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As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

A photograph of a city skyline under a cloudy sky. In the foreground, there's a rooftop with a concrete parapet. Behind it, several buildings are visible. On the right, a tall, modern building with a grid-like facade and many lit windows stands out. To its left are other buildings of varying heights and colors, including a yellow one and a grey one with 'WATKINS LOFTS' written on it. The bottom of the image shows a building with windows and shutters.

FY2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

DEPARTMENT OF ADMINISTRATION

FINANCE DIVISION



Mayor Chokwe A. Lumumba

**CITY OF JACKSON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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February 14, 2022

**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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020 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, 2020. The Independent Auditor's Report is included in the front of the financial section of the CAFR. 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) and the Capital City Convention Center Commission (component units of the city) are included in the 2020 CAFR. JRA and the Capital City Convention Center Commission are presented as discretely presented component units within the CAFR 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 their operating costs, debt service and system replacement and maintenance needs for their parking garages and other urban renewal

projects. The Capital City Convention Center Commission is included as a component unit of the City because of its 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 CAFR. These Proprietary Funds are the Water/Sewage Disposal System, Madison Sewage Disposal System, Transportation, and Sanitation.

Organizationally, the 2020 CAFR 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. A New Mayor, Chokwe Antar Lumumba, whose campaign slogan was "When I'm Mayor, You're Mayor " was elected in 2017. Consequently, Mayor Lumumba's primary initiative was 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. From March to April 2020 (the most recent numbers available from the Bureau of Labor Statistics at the time of this printing), the Jackson metropolitan surrounding area had an unemployment rate that jumped from 4.3 percent to 13.8 percent, creating a 10-year high that surpassed the historic high of 9.8 percent in January of 2010. COVID-19 has shown a bright spotlight, which has emphasized the inequalities of systemic racism. 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 billion by some

estimates, and 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 implemented the first phase of MUNIS, the ERP system, which represents the execution of a major operational efficiency initiative. Phase one of the project implemented the financial module, resulting in new capacities, efficiencies, and accountability. The City will move to implement phases two and three over the next two years, which will encompass the entirety of City departments.

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 is currently developing a revised Capital Improvement Plan (CIP) for the city’s roads and bridges, water, sewer, and

storm water drainage systems. The plan will prioritize on a risk-based criterion, and it will be *integrated*, in so far as the priority of each project within its respective system will be evaluated relative to adjacent projects in other systems. 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.

The CIP will come in two stages. The first stage is a two-year plan which will prioritize projects based on the current liquidity condition of the water-sewer enterprise (i.e. it will be “pay-as-you-go”). The second stage will be a ten-year plan that will be accompanied with a plan of finance. The plan of finance will not necessarily be pay-as-you-go: Potentially, revenue streams such as the 1% sales tax could be leveraged by pledging those future revenue streams for a more current amount, depending upon the willingness of the City to debt-fund projects, and investor demand for such revenue streams.

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 capital 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 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 Corps 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, Trust, and Capital Project

Departments: Administration, Human & Cultural Services, Fire, Police, Public Works, General Government, Municipal Clerk, Planning and Development, Personnel 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.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jackson for its comprehensive annual financial report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an

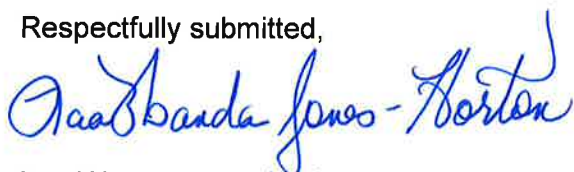
easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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 blue ink that reads "Laa Wanda Jones-Horton". The signature is fluid and cursive, with the first name "Laa" being particularly stylized.

Laa Wanda Jones-Horton, Director
Department of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jackson
Mississippi**

