenues and Beginning Fund Balance	\$ 1,538,060	\$ 1,479,454	\$ 545,865	\$ (933,589)
EXPENDITURES				
Personnel Services	\$ 1,269,748	\$ 1,273,053	\$ 516,218	\$ (756,835)
Supplies	203,249	141,338	37,744	(103,594)
Other Services and Charges	64,671	64,671	29,642	(35,029)
Capital Outlay	392	392	-	(392)
Ending Fund Balance	-	-	(37,739)	(37,739)
Total Expenditures and Ending Fund Balance	\$ 1,538,060	\$ 1,479,454	\$ 545,865	\$ (933,589)
CDBG FUND (085, 382)				
REVENUES				
CDBG - Housing & Community Development Grant	\$ 3,381,880	\$ 5,167,124	614,047	\$ (4,553,077)
Interest Earned	-	8,931	10,423	1,492
City Matching Funds	429,809	429,809	495,314	65,505
Lead Based Hazard Grant	1,032,503	1,032,503	-	(1,032,503)
Program Income/Other Department	-	1,242	6,324	5,082
Transfer In from other funds	44,928	44,928	44,928	-
Beginning Fund Balance	-	22,667	(843,649)	(866,316)
Total Revenues and Beginning Fund Balance	\$ 4,889,120	\$ 6,707,204	\$ 327,387	\$ (6,379,817)
EXPENDITURES				
Personnel Services	\$ 835,567	\$ 835,567	506,245	\$ (329,322)
Supplies	31,480	41,650	47,873	6,223
Other Services and Charges	2,620,139	2,241,155	56,731	(2,184,424)
Capital Outlay	5,199	2,292,097	1,054,203	(1,237,894)
Grants, Contribution	1,396,735	1,296,735	-	(1,296,735)
Ending Fund Balance	-	-	(1,337,665)	(1,337,665)
Total Expenditures and Ending Fund Balance	\$ 4,889,120	\$ 6,707,204	\$ 327,387	\$ (6,379,817)

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
EMERGENCY SHELTER GRANT (086)				
REVENUES				
Emergency Shelter Grant	\$ 256,065	\$ 256,065	\$ 39,869	\$ (216,196)
Beginning Fund Balance	-	-	(39,869)	(39,869)
Total Revenues and Beginning Fund Balance	\$ 256,065	\$ 256,065	\$ -	\$ (256,065)
EXPENDITURES				
Personnel Services	\$ 31,357	\$ 31,357	\$ 11,677	\$ (19,680)
Grants, Contribution	224,708	224,708	-	(224,708)
Ending Fund Balance	-	-	(11,677)	(11,677)
Total Expenditures and Ending Fund Balance	\$ 256,065	\$ 256,065	\$ -	\$ (256,065)
METRO MEDICAL RESPONSE SYSTEM (093)				
REVENUES				
MMRS Grant-Metro Med Response	\$ 25,198	\$ 25,198	-	\$ (25,198)
Interest on Investment	-	200	244	44
Beginning Fund Balance	-	-	1,213	1,213
Total Revenues and Beginning Fund Balance	\$ 25,198	\$ 25,398	\$ 1,457	\$ (23,941)
EXPENDITURES				
Supplies	\$ 105	\$ 305	-	\$ (305)
Other Services and Charges	24,445	-	-	-
Grants and Contributions	-	24,445	-	(24,445)
Capital Outlay	648	648	-	(648)
Ending Fund Balance	-	-	1,457	1,457
Total Expenditures and Ending Fund Balance	\$ 25,198	\$ 25,398	\$ 1,457	\$ (23,941)

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
HOME PROGRAM (120)				
REVENUES				
Home Program	\$ 2,881,959	\$ 3,477,936	\$ 252,895	\$ (3,225,041)
Home - Program Income	-	-	6,150	6,150
Other Revenue	-	2,000	-	(2,000)
Beginning Fund Balance	-	-	(254,079)	(254,079)
Total Revenues and Beginning Fund Balance	\$ 2,881,959	\$ 3,479,936	\$ 4,966	\$ (3,474,970)
EXPENDITURES				
Personnel Services	\$ 118,265	\$ 120,265	\$ 69,909	\$ (50,356)
Supplies	7,800	7,800	537	(7,263)
Other Services and charges	16,012	16,012	180	(15,832)
Grants and Contributions	2,739,882	3,335,859	475,447	(2,860,412)
Ending Fund Balance	-	-	(541,107)	(541,107)
Total Expenditures and Ending Fund Balance	\$ 2,881,959	\$ 3,479,936	\$ 4,966	\$ (3,474,970)
HOPWA GRANT FUND (122)				
REVENUES				
HOPWA Grant-Dept. of HUD	\$ 2,256,236	\$ 2,256,236	\$ 158,259	\$ (2,097,977)
Beginning Fund Balance	-	-	(102,856)	(102,856)
Total Revenues and Beginning Fund Balance	\$ 2,256,236	\$ 2,256,236	\$ 55,403	\$ (2,200,833)
EXPENDITURES				
Personnel Services	\$ 107,432	\$ 107,432	25,594	\$ (81,838)
Supplies	2,500	2,500	1,500	(1,000)
Other Services and charges	13,768	13,768	576	(13,192)
Grants, Contributions	2,132,536	2,132,536	441,517	(1,691,019)
Ending Fund Balance	-	-	(413,784)	(413,784)
Total Expenditures and Ending Fund Balance	\$ 2,256,236	\$ 2,256,236	\$ 55,403	\$ (2,200,833)

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
TITLE III AGING (125)				
REVENUES				
Title IIIB Outreach	\$ 21,000	\$ 21,000	\$ 20,750	\$ (250)
Title IIIB Transportation	197,000	197,000	84,508	(112,492)
Title III Congregate Meals	121,441	150,441	121,441	(29,000)
SSBG Title XX Home Delivery	260,000	320,000	303,292	(16,708)
Interest Earned	-	9,370	11,104	1,734
Grants & Donations	10,935	10,935	5,176	(5,759)
Title III Congregate Donation	3,000	3,000	140	(2,860)
Title XX-Transportation Donation P.I.	500	500	-	(500)
Transfer In/From General Fund	21,680	21,680	21,680	-
Beginning Fund Balance	344,208	344,208	1,210,040	865,832
Total Revenues and Beginning Fund Balance	\$ 979,764	\$ 1,078,134	\$ 1,778,131	\$ 699,997
EXPENDITURES				
Personnel Services	\$ 170,708	\$ 172,208	\$ 178,959	\$ 6,751
Supplies	481,851	578,721	430,537	(148,184)
Other Services and charges	325,205	325,205	313,651	(11,554)
Capital Outlay	2,000	2,000	-	(2,000)
Ending Fund Balance	-	-	854,984	854,984
Total Expenditures and Ending Fund Balance	\$ 979,764	\$ 1,078,134	\$ 1,778,131	\$ 699,997
AMERICORPS (134)				
REVENUES				
Beginning Fund Balance	\$ -	\$ -	\$ 96,019	\$ 96,019
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 96,019	\$ 96,019
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	\$ 96,019	\$ 96,019
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 96,019	\$ 96,019

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
ED BYRNE MEMORIAL GRANT FUND (353, 356, 359, 361,367,378,383)				
REVENUES				
Edward Byrne Mem Justice Grant	\$ 246,114	\$ 246,114	\$ 226,576	\$ (19,538)
2019 JAG		\$ 244,071	-	\$ (244,071)
2020 JAG		\$ 213,553	-	\$ (213,553)
Beginning Fund Balance	-	3,843	(76,661)	(80,504)
Total Revenues and Beginning Fund Balance	\$ 246,114	\$ 707,581	\$ 149,915	(557,666)

EXPENDITURES				
Supplies & Materials	\$ -	\$ 7,692	\$ -	\$ (7,692)
Other Services & Charges	-	12,963	-	(12,963)
Grants, Contributions	40,000	70,378	-	(70,378)
Capital Outlay	206,114	616,548	208,638	(407,910)
Ending Fund Balance	-	-	(58,723)	(58,723)
Total Expenditures and Ending Fund Balance	\$ 246,114	\$ 707,581	\$ 149,915	\$ (557,666)

KABOOM GRANT-PLAYGROUND EQUIPMENT (354)

REVENUES				
KABOOM-Playground Equipment	\$ 38,151	\$ 38,151	\$ -	\$ (38,151)
Beginning Fund Balance	-	-	29,887	29,887
Total Revenues and Beginning Fund Balance	\$ 38,151	\$ 38,151	\$ 29,887	\$ (8,264)
EXPENDITURES				
Grants, Contribution	\$ 38,151	\$ 38,151	\$ -	\$ (38,151)
Ending Fund Balance	-	-	29,887	29,887
Total Expenditures and Ending Fund Balance	\$ 38,151	\$ 38,151	\$ 29,887	\$ (8,264)

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
TIGER GRANT (357)				
REVENUES				
Tiger Grant	\$ 5,738,434	\$ 5,738,434	\$ 6,133,761	\$ 395,327
Beginning Fund Balance	-	-	(4,587,545)	(4,587,545)
Total Revenues and Beginning Fund Balance	<u>\$ 5,738,434</u>	<u>\$ 5,738,434</u>	<u>\$ 1,546,216</u>	<u>\$ (4,192,218)</u>
EXPENDITURES				
Other Services and Charges	\$ 5,738,434	\$ 5,738,434	-	\$ (5,738,434)
Capital Outlay	-	-	2,389,291	2,389,291
Ending Fund Balance	-	-	(843,075)	(843,075)
Total Expenditures and Ending Fund Balance	<u>\$ 5,738,434</u>	<u>\$ 5,738,434</u>	<u>\$ 1,546,216</u>	<u>\$ (4,192,218)</u>
BLIGHT ELIMINATION GRANT (360)				
REVENUES				
Intergovernmental- Federal	\$ 323,560	\$ 3,074,060	\$ 65,582	\$ (3,008,478)
Beginning Fund Balance	-	-	99,193	99,193
Total Revenues and Beginning Fund Balance	<u>\$ 323,560</u>	<u>\$ 3,074,060</u>	<u>\$ 164,775</u>	<u>\$ (2,909,285)</u>
EXPENDITURES				
Other Services and Charges	\$ 1,060	\$ 1,060	\$ 401	\$ (659)
Grants and Contribution	322,500	3,073,000	963,104	(2,109,896)
Ending Fund Balance	-	-	(798,730)	(798,730)
Total Expenditures and Ending Fund Balance	<u>\$ 323,560</u>	<u>\$ 3,074,060</u>	<u>\$ 164,775</u>	<u>\$ (2,909,285)</u>
BODY CAMERA GRANT (362)				
REVENUES				
Intergovernmental- Federal	\$ 4,612	\$ 4,612	\$ (155,309)	\$ (159,921)
Transfer from Other Funds	-	-	150,697	150,697
Beginning Fund Balance	-	-	4,612	4,612
Total Revenues and Beginning Fund Balance	<u>\$ 4,612</u>	<u>\$ 4,612</u>	<u>\$ -</u>	<u>\$ (4,612)</u>
EXPENDITURES				
Capital Outlay	\$ 4,612	\$ 4,612	-	\$ (4,612)
Total Expenditures and Ending Fund Balance	<u>\$ 4,612</u>	<u>\$ 4,612</u>	<u>\$ -</u>	<u>\$ (4,612)</u>

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
CARES ACT SB3047 (384)				
REVENUES				
Cares Act Senate Bill 3047	\$ -	\$ -	\$ 4,064,043	\$ 4,064,043
Transfer In/From General Fund	-	-	130,000	130,000
Beginning Fund Balance	-	-	(4,064,043)	(4,064,043)
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 130,000	\$ 130,000
EXPENDITURES				
Other Services and Charges	\$ -	\$ -	\$ 130,000	\$ 130,000
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 130,000	\$ 130,000
MEMA- FEMA (397)				
REVENUES				
MEMA-FEMA	\$ -	\$ -	\$ 70,971	\$ 70,971
Beginning Fund Balance	-	-	(70,429)	(70,429)
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 542	\$ 542
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	\$ 542	\$ 542
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 542	\$ 542
ARPA FUND (391)				
REVENUES				
Coronavirus Recovery Funds	\$ -	\$ 21,049,165	\$ 1,095,958	\$ (19,953,207)
Total Revenues and Beginning Fund Balance	\$ -	\$ 21,049,165	\$ 1,095,958	\$ (19,953,207)
EXPENDITURES				
Other Services Charges	\$ -	\$ 5,000,000	\$ -	\$ (5,000,000)
Capital Outlay	-	7,798,500	-	(7,798,500)
Transfer to Other Funds	-	-	525,958	525,958
Grants, Contribution	-	8,250,665	570,000	(7,680,665)
Total Expenditures and Ending Fund Balance	\$ -	\$ 21,049,165	\$ 1,095,958	\$ (19,953,207)

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
ESG CORONAVIRUS (379)				
REVENUES				
ESG Covid	\$ -	\$ 2,019,780	\$ 409,085	\$ (1,610,695)
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 2,019,780</u>	<u>\$ 409,085</u>	<u>\$ (1,610,695)</u>
EXPENDITURES				
Personnel Services	\$ -	\$ 57,522	\$ 92,322	\$ 34,800
Supplies & Materials	-	148,955	3,130	(145,825)
Grants, Contribution	-	1,813,303	574,063	(1,239,240)
Ending Fund Balance	-	-	(260,430)	(260,430)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 2,019,780</u>	<u>\$ 409,085</u>	<u>\$ (1,610,695)</u>
DOJ CORONAVIRUS (377)				
REVENUES				
Beginning Fund Balance	\$ -	\$ 748,906	\$ -	\$ (748,906)
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 748,906</u>	<u>\$ -</u>	<u>\$ (748,906)</u>
EXPENDITURES				
Personnel Services	\$ -	\$ 548,906	\$ -	\$ (548,906)
Supplies & Materials	-	200,000	-	(200,000)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 748,906</u>	<u>\$ -</u>	<u>\$ (748,906)</u>
HOPWA COVID CARES (380)				
REVENUES				
GH HOPWA	\$ -	\$ 104,345	\$ 104,345	\$ -
MUTETH	-	104,345	104,344	(1)
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 208,690</u>	<u>\$ 208,689</u>	<u>\$ (1)</u>
EXPENDITURES				
Grants and Contributions	\$ -	\$ 208,690	\$ 208,689	\$ (1)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 208,690</u>	<u>\$ 208,689</u>	<u>\$ (1)</u>

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
JPD SAKI (388)				
REVENUES				
2020 SAKI	\$ -	\$ 710,211	\$ -	\$ (710,211)
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 710,211</u>	<u>\$ -</u>	<u>\$ (710,211)</u>
EXPENDITURES				
Personnel Services	\$ -	\$ 211,264	\$ -	\$ (211,264)
Supplies & Materials	-	161,111	-	(161,111)
Other Services & Charges	-	3,732	-	(3,732)
Capital Outlay	-	334,104	-	(334,104)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 710,211</u>	<u>\$ -</u>	<u>\$ (710,211)</u>

City of Jackson
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

For managerial and budgeting purposes, the City maintains multiple special revenue funds for federal grants that it treats separately. However, these separate federal grant funds do not meet the criteria for separate fund presentation as set forth by GASB and for reporting purposes are presented together as a single Federal Grants Special Revenue Fund in order to comply with GAAP. The Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget to Actual compares the budgets adopted for various separate federal grant funds with the related revenues and expenditures of these separate funds. Following is a reconciliation of the ending budgetary basis fund balances of the separate federal grant funds to the ending GAAP basis fund balance of the Federal Grants Special Revenue Fund.

Ending budgetary basis fund balance:	
Senior Aides Fund	\$ (138,726)
Federal Grant Fund	830,091
Early Childhood Fund	(37,739)
CDBG Fund	(1,337,665)
Emergency Shelter Grant Fund	(11,677)
Metro Medical Response System Fund	1,457
Home Program Fund	(541,107)
HOPWA Grant Fund	(413,784)
Title III Aging Fund	854,984
Americorps Fund	96,019
Ed Byrne Memorial Grant Fund	(58,723)
Kaboom Grant- Playground Equipment Fund	29,887
TIGER Grant Fund	(843,075)
Blight Elimination Grant Fund	(798,730)
MEMA FEMA 4538-DR-MS Fund	542
ESG Coronavirus	(260,430)
	<hr style="border-top: 1px solid black;"/>
	(2,628,676)
Amounts reported are different under GAAP basis because:	
Revenues under the budgetary basis are recognized	
when cash is received	2,917,933
Ending GAAP basis fund balance	<hr style="border-top: 1px solid black;"/> \$ 289,257 <hr style="border-top: 1px solid black;"/>

**OTHER SUPPLEMENTARY
INFORMATION**

**MAJOR GOVERNMENTAL
FUNDS**

City of Jackson
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
BOND AND INTEREST FUND				
REVENUES				
Current Realty Taxes	\$ 6,868,548	\$ 6,996,556	\$ 6,978,408	\$ (18,148)
Current Personal Taxes	3,261,146	3,261,146	3,320,597	59,451
Delinquent Realty Taxes	1	1	106,901	106,900
Delinquent Personal Taxes	-	10,000	11,848	1,848
Ad Valorem Tax on Automotive	1,332,382	1,332,382	880,151	(452,231)
Aircraft Registration	-	1,025	2,090	1,065
Homestead Exemption	22,243	20,918	323,440	302,522
Homestead Exemption Chargeback	-	1,900	3,149	1,249
Interest Earnings	-	25,803	165,421	139,618
Capital City Convention Center	59,393	-	4,312,643	4,312,643
County Taxes	59,393	59,393	65,165	5,772
Sale of Bonds	-	16,920,000	16,920,000	-
Premium on Sale of Bonds	-	2,995,428	2,995,428	-
Transfer In From Other Funds	33,370,140	19,205,167	4,159,639	(15,045,528)
Beginning Fund Balance	213,830	438,411	8,472,157	8,033,746
Total Revenue and Beginning Fund Balance	\$ 45,187,076	\$ 51,268,130	\$ 48,717,037	\$ (2,551,093)
EXPENDITURES				
Other Services & Charges	\$ -	\$ 38,035	\$ -	\$ (38,035)
Debt Service	33,488,926	18,639,275	16,617,954	(2,021,321)
Payment to Refunded Bond Escrow Agent	-	-	19,649,611	19,649,611
Grants and Contributions	430	141,826	-	(141,826)
Operating Transfers In/From Other Funds	11,697,720	32,448,994	-	(32,448,994)
Ending Fund Balance	-	-	12,449,472	12,449,472
Total Expenditures and Ending Fund Balance	\$ 45,187,076	\$ 51,268,130	\$ 48,717,037	(2,551,093)

City of Jackson
1% Infrastructure Tax Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
1% INFRASTRUCTURE TAX (173)				
REVENUES				
General Property Taxes	\$ 12,884,592	\$ 12,884,592	15,662,832.00	\$ 2,778,240
Interest Earned	-	146,126	165,408	19,282
Transfer In	21,382,180	21,382,180	-	(21,382,180)
Beginning Fund Balance	-	(146,126)	15,607,550	15,753,676
	<hr/>			
Total Revenues and Beginning Fund Balance	\$ 34,266,772	\$ 34,266,772	\$ 31,435,790	\$ (2,830,982)
EXPENDITURES				
Other Services and Charges	\$ 30,107,482	\$ 26,235,514	\$ 107,139	(26,128,375)
Transfers	4,159,282	4,160,782	5,057,078	896,296
Capital Outlay	8	3,870,476	13,202,714	9,332,238
Ending Fund Balance	-	-	13,068,859	13,068,859
	<hr/>			
Total Expenditures and Ending Fund Balance	\$ 34,266,772	\$ 34,266,772	\$ 31,435,790	(2,830,982)

City of Jackson
Infrastructure Bond 2020 Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
INFRASTRUCTURE BOND 2020 (157)				
REVENUES				
Other Revenues	\$ 38,887,332	\$ -	\$ -	\$ -
Sales of Bond	-	32,140,000	-	(32,140,000)
Premium	-	6,747,332	-	(6,747,332)
Interest Earned	-	-	17,493	17,493
Beginning Fund Balance	-	-	35,001,482	35,001,482
Total Revenues and Beginning Fund Balance	\$ 38,887,332	\$ 38,887,332	\$ 35,018,975	\$ (3,868,357)
EXPENDITURES				
Other Services & Charges	\$ -	\$ 3,225,471	\$ -	\$ (3,225,471)
Capital Outlay	-	11,755,837	6,531,185	(5,224,652)
Grants, Contribution	35,000,000	23,234,292	-	(23,234,292)
Transfers to Other Funds	3,215,600	-	-	-
Debt Service	671,732	671,732	-	(671,732)
Ending Fund Balance	-	-	28,487,790	28,487,790
Total Expenditures and Ending Fund Balance	\$ 38,887,332	\$ 38,887,332	\$ 35,018,975	\$ (3,868,357)

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**NON-MAJOR
GOVERNMENTAL FUNDS**

Nonmajor Governmental Funds

Parks and Recreation Special Revenue Fund

To account for the operation and maintenance of all City-owned parks. Financing is provided by a 2- Mill annual property tax levy, admissions, fees and concessions. Appropriations are made from General Fund sources to the extent that such tax levy and other revenues are not sufficient to finance expenditures.