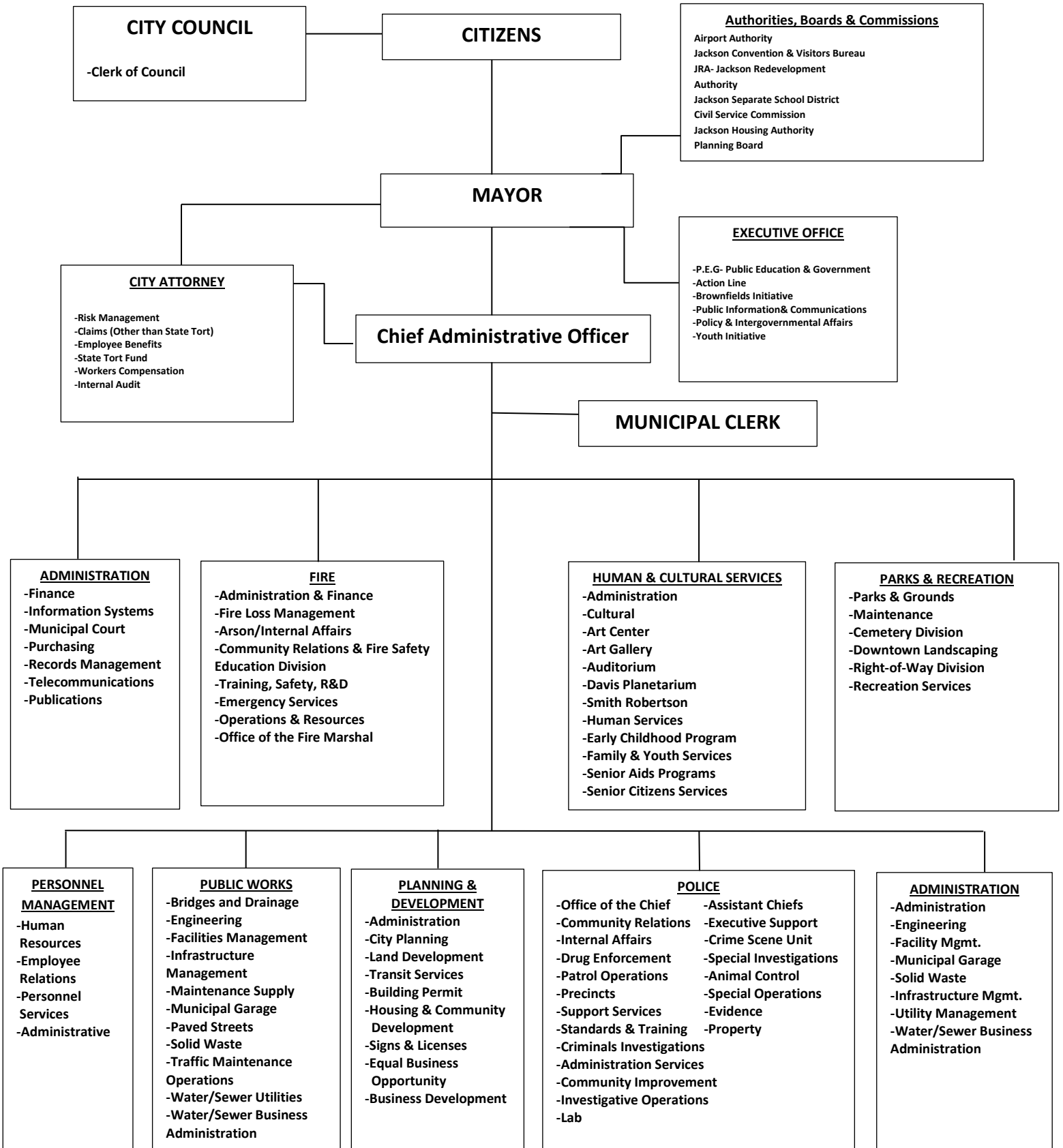
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSON ORGANIZATIONAL CHART



**CITY OF JACKSON
MAYOR, CITY COUNCIL AND CITY OFFICIALS
SEPTEMBER 30, 2020**

EXECUTIVE

Chokwe Antar Lumumba
MAYOR

LEGISLATIVE

CITY COUNCIL

Ashby Foote
Ward 1

Melvin Priester, Jr.
Ward 2

Kenneth I. Stokes
Ward 3

De'Keither Stamps
Ward 4

Charles Tillman
Ward 5
Vice President of Council

Aaron Banks
Ward 6
President of Council

Virgi Lindsay
Ward 7

Shanekia Mosley
Clerk of Council

EXECUTIVE BRANCH

Dr. Robert Blaine
Chief Administrative Officer

Dr. Safiya Omari
Chief of Staff

Chief of Police
Fire Chief
Interim 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
City Attorney
Municipal Clerk

James Davis
Willie Owens
Charles Williams
Jordan Hillman
Adriane Dorsey-Kidd
Ison Harris
Wilma Scott
LaaWanda Horton
Timothy Howard
Angela Harris

TANN, BROWN & RUSS CO., PLLC
CERTIFIED PUBLIC ACCOUNTANTS
1501 LAKELAND DRIVE, SUITE 300
JACKSON, MISSISSIPPI 39216-4841
TELEPHONE (601) 354-4926
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MISSISSIPPI SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

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, 2020, 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 and the Jackson Redevelopment 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, 2020, 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.