Disability and Relief Special Revenue Fund

To account for the receipt of revenues, principally tax levies, for the pensions of retired and disabled police and fireman employed prior to April 1, 1976.

State Grant Special Revenue Fund

To account for proceeds of state grants or loans other than those grants or loans for Enterprise Fund or Capital Projects Fund items.

Improvement Special Revenue Fund

To account for revenues that are restricted for improvements and major repairs to City facilities. The revenues are provided primarily by external grantors.

Library Special Revenue Fund

To account for receipt of revenues, principally tax levies, for the support, upkeep, and maintenance of the Jackson-Hinds Library System (JHLS). Additionally, this fund is used to account for certain lease & maintenance costs related to city owned/leased buildings utilized by JHLS.

Nonmajor Governmental Funds (Cont.)

1998 General Obligation Bond Capital Project Fund

To account for proceeds of general obligation bonds of \$35,000,000 issued to finance certain projects including storm drainage systems, construction of a youth detention center, and repairing buildings.

2003 General Obligation Bond Capital Project Fund

To account for funds raised to pay cost of multiple tasks for the City for various departments.

2009 General Obligation Bond Capital Project Fund

To account for proceeds of general obligation bonds of \$26,210,000 issued to pay the costs of constructing, improving and paving streets, sidewalks, driveways, parkways and public parking facilities.

Capitol Street 2 – Way Capital Project Fund

To account for revenues restricted for improvements to Capitol Street.

2012 General Obligation Note Capital Project Fund

To account for proceeds of general obligation note of \$11,500,000 providing updates to City Facilities and rehabilitation of sewer line projects.

Thalia Mara Hall Renovation Capital Project Fund

To account for proceeds received for the renovation and improvements being made to Thalia Mara Hall.

Modernization Tax Capital Project Fund

To account for the City's portion of state sales tax restricted to pay for repair, maintenance, and reconstruction of roads, streets and bridges.

Museum to Market Capital Project Fund

To account for proceeds received for the walking and biking trail from LeFleur's Bluff State Park to the Mississippi Agriculture Museum.

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City of Jackson
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2021

	<u>Special Revenue</u>					Total Special Revenue
	<u>Parks and Recreation</u>	<u>Disability and Relief</u>	<u>State Grants</u>	<u>Improvement Fund</u>	<u>Library</u>	
ASSETS						
Cash and cash equivalents	\$ 877,121	\$ 510,671	\$ 2,703,332	\$ 5,785,019	\$ 173,460	\$ 10,049,603
Receivables	<u>2,518,167</u>	<u>4,618,877</u>	<u>636,500</u>	<u>2,627,805</u>	<u>2,084,169</u>	<u>12,485,518</u>
Total assets	<u>\$ 3,395,288</u>	<u>\$ 5,129,548</u>	<u>\$ 3,339,832</u>	<u>\$ 8,412,824</u>	<u>\$ 2,257,629</u>	<u>\$ 22,535,121</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 93,897	\$ 537,588	\$ 86,424	\$ 717,247	\$ 9,454	\$ 1,444,610
Unearned grant revenue	-	-	1,629,469	32,289	-	1,661,758
Other liabilities	<u>84,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,882</u>
Total liabilities	<u>178,779</u>	<u>537,588</u>	<u>1,715,893</u>	<u>749,536</u>	<u>9,454</u>	<u>3,191,250</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes levied for subsequent year	<u>2,388,985</u>	<u>4,527,127</u>	<u>-</u>	<u>1,342,760</u>	<u>2,066,472</u>	<u>10,325,344</u>
Total deferred inflow of resources	<u>2,388,985</u>	<u>4,527,127</u>	<u>-</u>	<u>1,342,760</u>	<u>2,066,472</u>	<u>10,325,344</u>
FUND BALANCES						
Restricted	315,658	-	1,623,939	-	181,703	2,121,300
Committed	<u>511,866</u>	<u>64,833</u>	<u>-</u>	<u>6,320,528</u>	<u>-</u>	<u>6,897,227</u>
Total fund balances	<u>827,524</u>	<u>64,833</u>	<u>1,623,939</u>	<u>6,320,528</u>	<u>181,703</u>	<u>9,018,527</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,395,288</u>	<u>\$ 5,129,548</u>	<u>\$ 3,339,832</u>	<u>\$ 8,412,824</u>	<u>\$ 2,257,629</u>	<u>\$ 22,535,121</u>

Capital Projects

1998 GO Bond	2003 GO Bond	2009 GO Bond	Capital Street 2-way	2012 GO Note	Thalia Mara Hall Renovation	Modernization Tax Capital Fund	Museum-to-Market Project	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 11,143	\$ -	\$ -	\$ 400,081	\$ 776,591	\$ 117	\$ 2,356,374	\$ -	\$ 3,544,306	\$ 13,593,909
-	-	-	85,400	-	-	-	57,911	143,311	12,628,829
<u>\$ 11,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,481</u>	<u>\$ 776,591</u>	<u>\$ 117</u>	<u>\$ 2,356,374</u>	<u>\$ 57,911</u>	<u>\$ 3,687,617</u>	<u>\$ 26,222,738</u>
\$ -	\$ -	\$ -	\$ 48,478	\$ -	\$ -	\$ 1,776,758	\$ -	\$ 1,825,236	\$ 3,269,846
-	-	-	-	-	-	-	-	-	1,661,758
-	-	-	-	-	-	-	-	-	84,882
-	-	-	48,478	-	-	1,776,758	-	1,825,236	5,016,486
-	-	-	-	-	-	-	-	-	10,325,344
-	-	-	-	-	-	-	-	-	10,325,344
11,143	-	-	437,003	776,591	117	579,616	57,911	1,862,381	3,983,681
-	-	-	-	-	-	-	-	-	6,897,227
<u>11,143</u>	<u>-</u>	<u>-</u>	<u>437,003</u>	<u>776,591</u>	<u>117</u>	<u>579,616</u>	<u>57,911</u>	<u>1,862,381</u>	<u>10,880,908</u>
<u>\$ 11,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,481</u>	<u>\$ 776,591</u>	<u>\$ 117</u>	<u>\$ 2,356,374</u>	<u>\$ 57,911</u>	<u>\$ 3,687,617</u>	<u>\$ 26,222,738</u>

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

Special Revenue

	Parks and Recreation	Disability and Relief	State Grants	Improvement Fund	Library	Total Special Revenue
REVENUES						
General property taxes	\$ 2,438,195	\$ 4,687,039	\$ -	\$ 1,277,080	\$ 2,086,288	\$ 10,488,602
Intergovernmental	68,553	447,738	1,977,542	3,107,157	58,613	5,659,603
Admissions, fees, rentals and concessions	373,648	-	-	-	-	373,648
Interest	1,900	2,228	14,919	22,558	-	41,605
Other grants and donations	22,552	-	853,288	-	-	875,840
Total revenues	<u>2,904,848</u>	<u>5,137,005</u>	<u>2,845,749</u>	<u>4,406,795</u>	<u>2,144,901</u>	<u>17,439,298</u>
EXPENDITURES						
Current:						
General government	-	-	268,796	4,000	-	272,796
Public safety	-	5,136,731	203,403	-	-	5,340,134
Public works	-	-	-	1,302,415	-	1,302,415
Human and cultural services	7,280,176	-	1,120,285	-	2,081,387	10,481,848
Debt service:						
Principal retirement	294,508	-	-	-	-	294,508
Interest and service charges	11,074	-	-	-	-	11,074
Capital outlay:						
Public safety	-	-	13,300	-	-	13,300
Public works	-	-	-	2,861,710	-	2,861,710
Human and cultural services	251,066	-	-	-	-	251,066
Total expenditures	<u>7,836,824</u>	<u>5,136,731</u>	<u>1,605,784</u>	<u>4,168,125</u>	<u>2,081,387</u>	<u>20,828,851</u>
Excess (deficiency) of revenues over expenditures	<u>(4,931,976)</u>	<u>274</u>	<u>1,239,965</u>	<u>238,670</u>	<u>63,514</u>	<u>(3,389,553)</u>
OTHER FINANCING SOURCES						
Transfers In	4,809,446	-	-	1,675,159	-	6,484,605
Transfers Out	-	-	-	(505,407)	-	(505,407)
Issuance of long-term debt	108,501	-	-	-	-	108,501
Total other financing sources	<u>4,917,947</u>	<u>-</u>	<u>-</u>	<u>1,169,752</u>	<u>-</u>	<u>6,087,699</u>
Net change in fund balances	(14,029)	274	1,239,965	1,408,422	63,514	2,698,146
Fund balances - beginning	841,553	64,559	383,974	4,912,106	118,189	6,320,381
Fund balances - ending	<u>\$ 827,524</u>	<u>\$ 64,833</u>	<u>\$ 1,623,939</u>	<u>\$ 6,320,528</u>	<u>\$ 181,703</u>	<u>\$ 9,018,527</u>

Capital Projects

1998 GO Bond	2003 GO Bond	2009 GO Bond	Capital Street 2-way	2012 GO Note	Thalia Mara Hall Renovation	Modernization Tax Capital Fund	Museum-to-Market Project	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,488,602
-	-	-	323,941	-	-	4,233,418	467,054	5,024,413	10,684,016
-	-	-	-	-	-	-	-	-	373,648
109	-	1,022	5,945	7,661	1	-	-	14,738	56,343
-	-	-	-	-	-	-	-	-	875,840
<u>109</u>	<u>-</u>	<u>1,022</u>	<u>329,886</u>	<u>7,661</u>	<u>1</u>	<u>4,233,418</u>	<u>467,054</u>	<u>5,039,151</u>	<u>22,478,449</u>
-	-	-	-	-	-	-	-	-	272,796
-	-	-	-	-	-	-	-	-	5,340,134
-	192,144	-	-	-	-	-	-	192,144	1,494,559
-	-	-	-	-	-	-	-	-	10,481,848
-	-	-	-	-	-	-	-	-	294,508
-	-	-	-	-	-	-	-	-	11,074
-	-	-	-	-	-	-	-	-	13,300
-	552,949	234,451	574,829	-	-	-	409,143	1,771,372	4,633,082
-	-	-	-	-	-	-	-	-	251,066
-	<u>745,093</u>	<u>234,451</u>	<u>574,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,143</u>	<u>1,963,516</u>	<u>22,792,367</u>
<u>109</u>	<u>(745,093)</u>	<u>(233,429)</u>	<u>(244,943)</u>	<u>7,661</u>	<u>1</u>	<u>4,233,418</u>	<u>57,911</u>	<u>3,075,635</u>	<u>(313,918)</u>
-	406,453	98,954	-	-	-	-	-	505,407	6,990,012
-	(46,300)	-	-	-	-	(4,234,610)	-	(4,280,910)	(4,786,317)
-	-	-	-	-	-	-	-	-	108,501
-	<u>360,153</u>	<u>98,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,234,610)</u>	<u>-</u>	<u>(3,775,503)</u>	<u>2,312,196</u>
109	(384,940)	(134,475)	(244,943)	7,661	1	(1,192)	57,911	(699,868)	1,998,278
11,034	384,940	134,475	681,946	768,930	116	580,808	-	2,562,249	8,882,630
<u>\$ 11,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,003</u>	<u>\$ 776,591</u>	<u>\$ 117</u>	<u>\$ 579,616</u>	<u>\$ 57,911</u>	<u>\$ 1,862,381</u>	<u>\$ 10,880,908</u>

City of Jackson
Parks and Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
PARKS AND RECREATION (005,390)				
REVENUES				
Aircraft Registration	\$ 500	\$ 500	\$ 442	\$ (58)
Homestead Exemption	65,000	65,000	67,454	2,454
Homestead Exemption Chargeback	-	1,000	657	(343)
Zoo Bond	-	75,312	-	(75,312)
Sonny Guy Green Fees	45,000	45,000	86,868	41,868
Sonny Guy Pk Elec Gif Cart Ren	25,000	25,000	39,972	14,972
Sonny Guy Pull Cart	1,247	1,247	-	(1,247)
Range Balls	-	-	4,468	4,468
Swimming Fees	10,000	10,000	3,391	(6,609)
Athletic Fees	17,500	17,500	15,888	(1,612)
Gym User Fees	15,000	15,000	9,264	(5,736)
Parks Building Rentals	12,500	12,500	7,325	(5,175)
Parks Field Rentals	10,000	10,000	5,495	(4,505)
Parks Concessions	100	100	-	(100)
Parks Programs Registration	7,000	7,000	2,640	(4,360)
Jones Center Rental	8,000	8,000	-	(8,000)
Dance Karate Aerobics	1,000	1,000	-	(1,000)
Parks-Other	2,000	2,000	-	(2,000)
Vendor Fees - Park Events	2,000	2,000	375	(1,625)
Admissions /Summer Festivals	30,000	30,000	2,503	(27,497)
Fitlot	-	4,010	-	(4,010)
Mynelle Garden-Photography	2,161	2,161	291	(1,870)
Mynelle Garden Admissions	5,000	5,000	1,899	(3,101)
Mynelle Garden Rental	499	499	423	(76)
Mynelle Garden Weddings	2,000	2,000	2,500	500
Mynelle Garden Gift Shop Sales	200	200	35	(165)
Mynelle Garden Grants	1,211	1,211	-	(1,211)
Donations-Summer Festivals	24,000	24,000	10,882	(13,118)
Rents and Royalties	22,000	22,000	20,010	(1,990)
Zoo Gift Shop	-	2,000	6,251	4,251
Zoo Admissions	-	75,000	129,211	54,211
Zoo Vendor	-	9,000	14,838	5,838
Interest Earned On Investments	-	13	20	7
Interest On Checking	-	5,020	1,880	(3,140)
Grants & Donations	30,884	34,244	9,369	(24,885)
Other Departments	-	1,000	2,312	1,312
Cemeteries Opening Clsg & Misc	25,000	25,000	21,800	(3,200)
Proceeds Of Long Term Debt	108,501	108,501	187,791	79,290
Transfers In/From General Fund	1,297,877	4,809,446	4,809,446	-
Beginning Fund Balance	2,508,453	422,162	620,709	188,547
Total Revenue from Sources other than Taxation	<u>4,279,633</u>	<u>5,880,626</u>	<u>6,086,399</u>	<u>205,773</u>
Taxes				
Real Property	1,418,434	1,418,434	1,423,523	5,089
Personal Property	690,422	690,422	691,951	1,529
Delinquent Real	43,160	43,160	32,545	(10,615)
Delinquent Personal	1,595	1,595	3,883	2,288
Automotive	278,310	278,310	296,865	18,555
Total Taxes	<u>2,431,921</u>	<u>2,431,921</u>	<u>2,448,767</u>	<u>16,846</u>
Total Beginning Fund Balance and Anticipated Revenue from all Sources	<u>\$ 6,711,554</u>	<u>\$ 8,312,547</u>	<u>\$ 8,535,166</u>	<u>\$ 222,619</u>
EXPENDITURES				
Personnel Services	\$ 4,490,741	\$ 4,746,702	\$ 4,580,620	\$ (166,082)
Supplies	554,875	753,205	693,308	(59,897)
Other Services and Charges	1,116,234	2,232,941	2,006,248	(226,693)
Capital Outlay	488,665	514,660	251,066	(263,594)
Debt Service	61,039	65,039	305,582	240,543
Ending Fund Balance	-	-	698,342	698,342
Total Expenditures and Ending Fund Balance	<u>\$ 6,711,554</u>	<u>\$ 8,312,547</u>	<u>\$ 8,535,166</u>	<u>\$ 222,619</u>

City of Jackson
Disability and Relief Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
DISABILITY AND RELIEF FUND (055)				
REVENUES				
Real Property	\$ 2,735,960	\$ 2,735,960	\$ 2,728,785	\$ (7,175)
Personal Property	1,299,017	1,299,017	1,322,336	23,319
Delinquent Realty	4,500	4,500	65,852	61,352
Delinquent Personal	-	7,000	8,324	1,324
Automotive	530,730	530,730	582,919	52,189
Aircraft Registration	-	450	848	398
Homestead Exemption	67,508	66,232	130,091	63,859
Fire Insurance Premium Tax	-	-	265,127	265,127
Interest Income	-	2,006	2,228	222
Beginning Fund Balance	-	200	3,304	3,104
Total Revenues and Beginning Fund Balance	\$ 4,637,715	\$ 4,646,095	\$ 5,109,814	\$ 463,719
EXPENDITURES				
Other Services and Charges	\$ -	\$ 4,646,095	\$ 5,136,731	\$ 490,636
Grants and Contributions	4,637,715	-	-	-
Ending Fund Balance	-	-	(26,917)	(26,917)
Total Expenditures and Ending Fund Balance	\$ 4,637,715	\$ 4,646,095	\$ 5,109,814	\$ 463,719

City of Jackson
State Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
STATE GRANTS FUNDS (076,088,107,108,109,123,132,140,180,340,350,385,396)				
REVENUES				
Homeland Security Grant	\$ 17	\$ -	\$ -	\$ -
Intergovernmental Revenue-Public Safety	36,878	100,091	78,217	(21,874)
Intergovernmental Revenue-Kellogg	500,000	-	479,121	479,121
Healthy Babies	-	20,000	-	(20,000)
Kellogg Foundation	133,262	-	177,747	177,747
Fitlot Partnership	-	-	4,010	4,010
Project SA	70,649	70,649	62,853	(7,796)
Intergovernmental - Planetarium	-	-	1,000,000	1,000,000
Public Safety Planning-Police Traffic	-	300,000	107,387	(192,613)
DPS Coronavirus	-	10,000	10,000	-
MHC	-	-	13,500	13,500
Interest	-	11,808	14,891	3,083
Beginning Fund Balance	540,429	1,148,936	136,922	(1,012,014)
Total Revenues and Beginning Fund Balance	\$ 1,281,235	\$ 1,661,484	\$ 2,084,648	\$ 423,164
EXPENDITURES				
Salaries	\$ 201,515	\$ 404,763	\$ 725,421	\$ 320,658
Supplies & Materials	105,867	188,400	137,511	(50,889)
Other Services and Charges	783,838	1,011,020	582,227	(428,793)
Capital Outlay	190,015	57,301	13,300	(44,001)
Ending Fund Balance	-	-	626,189	626,189
Total Expenditures and Ending Fund Balance	\$ 1,281,235	\$ 1,661,484	\$ 2,084,648	\$ 423,164
CAO GRANTS (373)				
REVENUES				
NLC CAO Grant	\$ -	\$ -	\$ 10,000	\$ 10,000
RWJ Foundation Grant	-	158,516	158,516	-
CJOBS Grant	-	-	7,200	7,200
Beginning Fund Balance	-	39,318	29,318	(10,000)
Total Revenues and Beginning Fund Balance	\$ -	\$ 197,834	\$ 205,034	\$ 7,200
EXPENDITURES				
Supplies & Materials	\$ -	\$ 24,318	\$ 3,766	\$ (20,552)
Other Services and Charges	-	173,516	68,227	(105,290)
Ending Fund Balance	-	-	133,042	133,042
Total Expenditures and Ending Fund Balance	\$ -	\$ 197,834	\$ 205,034	\$ 7,200

City of Jackson
State Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
PLANNING SBDC (0381)				
REVENUES				
COJ SBDC	\$ -	\$ 8,775	\$ 11,969	\$ 3,194
Beginning Fund Balance	-	-	(8,775)	(8,775)
Total Revenues and Beginning Fund Balance	\$ -	\$ 8,775	\$ 3,194	\$ (5,581)
EXPENDITURES				
Supplies & Materials	\$ -	\$ 8,775	\$ -	\$ (8,775)
Ending Fund Balance	-	-	3,194	3,194
Total Expenditures and Ending Fund Balance	\$ -	\$ 8,775	\$ 3,194	\$ (5,581)
DFA JACKSON ZOO BOND (374)				
REVENUES				
Intergovernmental - DFA Jackson Zoo Bond	\$ 150,650	\$ 75,312	\$ -	\$ (75,312)
Interest Earned	-	20	28	8
Beginning Fund Balance	-	-	75,318	75,318
Total Revenues and Beginning Fund Balance	\$ 150,650	\$ 75,332	\$ 75,346	\$ 14
EXPENDITURES				
Other Services and Charges	\$ 150,650	\$ 75,332	\$ 75,332	\$ -
Ending Fund Balance	-	-	14	14
Total Expenditures and Ending Fund Balance	\$ 150,650	\$ 75,332	\$ 75,346	\$ 14
DFA JACKSON FIRE BOND (389)				
REVENUES				
Intergovernmental - State - Fire SB2969	\$ -	\$ 225,000	\$ 225,000	\$ -
Total Revenues and Beginning Fund Balance	\$ -	\$ 225,000	\$ 225,000	\$ -
EXPENDITURES				
Capital Outlay	\$ -	\$ 225,000	\$ -	\$ (225,000)
Ending Fund Balance	-	-	225,000	225,000
Total Expenditures and Ending Fund Balance	\$ -	\$ 225,000	\$ 225,000	\$ -

City of Jackson
Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
BUSINESS IMPROVEMENT TAX ASSESSMENT (007)				
REVENUES				
Real Property Taxes	\$ 1,082,747	\$ 1,083,136	\$ 1,084,571	\$ 1,435
Interest on Investment	-	-	431	431
Beginning Fund Balance	-	-	15,650	15,650
Total Revenues and Beginning Fund Balance	\$ 1,082,747	\$ 1,083,136	\$ 1,100,652	\$ 17,516
EXPENDITURES				
Other Services and Charges	\$ 1,082,747	\$ -	\$ -	\$ -
Grants Contribution	-	1,083,136	1,084,987	1,851
Ending Fund Balance	-	-	15,665	15,665
Total Expenditures and Ending Fund Balance	\$ 1,082,747	\$ 1,083,136	\$ 1,100,652	\$ 17,516

CAPITAL IMPROVEMENT FUND (047,141,212,213,214,215,216,217,223,364)

REVENUES				
Interest Earned on Investments	\$ -	\$ 18,159	\$ 22,127	\$ 3,968
Intergovernmental-State - (MDOT)(TRAFFIC)	170,622	170,622	-	(170,622)
Intergovernmental (MDOT) Lynch Street	-	-	1,132,799	1,132,799
Intergovernmental-State - (MDOT)	500,000	500,000	34,787	(465,213)
Intergovernmental-State- (MDOT)- Mill Street	1,649,667	1,649,667	-	(1,649,667)
Intergovernmental-State- Fondren Enhancement Proj	129,533	129,533	-	(129,533)
Intergovernmental-State- (MDOT) ERB Beasley	-	-	42,880	42,880
Intergovernmental-State - (DFA Parham Bridges)	99,952	-	-	-
Intergovernmental-USDA Soil	-	-	302,915	302,915
Intergovernmental-South Jackson Signals	-	-	3,690	3,690
Intergovernmental-CMPDD	-	13,032	295,741	282,709
Intergovernmental- MDOT	3,888,750	3,888,750	2,683,528	(1,205,222)
Intergovernmental-Fort Web	1,415,681	1,415,681	-	(1,415,681)
Intergovernmental-Local - (Street Resurfacing)	34,110	33,170	-	(33,170)
Intergovernmental-Barr Elementary	-	-	524,282	524,282
Buddy Butts-Park Contribution	-	100,000	100,000	-
Grants and Donations	15,200	925	-	(925)
Settlement of Insurance	140,481	132,431	-	(132,431)
Proceeds of Long Term Debt	496,800	496,800	-	(496,800)
Applied Fund Balance	1,250,712	1,131,076	-	(1,131,076)
Transfer In/From General Fund	1,193,583	1,193,583	1,193,583	-
Beginning Fund Balance	-	-	1,741	1,741
Total Revenues and Beginning Fund Balance	\$ 10,985,091	\$ 10,873,429	\$ 6,338,073	(4,535,356)
EXPENDITURES				
Supplies	45,204	45,204	-	(45,204)
Other Services and Charges	10,033,561	6,620,608	30,000	(6,590,608)
Grants, Contributions	471,994	474,239	-	(474,239)
Capital Outlay	434,332	3,733,378	2,861,710	(871,668)
Operating Transfer	-	-	505,407	505,407
Ending Fund Balance	-	-	2,940,956	2,940,956
Total Expenditures and Ending Fund Balance	\$ 10,985,091	\$ 10,873,429	\$ 6,338,073	(4,535,356)

City of Jackson
Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
FONDREN BUSINESS IMPROVEMENT FUND (192)				
REVENUES				
Current Realty Taxes	\$ 241,116	\$ 241,116	\$ 191,428	\$ (49,688)
Total Revenues and Beginning Fund Balance	<u>\$ 241,116</u>	<u>\$ 241,116</u>	<u>\$ 191,428</u>	<u>\$ (49,688)</u>
EXPENDITURES				
Grants, Contribution	\$ 241,116	\$ 241,116	\$ 191,428	\$ (49,688)
Total Expenditures and Ending Fund Balance	<u>\$ 241,116</u>	<u>\$ 241,116</u>	<u>\$ 191,428</u>	<u>\$ (49,688)</u>
GRAND GULF EMERGENCY PLANNING (365)				
REVENUES				
Interest	\$ 31	\$ 31	\$ -	\$ (31)
Nuclear Power Plant	481,576	-	-	-
Transfers In/From Other Funds	-	481,576	481,576	-
Beginning Fund Balance	1,600,000	1,600,000	1,597,286	(2,714)
Total Revenues and Beginning Fund Balance	<u>\$ 2,081,607</u>	<u>\$ 2,081,607</u>	<u>\$ 2,078,862</u>	<u>\$ (2,745)</u>
EXPENDITURES				
Other Services and Charges	\$ 31	\$ 31	\$ -	\$ (31)
Grants, Contribution	2,081,576	2,081,576	-	(2,081,576)
Ending Fund Balance	-	-	2,078,862	2,078,862
Total Expenditures and Ending Fund Balance	<u>\$ 2,081,607</u>	<u>\$ 2,081,607</u>	<u>\$ 2,078,862</u>	<u>\$ (2,745)</u>

City of Jackson
Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
LIBRARY FUND (399)				
REVENUES				
Current Realty Taxes	\$ 1,212,761	\$ 1,212,761	\$ 1,217,111	\$ 4,350
Current Personal Taxes	590,311	590,311	591,618	1,307
Delinquent Realty Taxes	-	7,474	28,501	21,027
Delinquent Personal Taxes	-	2,974	3,425	451
Ad Valorem Tax on Automobiles	237,955	237,955	255,116	17,161
Aircraft Registration	-	379	379	(0)
Homestead Exemption	-	25,866	57,673	31,807
Homestead Exemption Chargeback	-	485	562	77
Beginning Fund Balance	-	75,000	91,008	16,008
Total Revenues and Beginning Fund Balance	\$ 2,041,027	\$ 2,153,205	\$ 2,245,393	\$ 92,188
EXPENDITURES				
Other Services and Charges	\$ 116,262	\$ 206,197	\$ 134,379	(71,818)
Grants and Contributions	1,924,765	1,947,008	1,947,008	-
Ending Fund Balance	-	-	164,006	164,006
Total Expenditures and Ending Fund Balance	\$ 2,041,027	\$ 2,153,205	\$ 2,245,393	\$ 92,188

City of Jackson
1998 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
G.O. BONDS 1998 CONSTRUCTION FUND (156)				
REVENUES				
Interest Earned	\$ -	\$ 96	\$ 109	\$ 13
Beginning Fund Balance	10,793	10,697	11,034	337
Total Revenues and Beginning Fund Balance	\$ 10,793	\$ 10,793	\$ 11,143	\$ 350
EXPENDITURES				
Other Services and Charges	\$ 10,793	\$ 10,793	\$ -	\$ (10,793)
Ending Fund Balance	-	-	11,143	11,143
Total Expenditures and Ending Fund Balance	\$ 10,793	\$ 10,793	\$ 11,143	350

City of Jackson
2003 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
G.O.PUB IMPROVEMENT CONSTRUCTION BOND (148)				
REVENUES				
Intergovernmental- State	\$ 4,043,462	\$ 4,043,462	\$ -	\$ (4,043,462)
Transfers In/From Other Funds	-	-	406,453	406,453
Beginning Fund Balance	1,166,019	1,216,008	384,940	(831,068)
Total Revenues and Beginning Fund Balance	\$ 5,209,481	\$ 5,259,470	\$ 791,393	\$ (4,468,077)
EXPENDITURES				
Other Services and Charges	\$ 5,109,481	\$ 4,036,396	192,144	\$ (3,844,252)
Capital Outlay	-	1,067,567	552,949	(514,618)
Grants and Contributions	-	155,507	-	(155,507)
Transfers to Other Funds	100,000	-	46,300	46,300
Total Expenditures and Ending Fund Balance	\$ 5,209,481	\$ 5,259,470	\$ 791,393	\$ (4,468,077)

City of Jackson
2009 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
G.O. BONDS 2009 STREET CONSTRUCTION FUND (168)				
REVENUES				
Interest Earned	\$ -	\$ 1,022	\$ 1,022	\$ -
Operating Transfers In/From Other Funds	-	-	98,954	98,954
Beginning Fund Balance	131,376	130,354	134,475	4,121
Total Revenues and Beginning Fund Balance	\$ 131,376	\$ 131,376	\$ 234,451	\$ 103,075
EXPENDITURES				
Other Services and Charges	\$ 131,376	\$ 131,376	\$ -	\$ (131,376)
Capital Outlay	-	-	234,451	234,451
Total Expenditures and Ending Fund Balance	\$ 131,376	\$ 131,376	\$ 234,451	\$ 103,075

City of Jackson
Capitol Street 2 - Way Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
CAPITOL STREET 2-WAY PROJECT (171)				
REVENUES				
Interest Earned	\$ -	\$ 5,502	\$ 5,945	\$ 443
Intergovernmental - MDA	-	35,992	274,533	238,541
Beginning Fund Balance	624,734	583,240	645,954	62,714
Total Revenues and Beginning Fund Balance	\$ 624,734	\$ 624,734	\$ 926,432	301,698
EXPENDITURES				
Other Services and Charges	\$ 624,734	\$ 70,247	\$ -	\$ (70,247)
Capital Outlay	-	554,487	574,829	20,342
Ending Fund Balance	-	-	351,603	351,603
Total Expenditures and Ending Fund Balance	\$ 624,734	\$ 624,734	\$ 926,432	\$ 301,698

City of Jackson
2012 General Obligation Note Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
2012 G.O. NOTE-CAPITAL PROJECT FUND (190)				
REVENUES				
Interest Earned	\$ -	\$ 6,656	\$ 7,661	\$ 1,005
Beginning Fund Balance	752,253	745,597	768,930	23,333
Total Revenues and Beginning Fund Balance	\$ 752,253	\$ 752,253	\$ 776,591	\$ 24,338
EXPENDITURES				
Other Services and Charges	\$ 429,413	\$ 429,413	-	(429,413)
Grants and Contributions	260,653	260,653	-	(260,653)
Capital Outlay	62,187	62,187	-	(62,187)
Ending Fund Balance	-	-	776,591	776,591
Total Expenditures and Ending Fund Balance	\$ 752,253	\$ 752,253	\$ 776,591	24,338

City of Jackson
Thalia Mara Hall Renovation Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
THALIA MARA HALL RENOVATION (172)				
REVENUES				
Interest Earned	\$ -	\$ -	1	\$ 1
Beginning Fund Balance	-	-	116	116
Total Revenues and Beginning Fund Balance	\$ -	\$ -	117	\$ 117
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	117	\$ 117
Total Expenditures and Ending Fund Balance	\$ -	\$ -	117	\$ 117

City of Jackson
Modernization Tax Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
MODERNIZATION TAX (372)				
REVENUES				
Modernization Tax	\$ 958,328	\$ 5,191,746	\$ 4,233,418	\$ (958,328)
Beginning Fund Balance	-	-	580,808	580,808
Total Revenues and Beginning Fund Balance	\$ 958,328	\$ 5,191,746	\$ 4,814,226	\$ (377,520)
EXPENDITURES				
Other Services and Charges	\$ 958,328	\$ -	\$ -	\$ -
Capital Outlay	-	5,191,746	-	(5,191,746)
Transfers to Other Funds	-	-	4,234,610	4,234,610
Ending Fund Balance	-	-	579,616	579,616
Total Expenditures and Ending Fund Balance	\$ 958,328	\$ 5,191,746	\$ 4,814,226	\$ (377,520)

City of Jackson
Museum To Market Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance
MUSEUM TO MARKET PROJECT (351)				
REVENUES				
Intergovernmental-State	\$ 1,000,000	\$ 1,480,000	\$ 1,220,303	\$ (259,697)
Beginning Fund Balance	-	-	(811,160)	(811,160)
Total Revenues and Beginning Fund Balance	\$ 1,000,000	\$ 1,480,000	\$ 409,143	(1,070,857)
EXPENDITURES				
Other Services and Charges	\$ 1,000,000	\$ 1,480,000	-	\$ (1,480,000)
Capital Outlay	-	-	409,143	409,143
Total Expenditures and Ending Fund Balance	\$ 1,000,000	\$ 1,480,000	\$ 409,143	\$ (1,070,857)

**NON-MAJOR
PROPRIETARY FUNDS**

Nonmajor Proprietary Funds

Madison-Ridgeland Sewage Disposal System Fund

To account for costs of construction, operation and maintenance of the East Madison County Sewage Disposal System. The City of Ridgeland, Mississippi is responsible for the service contracts with Madison County participating in the system.

Transportation Fund

To account for operational costs of the City's transit system. Deficiencies in the revenues over expenses are financed by the City.

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Madison-Ridgeland Sewage	Transportation	Totals
Operating Revenues:			
Sales to Customers	\$ 117,111	\$ -	\$ 117,111
Total Operating Revenues	<u>117,111</u>	<u>-</u>	<u>117,111</u>
Operating Expenses:			
Personnel services	-	467,228	467,228
Supplies	2,571	714,732	717,303
Other services and charges	72,792	7,209,090	7,281,882
Depreciation	11,099	1,490,659	1,501,758
Total Operating Expenses	<u>86,462</u>	<u>9,881,709</u>	<u>9,968,171</u>
Operating Income (Loss)	<u>30,649</u>	<u>(9,881,709)</u>	<u>(9,851,060)</u>
Nonoperating Revenues (Expenses):			
Noncapital grants	-	9,187,750	9,187,750
Interest revenue	-	7,950	7,950
Gain on sale of capital assets	-	59,380	59,380
Total nonoperating revenues (expenses)	<u>-</u>	<u>9,255,080</u>	<u>9,255,080</u>
Income (loss) before transfers	<u>30,649</u>	<u>(626,629)</u>	<u>(595,980)</u>
Transfers In:			
General Fund	-	2,391,411	2,391,411
Change in Net Position	30,649	1,764,782	1,795,431
Total net position - beginning	<u>218,698</u>	<u>15,928,228</u>	<u>16,146,926</u>
Total net position - ending	<u>\$ 249,347</u>	<u>\$ 17,693,010</u>	<u>\$ 17,942,357</u>

City of Jackson
Combining Statement of Net Position
Proprietary Funds - Nonmajor Enterprise Funds
As of September 30, 2021

	Madison-Ridgeland Sewage	Transportation	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 3,999,205	\$ 3,999,205
Intergovernmental Receivables	-	1,174,734	1,174,734
Total Current Assets	<u>-</u>	<u>5,173,939</u>	<u>5,173,939</u>
Property, Plant and Equipment, at Cost			
Land	-	450,000	450,000
Buildings	-	8,664,594	8,664,594
Water plant, distribution system and equipment	587,818	676,974	1,264,792
Automotive and other equipment	5,278	15,534,373	15,539,651
	<u>593,096</u>	<u>25,325,941</u>	<u>25,919,037</u>
Less: accumulated depreciation	(343,749)	(10,438,691)	(10,782,440)
Net property, plant and equipment	<u>249,347</u>	<u>14,887,250</u>	<u>15,136,597</u>
Total Assets	<u>249,347</u>	<u>20,061,189</u>	<u>20,310,536</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - other post employment benefits	-	102,624	102,624
Deferred outflows of resources - pension	-	130,511	130,511
Total deferred outflows of resources	<u>-</u>	<u>233,135</u>	<u>233,135</u>

City of Jackson
Combining Statement of Net Position
Proprietary Funds - Nonmajor Enterprise Funds
As of September 30, 2021

	Madison-Ridgeland Sewage	Transportation	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 1,156,746	\$ 1,156,746
Compensated absences	-	7,674	7,674
Other Post Employment Benefits liability	-	3,514	3,514
Total Current Liabilities	<u>-</u>	<u>1,167,934</u>	<u>1,167,934</u>
Net pension liability	-	692,249	692,249
Other Post Employment Benefits liability	-	153,638	153,638
Compensated absences	-	14,260	14,260
Total long-term liabilities	<u>-</u>	<u>860,147</u>	<u>860,147</u>
Total Liabilities	<u>-</u>	<u>2,028,081</u>	<u>2,028,081</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - other post employment benefits	-	207,193	207,193
Deferred inflows of resources - pension	-	366,040	366,040
Total deferred inflows of resources	<u>-</u>	<u>573,233</u>	<u>573,233</u>
NET POSITION			
Net investment in capital assets	249,347	14,887,250	15,136,597
Unrestricted	-	2,805,760	2,805,760
Total Net Position	<u>\$ 249,347</u>	<u>\$ 17,693,010</u>	<u>\$ 17,942,357</u>

City of Jackson
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2021

	Madison- Ridgeland Sewage	Transportation	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 117,111	\$ -	\$ 117,111
Payments to suppliers	(117,111)	(8,331,372)	(8,448,483)
Payments to employees	-	(405,314)	(405,314)
Payments to internal service fund	-	(68,461)	(68,461)
Net cash provided (used) by operating activities	<u>-</u>	<u>(8,805,147)</u>	<u>(8,805,147)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants	-	10,705,633	10,705,633
Transfers from other funds	-	2,391,411	2,391,411
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>13,097,044</u>	<u>13,097,044</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(2,802,988)	(2,802,988)
Proceeds from capital asset sales	-	87,146	87,146
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(2,715,842)</u>	<u>(2,715,842)</u>
Cash Flows from Investing Activities			
Interest on investments	-	7,950	7,950
Net cash provided (used) by investing activities	<u>-</u>	<u>7,950</u>	<u>7,950</u>
Net increase (decrease) in cash and cash equivalents	-	1,584,005	1,584,005
Cash and cash equivalents at beginning of year	-	2,415,200	2,415,200
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 3,999,205</u>	<u>\$ 3,999,205</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities			
Operating Income (Loss)	\$ 30,649	\$ (9,881,709)	\$ (9,851,060)
Depreciation	11,099	1,490,659	1,501,758
Increase (decrease) in accounts payable and accrued expenses	(41,748)	(426,981)	(468,729)
Increase (decrease) in compensated absences	-	(10,960)	(10,960)
Increase (decrease) in pension liability and deferred inflows (outflows)	-	15,770	15,770
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	-	8,074	8,074
Total adjustments	<u>(30,649)</u>	<u>1,076,562</u>	<u>1,045,913</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (8,805,147)</u>	<u>\$ (8,805,147)</u>

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Fiduciary Funds

Mausoleum Trust Fund

To account for funds held in trust for maintenance and upkeep of the Henry Mausoleum located in Kernaghan Cemetery.