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 86 through 111 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 14, 2022, 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.

Tham. Brown - Lines 6.

February 14, 2022

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, 2020. 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 by \$285 million (*net position*). Of this amount, there is negative (\$245) 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 increased by \$27.2 million.
- As of the close of the current fiscal year, the City of Jackson's governmental funds reported *combined* ending fund balances of \$120.6 million, a increase of \$40 million in comparison with the prior year. Approximately 21% of this total amount is \$25.5 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 \$25.5 million, or 24% of total general fund expenditures.
- The City of Jackson's total long-term debt increased by \$40 million (10 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 a legally separate redevelopment authority and Capital City Convention Center Commission 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, Federal Grants Special Revenue Fund, and Infrastructure Bond 2020 Capital Project Fund which are considered to be major funds. Data from the other thirteen (14) 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 Disposal System Funds, Transportation Fund and Sanitation Funds. 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 agency 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 Agency 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 30-84 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 86-111 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 119-137 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, 2020.

By far the largest portion of the City of Jackson's net position (159 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 223,170	\$ 183,237	\$ 112,172	\$ 56,825	\$ 335,342	\$ 240,062
Capital assets	365,883	337,921	435,335	476,975	801,218	814,896
Total assets	589,053	521,158	547,507	533,800	1,136,560	1,054,958
Deferred Outflow s of Resources	21,271	5,780	2,938	1,279	24,209	7,059
Long-term liabilities outstanding	463,953	404,508	279,686	271,946	743,639	676,454
Other Liabilities	25,993	25,998	23,503	17,020	49,496	43,018
Total Liabilities	489,946	430,506	303,189	288,966	793,135	719,472
Deferred Inflow s of Resources	79,776	82,822	2,455	1,526	82,231	84,348
Net position:						
Net investment in capital assets	256,952	259,506	197,266	235,404	454,218	494,910
Restricted	70,714	36,814	5,145	1,284	75,859	38,098
Unrestricted	(287,064)	(282,710)	42,390	7,899	(244,674)	(274,811)
Total net position	\$ 40,602	\$ 13,610	\$ 244,801	\$ 244,587	\$ 285,403	\$ 258,197

The City of Jackson's total net position increased by \$27.2 million during the current fiscal year primarily as a result of capital grants received for infrastructure projects and contributed capital assets received by the City when it took over the operations of the zoo.

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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 8,969	\$ 9,429	\$ 56,715	\$ 58,750	\$ 65,684	\$ 68,179
Operating grants and contributions	13,295	11,756	8,047	5,553	21,342	17,309
Capital grants and contributions	21,053	16,249	500	-	21,553	16,249
General revenues:						
Property taxes	79,439	78,482	-	-	79,439	78,482
Local sales taxes	14,515	14,548	-	-	14,515	14,548
Franchise taxes	6,842	7,298	-	-	6,842	7,298
Other	39,692	39,857	15,110	145	54,802	40,002
Total revenues	183,805	177,619	80,372	64,448	264,177	242,067
Expenses:						
General government	37,769	38,798	-	-	37,769	38,798
Public safety	65,372	62,601	-	-	65,372	62,601
Public works	21,741	20,491	-	-	21,741	20,491
Human and cultural services	16,884	16,710	-	-	16,884	16,710
Interest on long-term debt	5,669	5,330	-	-	5,669	5,330
Water/Sewer	-	-	68,277	77,587	68,277	77,587
Transportation	-	-	10,275	8,680	10,275	8,680
Madison-Ridgeland Sewage	-	-	223	113	223	113
Sanitation	-	-	10,761	11,084	10,761	11,084
Total expenses	147,435	143,930	89,536	97,464	236,971	241,394
Increase in net position before transfers	36,370	33,689	(9,164)	(33,016)	27,206	673
Transfers	(9,378)	(15,423)	9,378	15,423	-	-
Increase in net position	26,992	18,266	214	(17,593)	27,206	673
Net position - October 1, 2018	13,610	(4,656)	244,587	262,180	258,197	257,524
Net position - September 30, 2019	\$ 40,602	\$ 13,610	\$244,801	\$244,587	\$285,403	\$258,197

Governmental activities. Governmental activities increased the City of Jackson's net position by \$27 million primarily as a result of capital grants received for infrastructure projects and contributed capital assets received by the City when it took over the operations of the zoo.