Tax Collections Custodial Funds

To account for receipt of tax collections for and subsequent payments to the Jackson Municipal Separate School District and the Jackson Convention & Visitors Bureau.

**CITY OF JACKSON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2021**

	Mausoleum Trust Fund	Private-Purpose Trust Fund Total
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Investment at fair value:		
Certificate of deposit	32,844	32,844
Total assets	32,844	32,844
 LIABILITIES		
Total liabilities	-	-
 NET POSITION		
Restricted for individuals and organizations	32,844	32,844
Total net position	\$ 32,844	\$ 32,844

**CITY OF JACKSON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Mausoleum Trust Fund</u>	<u>Private-Purpose Trust Fund Total</u>
Additions:		
Interest	\$ <u>42</u>	\$ <u>42</u>
Total additions	<u>42</u>	<u>42</u>
 Deductions:		
Maintenance	<u>-</u>	<u>-</u>
Total deductions	<u>-</u>	<u>-</u>
Change in Net Position	42	42
Net position - beginning of year	<u>32,802</u>	<u>32,802</u>
Net position - end of year	<u><u>\$ 32,844</u></u>	<u><u>\$ 32,844</u></u>

**CITY OF JACKSON
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2021**

	Jackson Convention & Visitors Bureau Custodial Fund	Jackson Municipal Separate School District Custodial Fund	Custodial Funds Total
ASSETS			
Cash and cash equivalents	\$ 2,569	\$ -	\$ 2,569
Taxes receivable	663,600	-	663,600
Total assets	666,169	-	666,169
LIABILITIES			
Payable to other governments	666,169	-	666,169
Total liabilities	666,169	-	666,169
NET POSITION			
Restricted for other governments	-	-	-
Total net position	\$ -	\$ -	\$ -

**CITY OF JACKSON
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Jackson Convention & Visitors Bureau Custodial Fund	Jackson Municipal Separate School District Custodial Fund	Custodial Funds Total
Additions:			
Sales tax collected for other governments	\$ 3,567,504	\$ -	\$ 3,567,504
Property tax collected for other governments	-	15,036,520	15,036,520
Total additions	3,567,504	15,036,520	18,604,024
Deductions:			
Sales tax distributed to other governments	3,567,504	-	3,567,504
Property tax distributed to other governments	-	15,036,520	15,036,520
Total deductions	3,567,504	15,036,520	18,604,024
Change in Net Position	-	-	-
Net position - beginning of year	-	-	-
Net position - end of year	\$ -	\$ -	\$ -

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CAPITAL ASSETS

CITY OF JACKSON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULES BY SOURCE (1)
SEPTEMBER 30, 2021 AND 2020

	2021	2020
Governmental activities capital assets:		
Land	\$ 13,720,748	\$ 13,720,748
Buildings	109,291,971	109,269,156
Automotive and equipment:	87,817,798	82,001,665
Infrastructure	395,795,286	376,046,428
Construction in progress	48,838,852	36,208,683
Total governmental activities capital assets	\$ 655,464,655	\$ 617,246,680
 Investment in governmental activities capital assets by source:		
Assets prior to 1985 not segregated		
by sources	\$ 13,720,748	\$ 13,720,748
General Fund revenues	123,559,110	116,694,272
Special Revenue Fund revenues	163,649,338	147,333,848
Special Assessment bonds	2,123,934	2,123,934
General Obligation bonds	268,359,709	267,572,309
Limited Obligation bonds	10,861,614	4,330,429
Debt Service Fund revenues	65,000	65,000
Federal grants	69,196,561	64,560,457
State grants	3,250,148	414,734
County grants	678,493	430,949
Total governmental activities capital assets	\$ 655,464,655	\$ 617,246,680

(1) This schedule presents only the capital asset balances (excluding accumulated depreciation) related to governmental activities.

CITY OF JACKSON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND ACTIVITY (1)
SEPTEMBER 30, 2021

	Land	Buildings	Infrastructure	Automotive and Equipment	Construction In Progress	Total
Assets prior to 1985 not segregated by function and activity	\$ 10,636,579	\$ -	\$ -	\$ 3,044,869	\$ -	\$ 13,681,448
General Government:						
Planning	-	330,382	658,952	649,142	1,054,204	2,692,680
Code Services	-	-	-	678,246	-	678,246
Telecommunication	-	5,907,442	39,036	157,799	-	6,104,277
Risk Management	-	-	-	-	-	-
Data Processing / Information System	-	42,257	999,402	13,199,867	-	14,241,526
Vehicle Pool Fund	-	-	-	1,561,005	-	1,561,005
Mayor's Office of Development Assistance	100,000	-	-	104,679	-	204,679
Office Services	-	-	-	146,335	-	146,335
Purchasing	-	-	-	50,452	-	50,452
Finance and Management	-	2,299,392	133,238	288,302	-	2,720,932
Personnel	-	913,546	-	225,894	-	1,139,440
Municipal Court Services	-	-	-	1,466,044	-	1,466,044
Vehicle Maintenance	-	5,816	-	655,395	-	661,211
Minority Business Development	-	-	-	27,598	-	27,598
Total general government	100,000	9,498,835	1,830,628	19,210,758	1,054,204	31,694,425
Urban Development and Housing:						
Neighborhood Enhancement Task	-	-	-	11,125	-	11,125
Redevelopment Projects	87,578	-	-	69,874	-	157,452
Post Office Project	500	-	-	-	-	500
Union Station	-	15,044,796	243,000	-	-	15,287,796
Total urban development and housing	88,078	15,044,796	243,000	80,999	-	15,456,873
Health and Welfare:						
Public Relations/Information	-	-	-	14,829	-	14,829
Senior Services	-	251,344	-	345,674	-	597,018
Day Care Services	-	281,849	16,109	256,428	-	554,386
Senior Centers/Community Centers	-	1,422,356	-	19,813	-	1,442,169
Group Home	46,245	-	-	-	-	46,245
Human and Cultural Services	-	471,638	1,876	65,837	-	539,351
Total health and welfare	46,245	2,427,187	17,985	702,581	-	3,193,998
Public Safety:						
Fire Department	75,000	5,795,870	3,672,248	21,059,651	-	30,602,769
Police Department	123,992	19,384,842	10,784,134	26,178,392	36,632	56,507,992
Small Animal Control	-	1,366,367	-	17,746	-	1,384,113
Juvenile Justice	-	431,482	4,502,506	86,199	-	5,020,187
Emergency Management	-	-	-	17,914	-	17,914
Communication Center	-	1,292,879	-	300,903	-	1,593,782
Public Safety Garage	-	-	-	29,060	-	29,060
Total public safety	198,992	28,271,440	18,958,888	47,689,865	36,632	95,155,817
Public Works:						
Cemeteries	-	8,430	-	143,318	-	151,748
Engineering	585,273	1,020,866	53,727,597	5,113,391	22,493,463	82,940,590
Traffic Engineering	-	17,215	638,701	2,219,157	1,053,125	3,928,198
Traffic Signals	-	-	2,355,398	213,138	-	2,568,536
Care and Maintenance of Public Buildings	-	8,456,917	8,571,511	73,658	911,001	18,013,087
Building & Ground	-	516,800	-	-	-	516,800
Custodial Services	-	-	-	34,818	-	34,818
Public Works Deputy Dir/Adm	-	-	-	137,832	-	137,832
Public Works Infrastructure Management	-	747,854	78,493,833	1,020,819	21,748,073	102,010,579
Pest Control	-	-	-	1,426	-	1,426
Streets	354,278	-	141,885,667	-	867,671	143,107,616
Storm Drainage	-	-	71,942,748	838,301	244,123	73,025,172
Bridges	-	-	1,787,206	-	-	1,787,206
Soil Conservation	-	120,000	112,159	-	-	232,159
Total public works	939,551	10,888,082	359,514,820	9,795,858	47,317,456	428,455,767
Culture and Recreation:						
Planetarium	-	827,314	34,963	1,342,865	244,844	2,449,986
Jackson Zoological Park	-	3,000,000	3,408,723	465,122	-	6,873,845
Municipal Art Building	-	5,758	29,049	5,907	2,544	43,258
Parks Maintenance	-	-	8,700	423,438	114,275	546,413
Parks and Recreation	225,820	19,425,404	8,698,033	3,839,422	68,897	32,257,576
Teen Center	-	-	-	5,293	-	5,293
Library	-	5,710,933	2,198,621	156,099	-	8,065,653
Smith Robertson Cultural Center	-	1,238,810	340,745	57,595	-	1,637,150
City Auditorium and Art Center	-	10,007,088	511,131	105,614	-	10,623,833
Total culture and recreation	225,820	40,215,307	15,229,965	6,401,355	430,560	62,503,007
Miscellaneous:						
City Council/Mayor	-	402,665	-	396,384	-	799,049
City Clerk	-	-	-	192,219	-	192,219
City Hall	-	2,526,372	-	-	-	2,526,372
Legal	-	17,287	-	246,356	-	263,643
Mayor's Action Line	-	-	-	34,862	-	34,862
Industrial Park	1,485,483	-	-	-	-	1,485,483
Internal Audit	-	-	-	21,692	-	21,692
Total miscellaneous	1,485,483	2,946,324	-	891,513	-	5,323,320
Total governmental funds capital assets	\$ 13,720,748	\$ 109,291,971	\$ 395,795,286	\$ 87,817,798	\$ 48,838,852	\$ 655,464,655

(1) This schedule presents capital asset balances related to governmental activities.

CITY OF JACKSON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Governmental Activities			Governmental Activities
	Capital Assets September 30, 2020	Additions	Deductions	Capital Assets September 30, 2021
Assets prior to 1985 not segregated by function and activity	\$ 13,681,448	-	-	13,681,448
General Government:				
Planning	1,561,859	1,130,821	-	2,692,680
Code Services	658,228	20,018	-	678,246
Telecommunication	6,104,277	-	-	6,104,277
Data Processing / Information System	13,093,581	1,147,945	-	14,241,526
Vehicle Pool Fund	1,561,005	-	-	1,561,005
Mayor's Office of Development Assistance	204,679	-	-	204,679
Office Services	146,335	-	-	146,335
Purchasing	50,452	-	-	50,452
Finance and Management	2,720,932	-	-	2,720,932
Personnel	1,139,440	-	-	1,139,440
Municipal Court Services	1,466,044	-	-	1,466,044
Vehicle Management	661,211	-	-	661,211
Minority Business Development	27,598	-	-	27,598
Total general government	<u>29,395,641</u>	<u>2,298,784</u>	<u>-</u>	<u>31,694,425</u>
Urban Development and Housing:				
Neighborhood Enhancement Task	11,125	-	-	11,125
Redevelopment Projects	157,452	-	-	157,452
Post Office Project	500	-	-	500
Union Station	15,287,796	-	-	15,287,796
Total urban development and housing	<u>15,456,873</u>	<u>-</u>	<u>-</u>	<u>15,456,873</u>
Health and Welfare:				
Public Relations/Information	14,829	-	-	14,829
Senior Services	597,018	-	-	597,018
Day Care Services	554,386	-	-	554,386
Senior Centers/Community Centers	1,442,169	-	-	1,442,169
Group Home	46,245	-	-	46,245
Human and Cultural Services	539,351	-	-	539,351
Total health and welfare	<u>3,193,998</u>	<u>-</u>	<u>-</u>	<u>3,193,998</u>
Public Safety:				
Fire Department	27,030,379	3,572,390	-	30,602,769
Police Department	55,299,794	1,231,013	22,815	56,507,992
Small Animal Control	1,384,113	-	-	1,384,113
Juvenile Justice	5,020,187	-	-	5,020,187
Emergency Management	17,914	-	-	17,914
Communication Center	1,593,782	-	-	1,593,782
Public Safety Garage	29,060	-	-	29,060
Total public safety	<u>90,375,229</u>	<u>4,803,403</u>	<u>22,815</u>	<u>95,155,817</u>
Public Works:				
Cemeteries	151,748	-	-	151,748
Engineering	68,244,778	18,627,766	3,931,954	82,940,590
Traffic Engineering	3,928,198	-	-	3,928,198
Traffic Signals	2,568,536	-	-	2,568,536
Care and Maintenance of Public Buildings	17,978,104	69,966	34,983	18,013,087
Building and Ground	516,800	-	-	516,800
Custodial Services	34,818	-	-	34,818
Public Works Deputy Dir/Adm	137,832	-	-	137,832
Public Works Infrastructure Management	86,098,681	31,233,717	15,321,819	102,010,579
Pest Control	1,426	-	-	1,426
Streets	143,107,616	-	-	143,107,616
Storm Drainage	73,025,172	-	-	73,025,172
Bridges	1,787,206	-	-	1,787,206
Soil Conservation	232,159	-	-	232,159
Total public works	<u>397,813,074</u>	<u>49,931,449</u>	<u>19,288,756</u>	<u>428,455,767</u>
Culture and Recreation:				
Planetarium	2,205,142	244,844	-	2,449,986
Jackson Zoological Park	6,857,889	15,956	-	6,873,845
Municipal Art Building	43,258	-	-	43,258
Parks Maintenance	546,413	-	-	546,413
Parks and Recreation	32,022,466	235,110	-	32,257,576
Teen Center	5,293	-	-	5,293
Library	8,065,653	-	-	8,065,653
Smith Robertson Cultural Center	1,637,150	-	-	1,637,150
City Auditorium and Art Center	10,623,833	-	-	10,623,833
Total culture and recreation	<u>62,007,097</u>	<u>495,910</u>	<u>-</u>	<u>62,503,007</u>
Miscellaneous:				
City Council/Mayor	799,049	-	-	799,049
City Clerk	192,219	-	-	192,219
City Hall	2,526,372	-	-	2,526,372
Legal	263,643	-	-	263,643
Mayor's Action Line	34,862	-	-	34,862
Industrial Park	1,485,483	-	-	1,485,483
Internal Audit	21,692	-	-	21,692
Total miscellaneous	<u>5,323,320</u>	<u>-</u>	<u>-</u>	<u>5,323,320</u>
Total governmental funds capital assets	<u>\$ 617,246,680</u>	<u>57,529,546</u>	<u>19,311,571</u>	<u>655,464,655</u>

(1) This schedule presents only the capital asset balances related to governmental activities.

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**SCHEDULE OF BONDS
OF CITY OFFICIALS**

**CITY OF JACKSON
SCHEDULE OF BONDS OF CITY OFFICIALS
SEPTEMBER 30, 2021**

1) Company: Porter's Insurance Agency
Limits of liability: Honesty Blanket
Position Bond Coverage

Position	Coverage per each	Term of bond
All employees except City Council (7) Mayor, City Administrative Officer, Director of Administration, Chief of Police, Deputy Chief of Police, City Clerk, Deputy Clerks(10)	\$100,000	10/01/13 - Indefinite

2) Company: FCCI Insurance Group
Travelers Casualty and Surety Company of America
Old Republic Surety Group
Western Surety Company

Limits of liability: Surety Bond coverage as follows:

Position	Coverage per each	Term of bond
City Council (7)	\$100,000	12/23/18 - 12/23/22 07/03/19 - 07/03/21 07/01/21 - 06/30/22 07/01/19 - 07/01/21 07/01/21 - 07/01/22 07/06/18 - 07/06/22 07/01/21 - 06/30/22 07/03/19 - 07/03/21 07/01/21 - 06/30/22 07/03/17 - 07/03/21 07/03/21 - 07/03/25 07/01/19 - 07/01/21 07/01/21 - 07/01/22
Mayor	\$100,000	06/28/17 - 06/28/21 06/28/21 - 06/28/25
City Administrative Officer	\$50,000	08/15/17 - 08/15/21 08/16/21 - 08/16/22
City Clerk	\$50,000	09/12/20 - 09/12/21 09/12/21 - 09/12/22
Director of Administration	\$50,000	01/24/20 - 01/24/21 01/24/21 - 01/24/22
Chief of Police	\$50,000	12/23/20 - 12/23/21 12/23/21 - 12/23/22
Assistant Police Chief	\$50,000	01/27/20 - 01/27/21 01/21/21 - 01/21/22
Deputy Chief of Police	\$50,000	07/25/19 - 07/25/21 07/25/21 - 07/25/22 07/26/19 - 07/26/21 07/26/21 - 07/26/22 07/27/19 - 07/27/21 07/27/21 - 07/27/22
Assistant City Clerk	\$50,000	VACANT
Deputy Clerks (7)	\$50,000	10/10/19 - 10/10/20 12/07/18 - 12/07/20 12/28/18 - 12/28/20 06/02/20 - 06/02/21 06/02/21 - 06/02/22 07/22/20 - 07/22/21 07/21/21 - 07/21/22 08/05/20 - 08/05/21 08/05/21 - 08/05/22 11/21/18 - 11/21/21 11/21/21 - 11/21/22

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STATISTICAL SECTION (UNAUDITED)

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

Contents	Page
Financial Trends	174
These schedules contain trend information to help the reader understand how the City of Jackson’s financial performance and well-being have changed over time.	
Revenue Capacity	179
These schedules contain information to help the reader assess the City of Jackson’s most significant local revenue source, the property tax.	
Debt Capacity	184
These schedules present information to help the reader assess the affordability of the City of Jackson’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
Demographic and Economic Information	190
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Jackson’s financial activities take place.	
Operating Information	193
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Jackson’s financial report relates to the services the city provides and the activities it performs.	

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

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 284,282	\$ 256,952	\$ 259,506	\$ 229,661	\$ 210,819	\$ 125,653	\$ 121,798	\$ 197,641	\$ 179,234	\$ 187,511
Restricted	63,011	70,714	36,814	43,488	44,637	5,961	5,926	5,726	13,446	15,040
Unrestricted	(276,867)	(287,064)	(282,710)	(277,805)	(276,849)	(190,475)	(173,696)	(8,168)	(45,855)	(41,290)
Total governmental activities net position	\$ 70,426	\$ 40,602	\$ 13,610	\$ (4,656)	\$ (21,393)	\$ (58,861)	\$ (45,972)	\$ 195,199	\$ 146,825	\$ 161,261
Business-type activities										
Net investment in capital assets	\$ 194,928	\$ 197,266	\$ 235,404	\$ 242,146	\$ 240,550	\$ 218,760	\$ 213,137	\$ 192,012	\$ 101,011	\$ 184,185
Restricted	640	5,145	1,284	3,491	8,261	-	-	-	-	-
Unrestricted	19,257	42,390	7,899	16,543	15,928	68,728	59,674	84,672	159,496	73,303
Total business-type activities net position	\$ 214,825	\$ 244,801	\$ 244,587	\$ 262,180	\$ 264,739	\$ 287,488	\$ 272,811	\$ 276,684	\$ 260,507	\$ 257,488
Primary government										
Net investment in capital assets	\$ 479,210	\$ 454,218	\$ 494,910	\$ 471,807	\$ 451,369	\$ 344,413	\$ 334,935	\$ 389,653	\$ 371,696	\$ 371,696
Restricted	63,651	75,859	38,098	46,979	52,898	5,961	5,926	5,726	15,041	15,040
Unrestricted	(257,610)	(244,674)	(274,811)	(261,262)	(260,921)	(121,747)	(114,022)	76,504	113,641	32,013
Total primary government net position	\$ 285,251	\$ 285,403	\$ 258,197	\$ 257,524	\$ 243,346	\$ 228,627	\$ 226,839	\$ 471,883	\$ 500,378	\$ 418,749

Source: Statement of Net Position.

City of Jackson
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
General government	\$ 36,992	\$ 37,769	\$ 38,798	\$ 35,428	\$ 31,782	\$ 40,546	\$ 40,625	\$ 15,780	\$ 40,602	\$ 29,456
Public safety	53,541	65,372	62,601	62,809	67,089	68,029	64,796	27,031	64,780	57,055
Public works	22,233	21,741	20,491	14,714	14,338	13,375	19,595	14,505	24,661	24,721
Human and cultural services	16,795	16,884	16,710	17,694	16,571	16,297	16,720	7,831	14,311	13,756
Employee benefits	-	-	-	-	-	6,485	1,564	8,232	7,860	8,685
Interest on long-term debt	4,797	5,669	5,331	5,236	5,570	7,825	5,912	844	8,230	7,448
Total governmental activities	134,358	147,435	143,930	135,881	135,350	152,557	149,212	74,223	160,444	141,121
Business-type activities:										
Water/Sewer	70,865	68,277	77,587	67,911	65,503	50,962	45,439	55,553	48,891	55,347
Transportation	9,882	10,275	8,680	7,837	7,054	8,200	8,213	7,995	7,554	6,970
Madison-Ridgeland Sewage	86	223	113	25,971	117	60	55	109	82	74
Sanitation	11,940	10,761	11,084	10,657	10,904	11,996	10,857	10,766	11,699	11,894
Total business-type activities	92,773	89,536	97,464	86,431	83,578	71,219	64,564	74,423	68,226	74,285
Total primary government	\$ 227,131	\$ 236,971	\$ 241,394	\$ 222,312	\$ 218,928	\$ 223,776	\$ 213,776	\$ 148,646	\$ 228,670	\$ 215,406
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,114	\$ 6,428	\$ 6,565	\$ 6,028	\$ 5,601	\$ 8,439	\$ 9,281	\$ 10,875	\$ 14,204	\$ 15,019
Public Safety	2,145	1,895	2,023	2,075	2,757	288	195	1,348	823	798
Public Works	49	75	101	144	167	208	195	162	200	253
Human and cultural services	721	571	740	596	607	658	455	464	595	885
Operating grants contributions	8,571	13,295	11,756	9,580	10,394	13,486	11,912	8,251	12,261	10,114
Capital grants and contributions	15,005	21,053	16,249	10,075	4,190	2,697	5,200	7,016	11,291	1,970
Total governmental activities	32,605	43,317	37,434	28,498	23,716	25,776	27,238	28,116	39,374	29,039
Business-type activities:										
Charges for services:										
Water/Sewer	33,101	47,754	49,863	57,709	61,212	63,085	59,849	69,423	44,052	47,966
Transportation	-	229	443	506	426	406	716	710	677	589
Madison-Ridgeland Sewage	117	195	70	9	-	-	-	-	-	-
Sanitation	6,676	8,537	8,374	9,502	10,272	11,606	11,349	11,024	11,311	12,007
Operating grants contributions	9,253	8,047	5,553	5,312	4,977	509	570	506	582	631
Capital grants and contributions	-	500	-	-	338	6,415	2,143	2,516	4,675	2,844
Total business-type activities	49,147	65,262	64,303	73,038	77,225	82,021	74,627	84,179	61,297	64,037
Net (expense)/revenue										
Governmental activities	(101,753)	(104,118)	(106,496)	(107,383)	(111,634)	(126,781)	(121,974)	(46,108)	(121,070)	(112,082)
Business-type activities	(43,626)	(24,274)	(33,161)	(13,393)	(6,353)	10,802	10,063	9,756	(6,929)	(10,248)
Total primary government net expenses	\$ (145,379)	\$ (128,392)	\$ (139,657)	\$ (120,776)	\$ (117,987)	\$ (115,979)	\$ (111,911)	\$ (36,352)	\$ (127,999)	\$ (122,330)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 80,103	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,698	\$ 69,708	\$ 77,881	\$ 77,634	\$ 72,437	\$ 74,856
Sales taxes	15,770	14,515	14,548	14,234	14,515	36,731	31,937	32,740	32,718	32,701
Franchise taxes	7,158	6,842	7,298	7,510	7,140	8,119	8,975	9,667	8,245	8,218
Intergovernmental	40,365	37,271	38,213	39,412	38,920	-	-	-	-	-
Investment earnings	747	2,244	1,417	426	302	52	59	74	145	395
Gain (loss) on sale of capital assets	382	177	227	554	137	489	318	561	108	166
Miscellaneous	-	-	-	13	-	401	1,071	1,714	577	282
Transfers	(13,164)	(9,378)	(15,423)	(11,366)	(4,483)	(2,082)	(3,054)	(6,106)	(9,585)	(5,000)
Total governmental activities	131,361	131,110	124,762	128,862	132,229	113,418	117,187	116,284	104,645	111,618
Business-type activities										
Investment earnings	427	344	259	129	127	91	124	256	249	472
Gain on sale of capital assets	59	71	(114)	19	48	-	2	59	15	30
Miscellaneous	-	-	-	-	-	1,700	-	-	-	-
Litigation settlement gain on capital assets	-	14,695	-	-	-	-	-	-	-	-
Gain on retirement bonds	-	-	-	-	-	-	-	-	-	-
Transfers	13,164	9,378	15,423	11,366	4,483	2,082	3,054	6,106	9,585	5,000
Total business-type activities	13,650	24,488	15,568	11,514	4,658	3,873	3,180	6,421	9,849	5,502
Total primary government	\$ 145,011	\$ 155,598	\$ 140,330	\$ 140,376	\$ 136,887	\$ 117,291	\$ 120,367	\$ 122,705	\$ 114,494	\$ 117,120
Change in net position										
Governmental activities	\$ 29,608	\$ 26,992	\$ 18,266	\$ 21,479	\$ 20,595	\$ (13,363)	\$ (4,787)	\$ 70,177	\$ (16,425)	\$ (464)
Business-type activities	(29,976)	214	(17,593)	(1,879)	(1,695)	14,675	13,243	16,177	2,920	(4,746)
Total primary government	\$ (368)	\$ 27,206	\$ 673	\$ 19,600	\$ 18,900	\$ 1,312	\$ 8,456	\$ 86,354	\$ (13,505)	\$ (5,210)

Source: Statement of Activities

City of Jackson
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Local and State Sales Taxes	Franchise Tax	State Motor Fuel Tax	State Alcoholic Beverage Tax	Total
2021	\$ 80,103	\$ 45,073	\$ 7,157	\$ 629	\$ 318	\$ 133,280
2020	79,439	41,120	6,842	597	301	128,299
2019	78,482	41,674	7,298	609	360	128,423
2018	78,079	42,742	7,510	594	331	129,256
2017	75,697	43,866	7,140	168	316	127,187
2016	69,708	36,429	8,119	44	258	114,558
2015	77,880	31,636	8,975	47	254	118,792
2014	61,797	29,440	1,552	30	270	93,089
2013	56,970	29,902	1,590	26	270	88,758
2012	55,855	29,155	1,652	30	268	86,960

Source: Statement of Activities

City of Jackson
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Nonspendable	\$ 922	\$ 877	\$ 811	781	\$ 722	\$ 1,187	\$ 875	\$ 997	\$ 2,283	\$ 2,160
Restricted	8,257	15,392	6,573	1,731	749	687	550	517	492	658
Committed	5,757	5,174	7,348	6,990	6,771	5,066	3,780	3,833	3,585	4,789
Assigned	947	1,549	115	1,995	1,294	1,179	2,005	2,518	49	49
Unassigned	17,490	25,523	25,884	24,356	18,478	6,931	5,525	16,579	26,517	26,310
Total general fund	<u>33,373</u>	<u>\$48,515</u>	<u>\$ 40,731</u>	<u>\$ 35,853</u>	<u>\$ 28,014</u>	<u>\$ 15,050</u>	<u>\$ 12,735</u>	<u>\$ 24,444</u>	<u>\$ 32,926</u>	<u>\$ 33,966</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	61,074	66,607	36,460	43,202	43,888	8,261	7,876	8,362	7,210	4,045
Committed	6,897	5,510	3,394	5,906	7,225	8,084	8,188	10,699	13,943	11,692
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(45)	(194)	-	(498)	(1,663)	-	-
Total all other governmental funds	<u>67,971</u>	<u>\$72,117</u>	<u>\$ 39,854</u>	<u>\$ 49,063</u>	<u>\$ 50,919</u>	<u>\$ 16,345</u>	<u>\$ 15,566</u>	<u>\$ 17,398</u>	<u>\$ 21,153</u>	<u>\$ 15,737</u>

Source: Governmental Funds - Balance Sheet

City of Jackson
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property Taxes	\$ 80,103	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,697	\$ 69,945	\$ 69,118	\$ 77,435	\$ 70,026	\$ 69,887
Franchise taxes	7,158	6,842	7,298	7,510	7,140	-	-	-	-	-
Licenses and permits	1,292	1,405	1,464	1,587	1,403	1,448	1,973	2,006	2,291	2,676
Intergovernmental	75,515	80,618	73,894	72,239	67,550	46,900	47,489	50,291	55,535	49,721
Charges for services	5,727	5,047	5,683	4,760	4,689	4,581	4,695	4,092	4,152	3,693
Fines	1,920	1,704	1,739	1,996	2,350	2,849	3,457	3,109	3,923	4,166
Investment earnings	747	2,244	1,417	426	303	52	59	74	145	395
Special assessments	-	-	-	-	-	10	21	34	2	6
Other	1,222	4,426	3,550	4,010	3,625	18,209	18,625	18,626	18,423	16,560
Total revenues	173,684	181,725	173,527	170,607	162,757	143,994	145,437	155,667	154,497	147,104
Expenditures										
General government	38,222	36,896	40,014	35,719	31,118	27,989	28,371	30,515	30,718	29,269
Public safety	59,542	59,182	60,196	60,996	60,507	53,086	54,068	54,738	52,586	57,035
Human and cultural services	15,246	14,507	14,757	15,328	14,113	13,339	14,619	14,242	13,753	8,349
Public works	11,543	11,455	11,476	10,830	10,547	9,175	16,554	30,334	23,232	24,698
Employee Benefits	-	-	-	-	-	6,696	7,553	8,070	7,780	8,685
Capital Outlay	35,149	38,294	28,874	23,820	23,838	8,658	7,546	10,463	21,090	10,539
Debt service										
Principal	15,132	13,969	16,640	7,341	4,368	7,150	15,700	6,030	2,780	873
Interest and issuance costs	6,680	6,075	5,741	5,696	5,763	8,244	6,491	6,013	5,061	6,575
Total expenditures	181,514	180,378	177,698	159,730	150,254	134,337	150,902	160,405	157,000	146,023
Excess of revenues over (under) expenditures	(7,830)	1,347	(4,171)	10,877	12,503	9,657	(5,465)	(4,738)	(2,503)	1,081
Other financing sources (uses)										
Transfer in	11,734	12,030	5,634	5,511	5,586	6,435	9,347	15,582	10,400	4,813
Transfer out	(24,897)	(21,408)	(21,057)	(16,877)	(10,069)	(16,624)	(19,836)	(28,448)	(26,745)	(16,442)
Issuance of long-term debt	17,761	41,075	15,007	5,892	497	30,019	2,095	4,808	87,269	3,500
Sale of capital assets	382	256	256	579	137	489	318	561	108	166
Payments to refunded bond escrow agent	(19,650)	-	-	-	-	(28,440)	-	-	(69,891)	-
Discount on long-term debt issued	-	-	-	-	-	(88)	-	-	-	-
Premium on long-term debt issued	2,995	6,747	-	-	-	1,172	-	-	5,738	-
Total other financing sources (uses)	(11,675)	38,700	(160)	(4,895)	(3,849)	(7,037)	(8,076)	(7,497)	6,879	(7,963)
Net change in fund balances	\$ (19,505)	\$ 40,047	\$ (4,331)	\$ 5,982	\$ 8,654	\$ 2,620	\$ (13,541)	\$ (12,235)	\$ 4,376	\$ (6,882)
Debt service as a percentage of noncapital expenditures	14.9%	14.1%	15.0%	9.6%	8.0%	12.3%	15.5%	8.0%	5.8%	5.5%

City of Jackson
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local and State Sales Tax</u>	<u>Franchise Tax</u>	<u>State Motor Fuel Tax</u>	<u>State Alcoholic Beverage Tax</u>	<u>Total</u>
2021	\$ 80,103	\$ 45,073	\$ 7,157	\$ 629	\$ 318	\$ 133,280
2020	79,439	41,120	6,842	597	301	128,299
2019	78,482	41,674	7,298	609	360	128,423
2018	78,079	42,742	7,510	594	331	129,256
2017	75,697	43,866	7,140	168	316	127,187
2016	69,945	30,691	8,119	44	258	109,057
2015	69,118	31,636	8,975	47	254	110,030
2014	77,435	29,440	1,552	30	270	108,727
2013	70,026	32,034	1,590	26	270	103,946
2012	69,887	29,155	1,652	30	268	100,992

Source: Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance

City of Jackson
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (2)

Fiscal Year	Real Property		Personal Property		Total		Total Direct Tax Rate (3)	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value		
2021	\$ 794,548,745	\$ 6,152,153,090	\$ 490,433,605	\$ 2,239,695,533	\$ 1,284,982,350	\$ 8,391,848,623	61.32	10%,15%,and 30%
2020	794,990,628	6,158,893,930	489,461,149	2,225,459,710	1,284,451,777	8,384,353,640	61.32	10%,15%,and 30%
2019	802,206,148	6,216,616,390	436,046,020	1,996,189,720	1,238,252,168	8,212,806,110	61.27	10%,15%,and 30%
2018	797,546,086	6,191,522,987	437,285,854	1,991,106,580	1,234,831,940	8,182,629,567	61.23	10%,15%,and 30%
2017	797,544,121	6,191,509,887	432,278,120	1,957,721,687	1,229,822,241	8,149,231,574	59.27	10%,15%,and 30%
2016	797,782,302	6,209,794,880	427,318,830	1,940,221,673	1,225,101,132	8,150,016,553	56.26	10%,15%,and 30%
2015	782,206,847	6,106,236,603	429,291,423	1,975,757,483	1,211,498,270	8,081,994,086	56.46	10%,15%,and 30%
2014	792,551,066	6,169,507,167	423,157,579	1,950,263,833	1,215,708,645	8,119,771,000	62.07	10%,15%,and 30%
2013	805,068,802	6,271,511,887	396,924,146	1,871,856,147	1,201,992,948	8,143,368,034	56.54	10%,15%,and 30%
2012	810,977,848	6,317,262,297	413,249,466	1,993,670,330	1,224,227,314	8,310,932,627	56.63	10%,15%,and 30%

(1) Ad valorem tax property assessments within the City and the Jackson Municipal Separate School District are assessed at fifteen percent (15%). The assessed value for motor vehicles and for property owned by public service corporations is determined by an assessment schedule prepared each year by the State of Mississippi Department of Revenue, and is set at approximately thirty percent (30%) of appraised value.

(2) Includes automotive valuation.

(3) Total direct tax rate comes from the Public Hearing /Special Meeting of the City Council under total for said municipal purposes.

SOURCE: Hinds, Rankin and Madison County Tax Collectors

City of Jackson
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Jackson			Overlapping Rates					Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	(1)	County Debt Service & Operating County Milage	School District			Library Special District	
			Total City Millage		Operating Millage	Debt Service Millage	Total School Millage		
2021	51.73	9.59	61.32	41.58	65.91	20.86	86.77	1.71	191.38
2020	55.17	6.15	61.32	41.58	65.91	20.95	86.86	1.71	191.47
2019	54.66	6.61	61.27	41.58	65.91	18.82	84.73	1.76	189.34
2018	57.40	3.83	61.23	41.58	65.91	18.90	84.81	1.80	189.42
2017	56.19	3.08	59.27	38.83	65.91	18.68	84.59	1.76	184.45
2016	53.28	2.98	56.26	38.33	65.91	16.76	82.67	1.77	179.03
2015	48.90	7.56	56.46	38.33	65.91	16.53	82.44	1.57	178.80
2014	56.77	5.30	62.07	38.33	64.79	7.17	71.96	1.49	173.85
2013	53.50	3.04	56.54	38.33	62.58	14.91	77.49	1.49	173.85
2012	53.43	3.20	56.63	38.33	62.66	12.33	74.99	1.40	171.35

(1) Total direct tax rate comes from the Public Hearing /Special Meeting of the City Council under total for said municipal purposes.

Source: Hinds County Tax Collectors, Jackson Public School District, and Jackson/Hinds Library System

**City of Jackson
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2021</u>			<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Entergy of Mississippi Inc	\$ 181,341	1	14.11%	\$ 79,472	1	6.49%
Bell South	23,773	2	1.85%	50,108	2	4.09%
Atmos Energy Corp	20,945	3	1.63%	12,268	5	1.00%
Entergy Services	20,881	4	1.63%	8,836	8	0.72%
Texas Eastern Transmission LP	17,850	5	1.39%	-		-
Continental Tire The Americas LLC	17,462	6	1.36%	-		-
Gulf South Pipeline Co. LP	17,266	7	1.34%	26,849	4	2.19%
Midcontinent Express Pipeline	13,266	8	1.03%	29,093	3	2.38%
Illinois Central Railroad	9,329	9	0.73%	7,026	10	0.57%
Eaton Aerospace LLC	5,986	10	0.47%	-		-
Parkway Properties	-		-	10,233	6	0.84%
AT&T	-		-	9,804	7	0.80%
Walmart/Sam's Wholesale Club	-		-	8,280	9	0.68%
Totals	<u>\$ 328,099</u>		<u>25.53%</u>	<u>\$ 241,969</u>		<u>19.76%</u>

Source: Hinds County

Note: See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 180 for property assessed value data.

City of Jackson
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 69,547	\$ 67,250	96.7%	\$ 894	\$ 68,144	98.0 %
2020	68,621	66,324	96.7	977	67,301	98.1
2019	67,275	65,024	96.7	958	65,982	98.1
2018	66,618	64,208	96.4	1,360	65,568	98.4
2017	64,507	62,170	96.4	1,096	63,266	98.1
2016	61,601	59,548	96.7	1,229	60,777	98.7
2015	59,436	59,314	99.8	528	59,842	100.7
2014	69,499	66,623	95.9	1,458	68,081	98.0
2013	69,069	61,147	88.5	1,106	62,253	90.1
2012	67,138	60,734	90.5	1,533	62,267	92.7

The total tax levy does not include automobile ad valorem taxes.

City of Jackson
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Governmental Activities										
Fiscal Year	General Obligation Bonds (2)	Limited Obligation Bonds	State Revolving Loan MDA	Mississippi Development Bank Loan	Mississippi Development Bank Note (2)	Section 108 Loan	General Obligation Note	Capital Leases		
2021	\$ 105,233	\$ 8,026	\$ 615	\$ 414	\$ 35,111	\$ 4,800	\$ -	\$ 16,725		
2020	112,677	8,877	332	729	38,792	5,450	-	19,953		
2019	122,095	9,938	431	1,002	-	6,100	-	13,947		
2018	128,381	7,429	527	1,296	-	6,750	-	11,223		
2017	131,834	3,546	621	1,590	-	7,000	-	12,932		
2016	125,729	4,080	217	1,884	-	7,000	2,300	11,640		
2015	124,150	4,576	259	2,159	-	7,000	4,600	15,677		
2014	132,380	5,111	302	2,452	-	6,889	6,900	17,880		
2013	135,645	5,622	342	2,747	-	7,000	9,200	18,167		
2012	131,290	6,102	383	3,040	-	7,000	402	17,058		

(Continued)

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 190 for personal income and population data.

(2) General obligation and revenue bonds and Mississippi Development Bank Notes include the related premium (discount).

Business-Type Activities

Revenue Bonds (2)	General Obligation Note	State Revolving Loan (DEQ)	State Revolving Loan (DOH)	State Revolving Loan (MDA)	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 190,544	\$ 7,000	\$ 45,051	\$ 13,080	\$ 1,162	\$ 1,877	\$ 429,638	5.72%	\$ 2,795
200,278	2,932	36,647	7,911	2,015	2,230	438,823	5.95%	2,855
209,712	-	26,867	3,620	2,868	2,303	398,883	6.51%	2,299
218,811	-	28,364	442	3,721	2,581	409,525	7.18%	2,360
227,608	-	30,437	222	4,574	2,971	423,335	7.42%	2,440
222,455	-	27,322	-	4,363	1,169	408,159	7.29%	2,520
227,910	-	25,633	-	5,021	2,719	419,704	7.31%	2,527
233,660	-	22,534	-	3,943	4,187	443,138	7.81%	2,700
239,265	-	15,653	-	2,727	4,137	440,505	7.59%	2,624
154,430	-	12,578	-	-	3,069	335,352	5.59%	1,933

City of Jackson
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Assessed Value	Limited Obligation Bonds	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2021	\$ 1,284,982	\$ 8,026	\$ 105,233	\$ 9,032	\$ 104,227	1.24%	\$ 678.12
2020	1,284,452	8,877	112,677	7,793	113,761	1.36%	740.14
2019	1,238,252	9,938	122,095	7,971	124,062	1.51%	715.00
2018	1,234,832	7,429	128,381	6,971	128,839	1.57%	742.53
2017	1,229,822	3,546	131,834	5,992	129,388	1.59%	745.69
2016	1,225,101	4,080	125,729	4,275	125,534	1.54%	723.48
2015	1,211,498	4,576	124,150	4,509	124,217	1.54%	715.89
2014	1,215,709	5,111	132,380	4,045	133,446	1.64%	769.08
2013	1,201,993	5,622	135,465	5,149	135,938	1.67%	783.44
2012	1,224,227	6,102	131,290	2,331	135,061	1.63%	778.39

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 180 for property value data.
(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 190.

City of Jackson
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hinds County	\$ 77,426	76.57%	\$ 59,285
Jackson Public Schools	180,113	100.00%	<u>180,113</u>
Subtotal, overlapping debt			239,398
City of Jackson direct debt	170,924	100.00%	<u>170,924</u>
Total direct and overlapping debt			<u><u>\$ 410,322</u></u>

Sources: Assessed value data used to estimate applicable percentages by City of Jackson, Hinds County, and Jackson Public Schools.

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Jackson. This process recognizes that, when considering the City of Jackson ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

**City of Jackson
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$182,280	\$182,360	\$175,533	\$175,212	\$173,963	\$174,666	\$173,182	\$ 176,428	\$176,090	\$174,971
Total net debt applicable to limit	90,120	103,433	109,481	115,476	119,440	107,047	105,717	100,148	94,548	73,224
Legal debt margin	<u>\$ 92,160</u>	<u>\$ 78,927</u>	<u>\$ 66,052</u>	<u>\$ 59,736</u>	<u>\$ 54,523</u>	<u>\$ 67,619</u>	<u>\$ 67,465</u>	<u>\$ 76,280</u>	<u>\$ 81,542</u>	<u>\$101,747</u>
Total net debt applicable to the limit as a percentage of the debt limit	49.4%	56.7%	62.4%	65.9%	68.7%	61.3%	61.0%	56.8%	53.7%	41.8%

Legal Debt margin Calculation for Fiscal Year 2021

Assessed value	\$ 1,284,982
Less Homestead Exemption	<u>(69,782)</u>
Total assessed value	\$ 1,215,200
Debt limit (15% of total assessed value)	<u>182,280</u>
Debt application to limit:	
General obligation bond indebtedness	98,410
Less: Amount set aside for repayment of General obligation bond debt	<u>(8,290)</u>
Total net debt applicable to limit	<u>\$ 90,120</u>
Legal debt margin	<u>\$ 92,160</u>

Note: Under state finance law, the City of Jackson's outstanding general obligation bond debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Jackson
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Water / Sewer Revenue Bonds							
Fiscal Year	Water/Sewer Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		(1) Coverage	
				Principal	Interest		
2021	\$ 33,101	\$ 42,855	\$ (9,754)	\$ 9,015	\$ 10,083	(0.51)	
2020	47,754	40,050	7,704	8,705	10,457	0.40	
2019	49,863	49,197	666	8,370	10,786	0.03	
2018	57,709	39,840	17,869	8,070	11,084	0.93	
2017	61,109	37,636	23,473	7,830	11,327	1.23	
2016	64,673	32,249	32,424	8,569	12,144	1.57	
2015	59,883	29,442	30,441	14,063	12,205	1.16	
2014	69,472	34,670	34,802	9,180	11,917	1.65	
2013	44,186	33,337	10,849	9,380	6,680	0.68	
2012	48,171	33,366	14,805	6,780	4,961	1.26	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

¹ The City of Jackson increased water/sewer rates effective November 19, 2013. The sewer rate increase was 108% and the water rate increase was 29%. Applied fund balance was used for water/sewer shortfall for fiscal year 2013 and 2018. An engineer consultant will conduct an analysis on the water/sewer system.

**City of Jackson
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (3)	Median Age (4)	Education Level in Years of Formal Schooling (2)	School Enrollment (2)	Unemployment Rate (5)
2021	153,701	\$ 7,511,675	\$ 48,872	33.5	12	20,000	4.2%
2020	153,701	7,376,418	47,992	33	12	22,000	6.4%
2019	173,514	6,126,432	32,308	31	12	24,000	4.6%
2018	173,514	5,702,711	32,866	31	12	24,000	4.1%
2017	173,514	5,702,711	32,866	31	12	26,000	4.2%
2016	173,514	5,595,827	32,250	31	12	30,000	5.1%
2015	173,514	5,739,843	33,080	31.3	12	30,000	4.8%
2014	173,514	5,675,296	32,708	31.5	12	30,000	5.9%
2013	173,514	5,801,267	33,434	31.5	12	30,000	6.7%
2012	173,514	5,997,858	34,567	31.0	12	30,000	7.3%

Data Sources

- (1) Mississippi Census Bureau
- (2) Jackson Public Schools Estimate
- (3) U.S. Bureau of Economic Analysis
- (4) Mississippi Department of Employment Security
- (5) U.S. Bureau of Labor Statistics

**City of Jackson
Principal Employers
Current Year and Nine Years Ago**

Employer	2021			2012		
	Employees¹	Rank	Percentage of Total Area Employment²	Employees¹	Rank	Percentage of Total Area Employment³
State of Mississippi	27,775	1	11.15%	31,556	1	12.43%
University of Mississippi	9,000	2	3.61%	8,000	2	3.15%
American Studios, Inc.	5,000	3	2.01%	-		
Jackson Public School District	4,200	4	1.69%	4,814	4	1.90%
Entergy Operations, Inc.	3,600	5	1.44%	-		
Baptist Health Systems	3,000	6	1.20%	2,875	5	1.13%
Trustmark Corporation	2,797	7	1.12%	-		
St. Dominic Health Services	2,500	8	1.00%	2,600	6	1.02%
City of Jackson, Mississippi	2,100	9	0.84%	2,323	7	0.91%
Jackson State University	2,000	10	0.80%	1,667	8	0.66%
U.S. Government				5,500	3	2.17%
AT&T				1,300	9	0.51%
Central MS Medical Center				1,200	10	0.47%
	61,972		24.87%	61,835		24.35%

¹ Source: MetroJackson Chamber of Commerce 2021

² Source: Mississippi Department of Employment Security for Jackson MSA

³ Source: U.S. Bureau of Labor Statistics

City of Jackson
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General government	249	269	268	267	249	266	267	278	302	290
Public safety										
Police										
Officers	279	298	352	415	352	440	389	412	455	499
Civilians	134	169	188	153	208	193	245	280	267	272
Fire										
Firefighters and officers	309	332	336	314	311	338	333	345	316	337
Civilians	15	14	14	14	14	14	24	23	17	11
Public Works	270	330	373	367	333	157	395	425	461	484
Culture and Recreation	213	209	234	246	184	260	273	262	318	238
Total	<u>1,469</u>	<u>1,621</u>	<u>1,765</u>	<u>1,776</u>	<u>1,651</u>	<u>1,668</u>	<u>1,926</u>	<u>2,025</u>	<u>2,136</u>	<u>2,131</u>

Source: City of Jackson Information System Department.

**City of Jackson
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Parking violations	5,474	4,916	8,185	29,270	5,535	9,399	9,197	10,098	12,281	17,190
Traffic violations	22,955	21,970	28,498	63,634	17,666	30,405	44,008	41,823	52,425	60,598
Fire										
Number of calls answered (1)	17,180	16,658	17,503	17,802	15,309	716	14,567	14,025	11,825	9,403
Inspections	2,538	1,784	2,461	1,276	3,392	3,941	3,205	4,141	4,500	4,635
Highways and streets										
Street resurfacing (miles) (1)	22	18	13	4	24.8	24.8	6.2	6.1	4.2	10.6
Potholes repaired (2)	14,899	15,962	24,191	11,224	14,999	22,116	30,389	29,921	37,565	29,871
Sanitation										
Refuse collected (tons/day)	3,558	3,456	7,799	9,880	3,381	4,114	5,496	5,361	5,301	7,904
Recyclables collected (tons/day)	-	-	69	160	69.09	83.18	81.96	90.06	91.35	89.84
Culture and recreation										
Community center admissions	158	97	160	169	80	79	110	64	89	118
Water										
New connections (1)	4,211	3,748	1,078	188	121	-	-	-	-	212
Average daily consumption (thousands of gallons) (1)	81,915	75,517	96,600	7,189	7,008	-	-	-	-	-
Wastewater										
Average daily sewage treatment (thousands of gallons) (1)	82,647	75,686	96,929	7,218	43,896	-	-	-	-	-

Source: Various City of Jackson departments.

(1) The dashes indicate data that is not available.

(2) Prior years' data was recorded based on the number of pothole calls not the number of potholes repaired.

**City of Jackson
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Fire stations	21	21	21	21	21	21	21	21	21	21
Highways and streets										
Streets (miles)	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,204
Traffic signals intersection	321	321	321	321	319	358	358	358	358	358
Culture and recreation										
Parks	57	57	57	57	57	57	57	54	54	54
Gymnasiums	5	5	5	5	5	5	5	5	5	5
Swimming pools	8	9	9	9	9	9	9	9	9	9
Splash pad	1	-	-	-	-	-	-	-	-	-
Tennis courts	61	61	61	61	61	61	61	61	61	61
Community centers	6	9	9	9	9	10	10	10	10	10
Water										
Water mains (miles)	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-
Fire hydrants	7,000	7,000	7,000	7,800	22,000	-	-	-	-	-
Maximum daily capacity (thousands of gallons)	19,543	18,974	18,316	18,057	17,795	-	-	-	-	-
Sewer										
Sanitary sewers (miles)	1,000	1,000	1,000	1,000	900	-	-	-	-	-
Storms sewers (miles)	9,391	9,391	9,478	9,859	3,908	-	-	-	-	-

Source: Various City of Jackson departments.
(1) The dashes indicate data that is not available.

SINGLE AUDIT

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PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor
and Honorable Members of the City Council
City of Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jackson, Mississippi (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Jackson, Mississippi's basic financial statements, and have issued our report thereon dated February 20, 2023. Our report includes a reference to other auditors who audited the financial statements of the City's discretely presented component units: the Capital City Convention Center Commission, the Jackson Redevelopment Authority, and the Jackson Municipal Airport Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and another deficiency in internal control that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-012, 2021-014, and 2021-015 to be material weaknesses.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-013 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jackson, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, and 2021-015 through 2021-022.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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

Tamm, Brown & Ross Co.

February 20, 2023

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

The Honorable Mayor
and Honorable Members of the City Council
City of Jackson, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Jackson, Mississippi's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Jackson Municipal Airport Authority (JMAA) as a discretely presented component unit of the City. During the year ended September 30, 2021, JMAA expended \$12,173,753 in federal awards, which is not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of JMAA because JMAA engaged other auditors to perform its audit.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal award applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Jackson, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Jackson, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Tam, Brown & Ross Co.

February 20, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
(MS Department of Education - Pass Through) Child and Adult Care Food Program SUBTOTAL CFDA NUMBER 10.558	10.558	V0000700018	\$ 82,136 <u>82,136</u>	\$ - <u>-</u>
Food Distribution Cluster: (Central Mississippi Planning and Development District - Pass Through) Commodity Supplemental Food Program (Congregate) Commodity Supplemental Food Program (Home Delivered) SUBTOTAL CFDA NUMBER 10.565	10.565 10.565	1120-25 1520-25	40,569 56,571 <u>97,140</u>	- - <u>-</u>
Direct Program: Emergency Watershed Protection Program SUBTOTAL CFDA NUMBER 10.923	10.923		302,915 <u>302,915</u>	- <u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>482,191</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-28-0003	5,989	-
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-28-0003	37,359	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-28-0003	137,849	-
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-28-0003	196,127	-
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-28-0003	161,912	-
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-28-0003	301,113	-
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-28-0003	44,015	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-28-0003(CV)	59,062	-
SUBTOTAL CFDA NUMBER 14.218			<u>943,426</u>	<u>-</u>
Emergency Solutions Grant Program	14.231	E-19-MC-28-0003	11,677	-
COVID-19 Emergency Solutions Grant Program	14.231	E-20-MW-28-0003(CV)	532,850	437,398
SUBTOTAL CFDA NUMBER 14.231			<u>544,527</u>	<u>437,398</u>
HOME Investment Partnerships Program	14.239	M-15-MC-28-0200	65,515	65,515
HOME Investment Partnerships Program	14.239	M-16-MC-28-0200	8,070	8,070
HOME Investment Partnerships Program	14.239	M-17-MC-28-0200	3,264	-
HOME Investment Partnerships Program	14.239	M-18-MC-28-0200	394,283	392,087
HOME Investment Partnerships Program	14.239	M-19-MC-28-0200	68,791	-
SUBTOTAL CFDA NUMBER 14.239			<u>539,923</u>	<u>465,672</u>
Housing Opportunities for Persons with AIDS	14.241	MS-H19-F001	73,159	45,489
Housing Opportunities for Persons with AIDS	14.241	MS-H20-F001	396,028	396,028
COVID-19 Housing Opportunities for Persons with AIDS	14.241	MS-H20-FHW001(CV)	208,689	208,689
SUBTOTAL CFDA NUMBER 14.241			<u>677,876</u>	<u>650,206</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MSLHB0631-16	20,664	-
SUBTOTAL CFDA NUMBER 14.900			<u>20,664</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>2,726,416</u>	<u>1,553,276</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0739	208,638	-
SUBTOTAL CFDA NUMBER 16.738			<u>208,638</u>	<u>-</u>
Equitable Sharing Program	16.922		15,069	-
SUBTOTAL CFDA NUMBER 16.922			<u>15,069</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>223,707</u>	<u>-</u>
<u>U.S. Department of Labor</u>				
(Senior Service America - Pass Through) Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-35223-20-60-A-24	353,005	-
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-36274-21-60-A-24	97,366	-
SUBTOTAL CFDA NUMBER 17.235			<u>450,371</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>450,371</u>	<u>-</u>

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>U.S. Department of Transportation</u>				
(Mississippi Department of Transportation-Pass Through)				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Lynch Street Improvements)	20.205	DHP-8276-00(003) 104587-812000	938,259	-
Highway Planning and Construction (Capital Street Phase II)	20.205	TCSP-8312-00(002) 106058-802000	323,941	-
Highway Planning and Construction (Museum to Market Trail)	20.205	STP-0250-00(039) 106367-70100	467,054	-
Highway Planning and Construction (Barr Elementary)	20.205	SRSP-0250-00(051) 105812-40100	519,293	-
Highway Planning and Construction (South Jackson Signals)	20.205	STP-0250-00(49) 107545-701000	68,100	-
Highway Planning and Construction (North Jackson Signals)	20.205	STP-8243-00(002) 107546-70100	282,709	-
Highway Planning and Construction (North State Street)	20.205	STP-6928-00(013) 107548-70100	328,182	-
Highway Planning and Construction (State Street Rehabilitation)	20.205	STP-6928-00(015) 108077-701000	508,858	-
Highway Planning and Construction (Fast Act Sidewalks)	20.205	STP-0250-00(054) 108164-701000	15,961	-
SUBTOTAL CFDA NUMBER 20.205			3,452,357	-
Federal Transit Administration				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit Formula Grants	20.507	MS-90-00-81	82,322	-
Federal Transit Formula Grants	20.507	MS-90-00-88	163,154	-
Federal Transit Formula Grants	20.507	MS-90-X092-00	16,037	-
Federal Transit Formula Grants	20.507	MS-2017-005-01	82,692	-
Federal Transit Formula Grants	20.507	MS-2019-007-00	49,309	-
Federal Transit Formula Grants	20.507	MS-2020-001-00	652,449	-
Federal Transit Formula Grants	20.507	MS-2020-004-00	6,578,032	-
Federal Transit Formula Grants	20.507	MS-2020-009-00	219,660	-
Federal Transit Formula Grants	20.507	MS-2021-001-00	294,361	-
Federal Transit Formula Grants	20.507	MS-2021-004-00	211,981	-
Federal Transit Formula Grants	20.507	MS-2021-009-00	81,293	-
Federal Transit Formula Grants	20.507	MS-2021-010-00	276,461	-
SUBTOTAL CFDA NUMBER 20.507			8,707,750	-
Highway Safety Cluster:				
(Mississippi Office of Highway Safety-Pass Through)				
State and Community Highway Safety	20.600	PT-2021-PT-21-91 18PS2191 20LX2191	107,403 62,853 10,000	- - -
SUBTOTAL CFDA NUMBER 20.600			180,256	-
(Mississippi Department of Transportation-Pass Through)				
National Infrastructure Investments (Tiger Grant)	20.933	STP-0250-00(047) 107200/811000	2,565,751	-
SUBTOTAL CFDA NUMBER 20.933			2,565,751	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			14,906,114	-
<u>U.S. Department of Treasury</u>				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		1,095,958	-
SUBTOTAL CFDA NUMBER 21.027			1,095,958	-
TOTAL U.S. DEPARTMENT OF TREASURY			1,095,958	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>U.S. Environmental Protection Agency</u>				
Clean Water State Revolving Fund Cluster				
Mississippi Department of Environmental Quality (Pass-Through)				
Capitalization grants for Clean Water State Revolving Funds	66.458	SRF-C2800838-04	10,396,448	-
SUBTOTAL CFDA NUMBER 66.458			<u>10,396,448</u>	<u>-</u>
Drinking Water State Revolving Fund Cluster				
Mississippi Department of Health (Pass-Through)				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWI-L250008-02	5,444,925	-
SUBTOTAL CFDA NUMBER 66.468			<u>5,444,925</u>	<u>-</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>15,841,373</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
Aging Cluster:				
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers (Central MS Planning and Development District - Pass Through)				
Title III-B Outreach	93.044	1030-25	23,167	-
SUBTOTAL CFDA NUMBER 93.044			<u>23,167</u>	<u>-</u>
Special Programs for the Aging Title III, Part C, Nutrition Services (Central MS Planning and Development District - Pass Through)				
Congregate Nutrition Program (Non-cash)	93.045	1120-25	80,872	-
SUBTOTAL CFDA NUMBER 93.045			<u>80,872</u>	<u>-</u>
TOTAL AGING CLUSTER			<u>104,039</u>	<u>-</u>
CCDF Cluster:				
(Mississippi Department of Human Services-Pass Through)				
COVID-19 Child Care and Development Block Grant	93.575		535,838	-
SUBTOTAL CFDA NUMBER 93.575			<u>535,838</u>	<u>-</u>
(Central MS Planning and Development District - Pass Through)				
Social Services Block Grant (Transportation)	93.667	1530-25	87,384	-
Social Services Block Grant (Home Delivered Meals) (Non-cash)	93.667	1520-25	246,721	-
SUBTOTAL CFDA NUMBER 93.667			<u>334,105</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>973,982</u>	<u>-</u>
<u>Executive Office of the President</u>				
Direct Program:				
High Intensity Drug Trafficking Area Program	95.001		12,784	-
SUBTOTAL CFDA NUMBER 95.001			<u>12,784</u>	<u>-</u>
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			<u>12,784</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Mississippi Emergency Management Agency-Pass Through)				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4538-DR-MS	132,972	-
SUBTOTAL CFDA NUMBER 97.036			<u>132,972</u>	<u>-</u>
(Mississippi Department of Public Safety- Pass Through)				
Homeland Security Grant Program	97.067	19LE221B	36,447	-
SUBTOTAL CFDA NUMBER 97.067			<u>36,447</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>169,419</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 36,882,315</u>	<u>\$ 1,553,276</u>

The accompanying notes are an integral part of this schedule. See auditor's report on supplementary schedules.

CITY OF JACKSON
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Jackson under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Jackson, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Jackson.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - CONTINGENCY

The City has responsibility for expending grant funds in accordance with specific instructions from its funding sources. Any deficits resulting from over expenditures and/or questioned costs are the responsibility of the City.

Any unexpended grant funds at the end of the grant period may be refundable or carried over to the following period at the discretion of the funding sources. Notwithstanding the audits by independent certified public accountants, all costs included in this report remain subject to audit by the agencies providing financial support within the limits of the Uniform Guidance. The determination as to whether costs will be allowable or unallowable under the grants will be made by representatives of the funding sources having authority to make and enforce contracts.

NOTE 4 – LOAN AND LOAN GUARANTEES

In accordance with the Uniform Guidance, loans and loan guarantees include new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements.

NOTE 5 – INDIRECT COSTS

The City did not elect to use the 10% de minimus indirect cost rate.

NOTE 6- NON CASH ASSISTANCE

Non-cash federal assistance totaling \$327,593 is reflected under programs 93.045 and 93.667 for the estimated value of food received.

CITY OF JACKSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2021

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. Material weaknesses were disclosed during the audit of the financial statements and are reported in this schedule. Significant deficiencies that are not considered to be material weaknesses were disclosed during the audit of the financial statements and are reported in this schedule.
3. Instances of noncompliance material to the financial statements were reported.
4. No material weaknesses or significant deficiencies in internal control over major federal award programs are reported.
5. The auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion on all major federal programs.
6. No audit findings were required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were:
 - Highway Planning and Construction Cluster (20.205)
 - Federal Transit Cluster (20.507)
 - Clean Water State Revolving Fund Cluster (66.458)
 - Drinking Water State Revolving Fund Cluster (66.468)
 - 20.933 National Infrastructure Investments
8. The threshold for distinguishing Types A and B programs was \$1,106,469.
9. The Organization did not qualify as a low-risk auditee.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

2021-001 Material Weakness and Noncompliance – Financial Reporting (Repeated finding. See finding 2020-001.)

Criteria: Federal regulations require the City to submit its audited annual comprehensive financial report (ACFR), including an audit of its major federal award programs, to the Federal Audit Clearinghouse within nine months of the City's fiscal year end. Regulations of the Mississippi Office of the State Auditor (MS OSA) require the City to submit its audited ACFR to MS OSA within thirteen months of the City's fiscal year end. The City's ACFR is the responsibility of the City's management. Therefore, a proper system of internal control over financial reporting is essential in order to prevent, detect, and correct misstatements in the ACFR and to facilitate the timely preparation of the ACFR.

Condition: The City's audited ACFR for the fiscal year ended September 30, 2020, was not submitted to the Federal Audit Clearinghouse and MS OSA before the applicable deadlines.

Cause: The City did not have adequate procedures and staffing in place to make the necessary adjustments in a timely manner as part of its month-end financial reporting process and to prepare the ACFR draft in a timely manner as part of its year-end financial reporting process.

Effect: The annual audit process was significantly delayed while the City gathered the necessary information and prepared a preliminary draft of the ACFR for audit. In addition, a significant number of adjustments to the accounting system data and revisions to the ACFR draft were necessary during the audit process.

Recommendation: We recommend that the City review its financial reporting procedures and staffing levels and revise these as necessary to ensure that the financial reports generated on a monthly and annual basis are prepared in a reliable and timely manner.

Response: The City's response is reflected in the accompanying corrective action plan.

2021-002 Material Weakness – Cash (Repeated finding. See finding 2020-002.)

Criteria: Reconciliation of the bank account statements to the accounting system is a primary control procedure to ensure that transactions are properly recorded in the accounting system.

Condition: The operating bank account reconciliations did not agree with the general ledger account balances, and discrepancies were not researched and reconciled in a timely manner.

Cause: The City has had difficulties in reconciling the bank accounts' activity within the Water/Sewer billing system and the new accounting system.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

Effect: The City's internal financial reports did not accurately reflect cash balances and activity.

Recommendation: We recommend that procedures be implemented to reconcile all bank account statements to the accounting system monthly. Any differences should be investigated and resolved in a timely manner.

Response: The City's response is reflected in the accompanying corrective action plan.

2021-003 Material Weakness – Investment Accounts (Repeat finding. See finding 2020-003.)

Criteria: Reconciliation of bank and investment account statements to the accounting system is a primary control procedure to ensure that transactions are properly recorded in the accounting system.

Condition: The trust, escrow, and investment bank account statements were not periodically reconciled to the general ledger account balances.

Cause: The City relied on year-end adjustments to record the activity in these accounts.

Effect: The internal financial reports did not accurately reflect the balances and activity in the trust, escrow, and investment bank accounts, and one investment account ("Jackson Tri-Cent") was not reflected in the City's accounting system.

Recommendation: We recommend that procedures be implemented to reconcile all bank and investment account statements to the accounting system on a monthly basis. Any differences should be investigated and resolved in a timely manner.

Response: The City's response is reflected in the accompanying corrective action plan.

2021-004 Material Weakness – Receivables (Repeated finding. See finding 2020-004.)

Criteria: Reconciliation of accounts receivable totals in the accounting system to detailed reports reflecting the individual customer accounts or other detailed balance information is a primary control procedure to ensure that transactions are properly recorded in the accounting system.

Condition: Water, sewer, and garbage customer receivable balances and various other receivable balances in the accounting system were not periodically reconciled to the detailed supporting records of balances actually owed to the City by individuals and others.

Cause: The City has had difficulties in reconciling the activity within the water/sewer billing system, and procedures did not appear to be in place to reconcile other receivable balances to the underlying individual accounts of those who owe the City.

Effect: The City's internal financial reports did not accurately reflect receivable balances owed to the City and the related revenues.

Recommendation: We recommend that procedures be implemented to reconcile all receivable balances in the accounting system to the underlying balances owed by individuals and others monthly. Any differences should be investigated and resolved in a timely manner.

Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

2021-005 Material Weakness – Receivables (Repeated finding. See finding 2020-005.)

- Criteria:** Generally accepted accounting principles require that receivable balances and the related revenues be reflected net of an allowance for amounts estimated to be uncollectible.
- Condition:** The City's water, sewer, and garbage customer accounts receivables balances have continued to increase dramatically over the past several years, and the allowances for uncollectible amounts were not adequately adjusted based on the past-due status of the receivables and other factors affecting collectability.
- Cause:** As a result of difficulties experienced with the billing system, the City had delayed the evaluation of the collectability of receivable balances.
- Effect:** Without appropriate allowances for uncollectible amounts, the internal financial reports overstated both the receivables asset balances and the related revenues.
- Recommendation:** We recommend that procedures be implemented to periodically review and adjust the allowances for uncollectible accounts.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-006 Material Weakness – Liabilities (Repeated finding. See finding 2020-008.)

- Criteria:** Reconciliation of liability account totals in the accounting system to detailed reports reflecting the individual vendor accounts or other detailed balance information is a primary control procedure to ensure that transactions are properly recorded in the accounting system.
- Condition:** Accounts payable and other liability detailed reports were not reconciled to the accounting system balances.
- Cause:** Procedures were not in place to periodically reconcile the underlying amounts owed to individuals and entities with the liability balances reflected in the accounting system.
- Effect:** The City's accounting system did not properly reflect the balances owed by the City.
- Recommendation:** We recommend that procedures be implemented to reconcile the liability balances in the accounting system to the underlying amounts owed by the City on a monthly basis.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-007 Material Weakness – Liabilities (Repeated finding. See finding 2020-009.)

- Criteria:** Reconciliation of payroll liability account totals in the accounting system to detailed reports reflecting the individual balances owed is a primary control procedure to ensure that transactions are properly recorded in the accounting system.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

- Condition:** Payroll liability accounts for payroll taxes, retirement contributions, group insurance premiums, and garnishment withholdings were not reconciled to ensure that all payroll withholdings and the City's related share of costs were properly reflected and remitted to the appropriate entities in a timely manner.
- Cause:** Procedures were not in place to periodically reconcile the underlying amounts owed to the liability balances reflected in the accounting system.
- Effect:** The City's accounting system did not properly reflect the balances owed by the City.
- Recommendation:** We recommend that procedures be implemented to reconcile monthly the payroll liability balances in the accounting system to the underlying amounts owed by the City.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-008 Material Weakness – Liabilities (Repeated finding. See finding 2020-011.)

- Criteria:** Reconciliation of liability account totals in the accounting system to detailed reports reflecting the individual balances making up the total is a primary control procedure to ensure that transactions are properly recorded in the accounting system.
- Condition:** A detailed report of the individual case numbers and amounts of police seized and forfeited cash held by the City pending court action was not available.
- Cause:** A comprehensive system was not in place to track the seized and forfeited balances held by the City pending court decisions on whether the funds will be retained as city revenue or returned to defendants.
- Effect:** The police seized and forfeited cash liability reflected in the accounting system was not reconciled to the individual cases pending.
- Recommendation:** We recommend that the City develop a report reflecting the individual case amounts held by the City pending court action and implement procedures to reconcile the individual case amounts to the balance in the accounting system on a monthly basis.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-009 Material Weakness – Fund Balances (Repeated finding. See finding 2020-012.)

- Criteria:** Revenues and expense are required by GAAP to be separately reflected (rather than netted), and donations received with restrictions on their use are required to be reflected as restricted fund balances until utilized for the intended purposes.
- Condition:** Some restricted fund balances for special programs were incorrectly reflected as "other liabilities", and some receipts were improperly posted directly to restricted liability or fund balance accounts rather than being reflected as revenues.
- Cause:** Liability accounts were not monitored to ensure that liability account usage was appropriate.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

Effect: The City's liabilities were overstated, and revenues and restricted fund balances were understated.

Recommendation: We recommend that liability accounts be periodically reviewed to ensure that usage of liability accounts is appropriate. In addition, restricted fund balances should be monitored to ensure that the restricted fund balance is released to unrestricted fund balance upon utilization for the intended purpose.

Response: The City's response is reflected in the accompanying corrective action plan.

2021-010 Material Weakness – Revenues (Repeated finding. See finding 2020-013.)

Criteria: Monitoring of lease agreements and payments due from lessees is a primary control to ensure that lessees comply with lease terms and that payments are received when due.

Condition: A tower lease agreement tracking system was not in place to monitor monthly tower lease revenue due from cellular companies or to monitor remaining lease terms, renewals, inflation adjustments, etc.

Cause: Because of the quantity and complexity of the City's tower leases, the City has primarily relied on the cellular companies to keep track of their own leases and make payments when due.

Effect: Tower leases are a significant source of revenue for the City, and with limited oversight from the City, lessees might underpay the City in connection with their lease obligations.

Recommendation: We recommend that the City develop a tracking system for its tower leases and the payments due from the lessees.

Response: The City's response is reflected in the accompanying corrective action plan.

2021-011 Material Weakness – Expenditures (Repeated finding. See finding 2020-014.)

Criteria: Generally accepted accounting principles require capital outlay expenditures to be segregated from operating expenditures.

Condition: Capital outlay expenditure accounts included items that should have been classified as supplies since they did not meet the City's capitalization criteria, and the Other Services and Charges expenditure accounts included amounts that should have been classified as capital outlay.

Cause: The City relied upon year-end audit adjustments to correct these misposted transactions.

Effect: The City's internal financial reports did not accurately reflect capital outlay and debt service expenditures.

Recommendation: We recommend that the City's procedures for classifying and recording capital outlay expenditures be reviewed and revised as necessary to properly reflect these expenditures.

Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

2021-012 Material Weakness – Purchasing Procedures (Repeat finding. See finding 2020-015.)

- Criteria:** Municipalities have an obligation to their citizens and grantors to efficiently utilize financial resources in providing the necessary municipal services.
- Condition:** The City rented sewer by-pass pumps and related equipment in response to several sewer line emergencies. However, the City did not obtain competitive proposals or contracts for these services, and the equipment rentals continued for an extensive period beyond the initial emergencies. In addition, these rentals were not processed within the purchase order and accounts payable system in a timely manner.
- Cause:** The City's emergency purchasing procedures did not specify a time limit for the emergency exception from normal competitive purchasing procedures for ongoing services, and the normal purchase order procedures were not followed.
- Effect:** The City may not have paid the best price for the services that it received. In addition, the rental invoices were not entered into the payment processing system in a timely manner, and many of these invoices were paid more than a year after the charges were incurred.
- Recommendation:** We recommend that the City review its emergency purchasing procedures and revise them as necessary to ensure that emergency purchases are adequately monitored and processed and that the City's normal competitive purchasing procedures are utilized as soon as practicable after the initial emergency exceptions are allowed.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-013 Significant Deficiency – Payroll Processing

- Criteria:** Supervisory review and approval of the work hours reported by employees is an important internal control to prevent overpayment of employees' wages.
- Condition:** An employee within the City's police department repeatedly reported, and was paid for, excessive work hours, which averaged 21 hours per day.
- Cause:** The hours reported as worked were not adequately monitored and reviewed prior to approval for payment.
- Effect:** The employee appears to have been paid for more hours than the employee actually worked.
- Recommendation:** We recommend that the City review and revise its procedures for monitoring, reviewing, and approving employees' reported work hours prior to processing for payment in order to prevent payments to employees for overstated work hours. We understand that the employee involved was subsequently terminated from employment with the City in April, 2022.
- Response:** The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

2021-014 Material Weakness – Internal Service Fund

- Criteria:** The purpose of an internal service fund is to provide services to the City's other funds and departments while the related cost of the services is allocated and charged to the City's other funds.
- Condition:** The City maintains an internal service fund to facilitate the medical benefits provided to its employees. However, the cost of the medical benefits provided to the City's employees was not allocated to the City's other funds and departments during the year.
- Cause:** The City did not have adequate procedures in place to monitor and allocate the internal service fund costs to the City's various other funds and departments during the year.
- Effect:** The group insurance expense reflected in the City's various funds and departments during the year was understated by approximately \$12 million and had to be allocated to the City's other funds and departments as additional group insurance expense during the annual audit process.
- Recommendation:** We recommend that the City develop procedures to allocate the internal service fund costs to the applicable funds and departments of the City each month.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-015 Material Weakness and Noncompliance – Unclaimed Funds (Repeated finding. See finding 2020-017.)

- Criteria:** Funds that have been unclaimed (i.e. uncashed checks) for more than five years are required under the Mississippi Unclaimed Property Act to be remitted to the Mississippi Treasurer's Office at least every three years if a check is not cashed by the payee, the money is still owed, and the payee cannot be located to reissue a check.
- Condition:** Approximately 1,500 old outstanding payroll and other checks dating back as far as 1996 were still reflected as outstanding in the accounting system and had not yet been remitted to the Mississippi Treasurer's Office as required.
- Cause:** The City did not have adequate procedures in place to monitor unclaimed funds and transmit them to the Mississippi Treasurer's Office as required.
- Effect:** The City was not in compliance with the Mississippi Unclaimed Property Act.
- Recommendation:** We recommend that procedures be implemented to remit unclaimed funds to the Mississippi Treasurer's Office as required. In addition, we recommend that procedures be implemented to periodically review the outstanding checks schedule to ensure that voided checks have been properly removed from the outstanding checks schedule and any significant old outstanding checks are investigated to determine the reason they have not been cashed by the payees.
- Response:** The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

2021-016 Noncompliance – City Council Meeting Minutes (Repeat finding. See finding 2020-018.)

- Criteria:** State statutes require minutes of city council meetings to be approved and signed by the next regular city council meeting or within 30 days, whichever occurs first.
- Condition:** We noted several instances in which the city council meeting minutes were not approved and signed within the required timeframe.
- Cause:** Delays appear to have resulted from staffing changes and the COVID-19 pandemic.
- Effect:** The city council meeting minutes were not available to the public in a timely manner.
- Recommendation:** We recommend that the procedures be reviewed and revised as necessary to ensure that the city council meeting minutes are approved in a timely manner.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-017 Noncompliance – Budgeting (Repeated finding. See finding 2020-020.)

- Criteria:** State statutes and regulations require that the City limit its expenditures to the amounts in the approved budget line items except for court-ordered or emergency purchases and capital outlay.
- Condition:** Several expenditure line items in the budget were exceeded with no known applicable exception to the budget compliance requirement.
- Cause:** The correction of posting errors and misclassified expenditures as well as items not separately budgeted as required resulted in actual expenditures that exceeded expenditure budget line items.
- Effect:** The City was not in compliance with state statutes, and City officials could be exposed to fines for budget violations.
- Recommendation:** We recommend that the City review and revise its budgeting and reporting procedures to ensure that the transactions are properly recorded and budget expenditures are adequately monitored to prevent expenditures in excess of the budgeted line items.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-018 Noncompliance – Budgeting (Repeat finding. See finding 2020-021.)

- Criteria:** Budget revisions that cumulatively exceed 10% of the originally adopted budget for a fund or department are required by state statute to be published in a newspaper in the same manner as the originally adopted budget along with the reason for the budget revisions.
- Condition:** Several revisions to budgets for funds and departments exceeded 10% cumulatively but were not published as required.
- Cause:** The City did not adequately monitor budget revisions.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

Effect: The public was not adequately informed of the budget revisions.
Recommendation: We recommend that the City's budget revision procedures be reviewed and revised as necessary to ensure that cumulative budget revisions in excess of 10% are published as required.
Response: The City's response is reflected in the accompanying corrective action plan.

2021-019 Noncompliance – Bank Accounts (Repeat finding. See finding 2020-022.)

Criteria: The City is required by state statute to obtain competitive bids every two years from banks for municipal depository services and to designate its municipal depository for holding City funds based on the best bid.
Condition: One of the City's bank accounts, which had a balance of approximately \$35 million at year-end and was held by the City's primary municipal depository, only earned interest at a rate of 0.05% rather than the 0.41% rate required by the City's municipal depository agreement with that bank. In addition, three of the City's bank accounts, which had balances totaling approximately \$613 thousand at year-end and were held by the City's primary municipal depository, were earning no interest at all.
Cause: The City did not adequately monitor the bank's compliance with the municipal depository agreement.
Effect: The City did not receive the correct amount of interest on its deposits with the bank.
Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that the bank complies with the municipal depository agreement.
Response: The City's response is reflected in the accompanying corrective action plan.

2021-020 Noncompliance – Investments (Repeated finding. See finding 2020-023.)

Criteria: State statutes generally restrict the types of investments that can be held by municipalities to direct investments in government securities.
Condition: The Tort Claims Reserve Fund and the Water/Sewer EPA Consent Decree Account held investments in a U.S. Treasury money market fund (rather than direct U.S. Treasury securities), but this type of investment is only allowed for debt-related trust accounts.
Cause: The City did not adequately monitor its investments for compliance with the applicable requirements.
Effect: The City was not in compliance with state statutes.
Recommendation: We recommend that the City transfer these funds to an allowable type of investment.
Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

2021-021 Noncompliance – Personnel (Repeated finding. See finding 2020-024.)

- Criteria:** Federal regulations and state statutes require employers in Mississippi to complete an I-9 employment eligibility form and online E-Verify process when hiring employees. The I-9 form is required to be signed by a City representative to certify completion of the employment eligibility verification procedures.
- Condition:** I-9 forms were not properly completed and certified by the City for some new employees.
- Cause:** The City's controls over employment eligibility verifications for new employees were not functioning as intended.
- Effect:** The City was not in compliance with federal regulations and state statutes.
- Recommendation:** We recommend that the City review its employee hiring procedures and revise them as necessary to comply with employment eligibility verification requirements and to document its compliance with those requirements.
- Response:** The City's response is reflected in the accompanying corrective action plan.

2021-022 Noncompliance – Timely Pay Statute (Repeated finding. See finding 2020-026.)

- Criteria:** State statutes require municipalities to pay vendors within 45 days of receiving an invoice or pay the vendor interest on amounts paid after 45 days.
- Condition:** We noted that the City made numerous vendor payments that were more than 45 days after receipt of the applicable invoices without documentation of any dispute or payment of the required interest.
- Cause:** The City's procedures for processing and approving invoices for payment did not adequately document any disputes that delayed payment and did not add the required interest to vendor payments when payments were otherwise late.
- Effect:** The City was not in compliance with statutory timely pay requirements.
- Recommendation:** We recommend that the City review and revise its purchasing procedures as necessary to ensure compliance with Mississippi timely pay requirements.
- Response:** The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2021

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2021

2020-001 Material Weakness – Financial Reporting

Condition: We assisted the City's management with drafting portions of the ACFR because the City did not have adequate internal resources to prepare the ACFR in accordance with generally accepted accounting principles (GAAP).
Status: Not corrected. See finding 2021-001.

2020-002 Material Weakness – Cash

Condition: The operating bank account reconciliations did not agree with the general ledger account balances, and discrepancies were not researched and reconciled in a timely manner.
Status: Not corrected. See finding 2021-002.

2020-003 Material Weakness – Investment Accounts

Condition: The trust, escrow, and investment bank account statements were not periodically reconciled to the general ledger account balances.
Status: Not corrected. See finding 2021-003.

2020-004 Material Weakness – Receivables

Condition: Water, sewer, and garbage customer receivable balances and various other receivable balances in the accounting system weren't periodically reconciled to the detailed supporting records of balances actually owed to the City by individuals and others.
Status: Not corrected. See finding 2021-004.

2020-005 Material Weakness – Receivables

Condition: The City's water, sewer, and garbage customer accounts receivables balances have continued to increase dramatically over the past several years, and the allowances for uncollectible amounts were not adequately adjusted based on the past-due status of the receivables and other factors affecting collectability.
Status: Not corrected. See finding 2021-005.

2020-006 Material Weakness – Inventories

Condition: A year-end inventory count of the water meters supply on hand at the warehouse was not performed and reconciled to the accounting system.
Status: Corrected.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2021

2020-007 Significant Deficiency – Inventories

Condition: The City was unable to generate year-end supplies inventory reports from its new accounting system after the physical inventory counts were performed.
Status: Corrected.

2020-008 Material Weakness – Liabilities

Condition: Accounts payable and other liability detailed reports were not reconciled to the accounting system balances, and the vouchers payable subsidiary ledger reflected old incorrect balances as being owed to certain vendors.
Status: Not corrected. See finding 2021-006.

2020-009 Material Weakness – Liabilities

Condition: Payroll liability accounts for payroll taxes, retirement contributions, group insurance premiums, and garnishment withholdings were not reconciled to ensure that all payroll withholdings and the City's related share of costs were properly reflected and remitted to the appropriate entities in a timely manner.
Status: Not corrected. See finding 2021-007.

2020-010 Material Weakness – Liabilities

Condition: The detailed report of the individual customer meter deposits held by the City was not periodically reconciled to the accounting system.
Status: Corrected.

2020-011 Material Weakness – Liabilities

Condition: A detailed report of the individual case numbers and amounts of police seized and forfeited cash held by the City pending court action was not available.
Status: Not corrected. See finding 2021-008.

2020-012 Material Weakness – Fund Balances

Condition: Some restricted fund balances for special programs were incorrectly reflected as "other liabilities", and some transactions were improperly netted within the restricted liability or fund balance accounts rather than being reflected as revenues and expenses.
Status: Not corrected. See finding 2021-009.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2021

2020-013 Material Weakness – Revenues

Condition: A tower lease agreement tracking system was not in place to monitor monthly tower lease revenue due from cellular companies or to monitor remaining lease terms, renewals, inflation adjustments, etc.
Status: Not corrected. See finding 2021-010.

2020-014 Material Weakness – Expenditures

Condition: Capital outlay expenditure accounts included items that should have been classified as supplies since they did not meet the City's capitalization criteria, and the Other Services and Charges expenditure accounts included amounts that should have been classified as capital outlay.
Status: Not corrected. See finding 2021-011.

2020-015 Material Weakness – Purchasing Procedures

Condition: The City paid contractors for cleaning and sanitizing City facilities and equipment as part of its response to the COVID-19 pandemic. However, the City did not obtain competitive proposals or contracts for these services, and the cleaning and sanitizing services continued for an extensive period of time beyond the initial emergency.
Status: Not corrected. See finding 2021-012.

2020-016 Significant Deficiency – Employee Benefits

Condition: A former employee of the City continued to receive benefits under the City's prescription drug employee benefit plan for several months after the individual's eligibility ended.
Status: Corrected.

2020-017 Material Weakness and Noncompliance – Unclaimed Funds

Condition: Approximately 1,400 old outstanding payroll checks dating back as far as 1996 were still reflected as outstanding in the accounting system and had not yet been remitted to the Mississippi Treasurer's Office as required.
Status: Not corrected. See finding 2021-015.

2020-018 Noncompliance – City Council Meeting Minutes

Condition: We noted several instances in which the city council meeting minutes were not approved and signed within the required timeframe.
Status: Not corrected. See finding 2021-016.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2021

2020-019 Noncompliance – Municipal Compliance Questionnaire

Condition: While the approval of the Municipal Compliance Questionnaire was reflected in the city council meeting minutes, the actual questionnaire was not included in the city council meeting minutes.
Status: Corrected.

2020-020 Noncompliance – Budgeting

Condition: Several expenditure line items in the budget were exceeded with no known applicable exception to the budget compliance requirement.
Status: Not corrected. See finding 2021-017.

2020-021 Noncompliance – Budgeting

Condition: Several revisions to budgets for funds and departments exceeded 10% cumulatively but were not published as required.
Status: Not corrected. See finding 2021-018.

2020-022 Noncompliance – Bank Accounts

Condition: Three of the City's bank accounts, which totaled approximately \$35.5 million at year-end and were held by the City's primary municipal depository, only earned interest at a rate of 0.05% rather than the 2.67% rate required by the City's municipal depository agreement with that bank.
Status: Not corrected. See finding 2021-019.

2020-023 Noncompliance – Investments

Condition: The Tort Claims Reserve Fund and the Water/Sewer EPA Consent Decree Account held investments in a U.S. Treasury money market fund (rather than direct U.S. Treasury securities), but this type of investment is only allowed for debt-related trust accounts.
Status: Not corrected. See finding 2021-020.

2020-024 Noncompliance – Personnel

Condition: I-9 forms were not properly completed and certified by the City for some new employees.
Status: Not corrected. See finding 2021-021.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2021

2020-025 Noncompliance – State Purchase Laws

Condition: The City made a purchase of police body-worn cameras totaling approximately \$173,000 under a vendor's purchase contract with the National Cooperative Purchasing Alliance (NCPA) that did not appear to be approved by MS DFA as a state contract.

Status: Corrected.

2020-026 Noncompliance – Timely Pay Statute

Condition: We noted that the City made several vendor payments that were more than 45 days after receipt of the applicable invoices without documentation of any dispute or payment of the required interest.

Status: Not corrected. See finding 2021-022.

2020-027 Significant Deficiency – Federal Grant Cash Management and Allowable Costs

Condition: Funds totaling \$565,843 were inadvertently requested by the City in September, 2020, from the wrong Federal Transit Authority grants and were then returned by the City to the grantor in December, 2020, upon discovery of the error. The City subsequently requested the funds from the appropriate Federal Transit Authority grants.

Status: Corrected.

CORRECTIVE ACTION PLAN

02/27/2023

U.S. ENVIRONMENTAL PROTECTION AGENCY

The City of Jackson respectfully submits the following corrective action plan for the year ended September 30, 2021.

Name and address of independent public accounting firm: Tann, Brown & Russ Co., PLLC
1501 Lakeland Drive, Suite 300, Jackson, MS 39216

Audit period: Year Ended September 30, 2021

The findings from the September 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding No. 2021-001

MATERIAL WEAKNESS AND NONCOMPLIANCE- FINANCIAL REPORTING

Recommendation: We recommend that the City review its financial reporting procedures and staffing levels and revise these as necessary to ensure that the financial reports generated on a monthly and annual basis are prepared in a reliable and timely manner.

Action Taken: The City will revise its financial reporting procedures and enhance its staffing levels to ensure financial reports are generated accurately and timely. The City will review financial data on a monthly basis and make necessary adjustments at that time.

Finding No. 2021-002

MATERIAL WEAKNESS- CASH

Recommendation: We recommend that procedures be implemented to reconcile all bank account statements to the accounting system monthly. Any differences should be investigated and resolved in a timely manner.

Action Taken: The procedures regarding the reconciliation of all bank accounts have been updated and the finance staff are in the process of implementing monthly reconciliations. The City implemented a new ERP system that will assist with the timely reconciliation of all bank accounts.

Finding No. 2021-003
MATERIAL WEAKNESS- INVESTMENT ACCOUNTS

Recommendation: We recommend that procedures be implemented to reconcile all bank and investment account statements to the accounting system on a monthly basis. Any differences should be investigated and resolved in a timely manner.

Action Taken: The procedures regarding the reconciliation of all bank and investment accounts have been updated and the finance staff are in the process of implementing monthly reconciliations. The City implemented a new ERP system that will assist with the timely reconciliation of all bank accounts.

Finding No. 2021-004
MATERIAL WEAKNESS- RECEIVABLES

Recommendation: We recommend that procedures be implemented to reconcile all receivable balances in the accounting system to the underlying balances owed by individuals and others monthly. Any differences should be investigated and resolved in a timely manner.

Action Taken: Management is developing and implementing procedures to reconcile water, sewer and solid waste accounts receivables balances for customer accounts to the corresponding general ledger balances.

Finding No. 2021-005
MATERIAL WEAKNESS- RECEIVABLES

Recommendation: We recommend that procedures be implemented to periodically review and adjust the allowances for uncollectible accounts.

Action Taken: The City has created a schedule for determining the appropriate adjustments to allowances for uncollectible accounts.

Finding No. 2021-006
MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that procedures be implemented to reconcile the liability balances in the accounting system to the underlying amounts owed by the City on a monthly basis.

Action Taken: The City is updating its procedures to utilize subsidiary ledgers to record detailed balance information as it relates to the outstanding liability. The City will also begin to monitor liability accounts as part of its monthly reconciliation process.

Finding No. 2021-007

MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that procedures be implemented to reconcile monthly the payroll liability balances in the accounting system to the underlying amounts owed by the City.

Action Taken: The City has updated its procedures and will begin to monitor payroll liability accounts as part of its monthly reconciliation process.

Finding No. 2021-008

MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that the City develop a report reflecting the individual case amounts held by the City pending court action and implement procedures to reconcile the individual case amounts to the balance in the accounting system on a monthly basis.

Action Taken: The Jackson Police Department will submit a weekly report to Fiscal Affairs Division of all evidence received by noon each Friday. JPD Fiscal Affairs will generate a weekly report of all evidence which will include cash and property. JPD will submit a monthly report to Finance. City Legal will compile a quarterly report and submit it to JPD Fiscal Affairs to be submitted to Finance as well. Additionally, an annual report will be compiled and submitted to Finance.

Finding No. 2021-009

MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that liability accounts be periodically reviewed to ensure that usage of liability accounts is appropriate. In addition, restricted fund balances should be monitored to ensure that the restricted fund balance is released to unrestricted fund balance upon utilization for the intended purpose.

Action Taken: The City is correcting the liability accounts that were incorrectly reflected for special programs. The City will continue to monitor liability accounts as part of its monthly reconciliation process.

Finding No. 2021-010

MATERIAL WEAKNESS- REVENUES

Recommendation: We recommend that the City develop a tracking system for its tower leases and the payments due from the lessees.

Action Taken: The City is working with a third-party consultant to review all cell tower regulations and contracts, update City ordinances as its relations to cell towers, and create greater equity between agreements. Furthermore, the City implemented a new ERP system to assist with the electronic tracking of leases and payments. Finally, the City has engaged a consulting firm to conduct business process improvements across the City, including with the tower leases.

Finding No. 2021-011
MATERIAL WEAKNESS- EXPENDITURES

Recommendation: We recommend that the City's procedures for classifying and recording capital outlay expenditures be reviewed and revised as necessary to properly reflect these expenditures.

Action Taken: The City will implement new policies to correctly classify and record capital outlay and debt service expenditures as required by GAAP.

Finding NO. 2021-012
MATERIAL WEAKNESS- PURCHASING PROCEDURES

Recommendation: We recommend that the City review its emergency purchasing procedures and revise them as necessary to ensure that emergency purchases are adequately monitored and processed and that the City's normal competitive purchasing procedures are utilized as soon as practicable after the initial emergency exceptions are allowed.

Action Taken: The purchasing staff will review its emergency purchasing procedures and make revisions to ensure efficient utilization of financial resources.

Finding No. 2021-013
SIGNIFICANT DEFICIENCY- PAYROLL PROCESSING

Recommendation: We recommend that the City review and revise its procedures for monitoring, reviewing, and approving employees' reported work hours prior to processing for payment in order to prevent payments to employees for overstated work hours. We understand that the employee involved was subsequently terminated from employment with the City in April, 2022.

Action Taken: The City has a timekeeping policy that includes procedures for monitoring, reviewing, and approving employees' reported work hours. The City will make it a priority to enforce the timekeeping policy.

Finding No. 2021-014
MATERIAL WEAKNESS- INTERNAL SERVICE FUND

Recommendation: We recommend that the City develop procedures to allocate the internal service fund costs to the applicable funds and departments of the City each month.

Action Taken: The City will revise its monthly reconciliation procedures to include proper allocation of internal service fund costs.

Finding No. 2021-015

MATERIAL WEAKNESS AND NONCOMPLIANCE- UNCLAIMED FUNDS

Recommendation: We recommend that procedures be implemented to remit unclaimed funds to the Mississippi Treasurer's Office as required. In addition, we recommend that procedures be implemented to periodically review the outstanding checks schedule to ensure that voided checks have been properly removed from the outstanding checks schedule and any significant old outstanding checks are investigated to determine the reason they have not been cashed by the payees.

Action Taken: The City will continue to work with the Mississippi Treasurer's Office to ensure compliance with the Mississippi Unclaimed Property Act.

Finding No. 2021-016

NONCOMPLIANCE- CITY COUNCIL MEETING MINUTES

Recommendation: We recommend that the procedures be reviewed and revised as necessary to ensure that the city council meeting minutes are approved in a timely manner.

Action Taken: The City will revise its procedures to ensure city council meeting minutes are approved in a timely manner. Additionally, the City has created a new Clerk of Council office to assist with timely posting of city council meeting minutes.

Finding NO. 2021-017

NONCOMPLIANCE- BUDGETING

Recommendation: We recommend that the City review and revise its budgeting and reporting procedures to ensure that the transactions are properly recorded and budget expenditures are adequately monitored to prevent expenditures in excess of the budgeted line items.

Action Taken: The City is revising its budgeting and reporting procedures to ensure that transactions are properly recorded and budget expenditures are adequately monitored to prevent expenditures in excess of the budgeted line items. Efforts are underway to require the approval of budget department staff on all expenditures, prior to requests for payment being sent to accounts payable. This extra budget review will prevent expenditures in excess of the budgeted line items.

Finding NO. 2021-018

NONCOMPLIANCE- BUDGETING

Recommendation: We recommend that the City's budget revision procedures be reviewed and revised as necessary to ensure that cumulative budget revisions in excess of 10% are published as required.

Action Taken: The City is revising its budgeting and reporting procedures to ensure budget revisions are published as required.

Finding NO. 2021-019
NONCOMPLIANCE- BANK ACCOUNTS

Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that the bank complies with the municipal depository agreement.

Action Taken: The City has requested a correction to the interest rate. Interest rates have now been corrected to comply with the municipal depository agreement.

Finding NO. 2021-020
NONCOMPLIANCE- INVESTMENTS

Recommendation: We recommend that the City transfer these funds to an allowable type of investment.

Action Taken: The City has requested a change to the investment holding facility and will continue to work with them to bring the investment type into compliance with state statutes.

Finding NO. 2021-021
NONCOMPLIANCE- PERSONNEL

Recommendation: We recommend that the City review its employee hiring procedures and revise them as necessary to comply with employment eligibility verification requirements and to document its compliance with those requirements.

Action Taken: The Department of Human Resources will revise its employee hiring procedures in order to comply with the applicable employee eligibility verification and form I-9 requirements.

Finding NO. 2021-022
NONCOMPLIANCE- TIMELY PAY STATUTE

Recommendation: We recommend that the City review and revise its purchasing procedures as necessary to ensure compliance with Mississippi timely pay requirements.

Action Taken: The City will utilize the implementation of its ERP system to provide more accountability in monitoring and ensuring compliance with Mississippi timely pay requirements. Policies and procedures will also be updated to enforce adherence to State regulations.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

If the U.S. Environmental Protection Agency has questions regarding this plan, please call me at (601) 960-1005.

Sincerely yours,

A handwritten signature in blue ink that reads "Sharon Thames". The signature is written in a cursive style with a large initial 'S'.

Sharon Thames, Deputy Director
Department of Administration

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS

The Honorable Mayor
and Honorable Members of the City Council
City of Jackson, Mississippi

We have audited the financial statements of the City of Jackson, Mississippi (the City) as of and for the year ended September 30, 2021, and have issued our report thereon dated February 20, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Mississippi Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced state laws and regulations. Providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures disclosed instances of noncompliance with state laws and regulations which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-015 through 2021-022.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information of the City's Mayor, City Council, the City's management, the Mississippi Office of the State Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Tann - Brown + Russ Co.

February 20, 2023

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