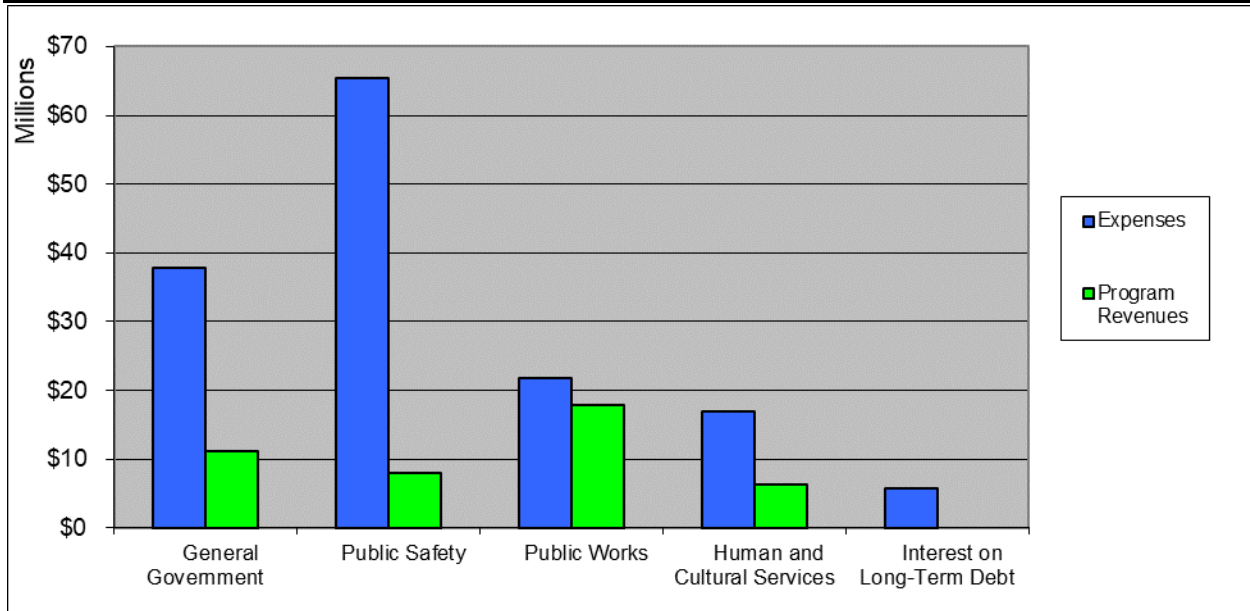
In FY 2007, the City issued \$65 million in General Obligation Bonds on behalf of the Capital City Convention Center Commission to construct the Convention Center. A special sales tax levy was established to pay the debt service for the bonds. The bonds couldn't be issued as revenue bonds because of 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.

Business-type activities. The increase in "other revenue" of the business-type activities results from a \$14.7 million litigation settlement gain related to the Water/Sewage Disposal System Fund's water meters and customer billing system.

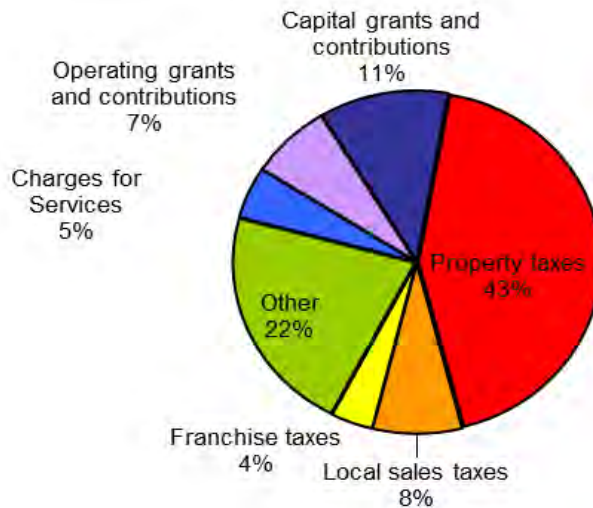
CITY OF JACKSON, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenues – Governmental Activities



Revenues by source – Governmental Activities



Financial Analysis of the Government's Funds

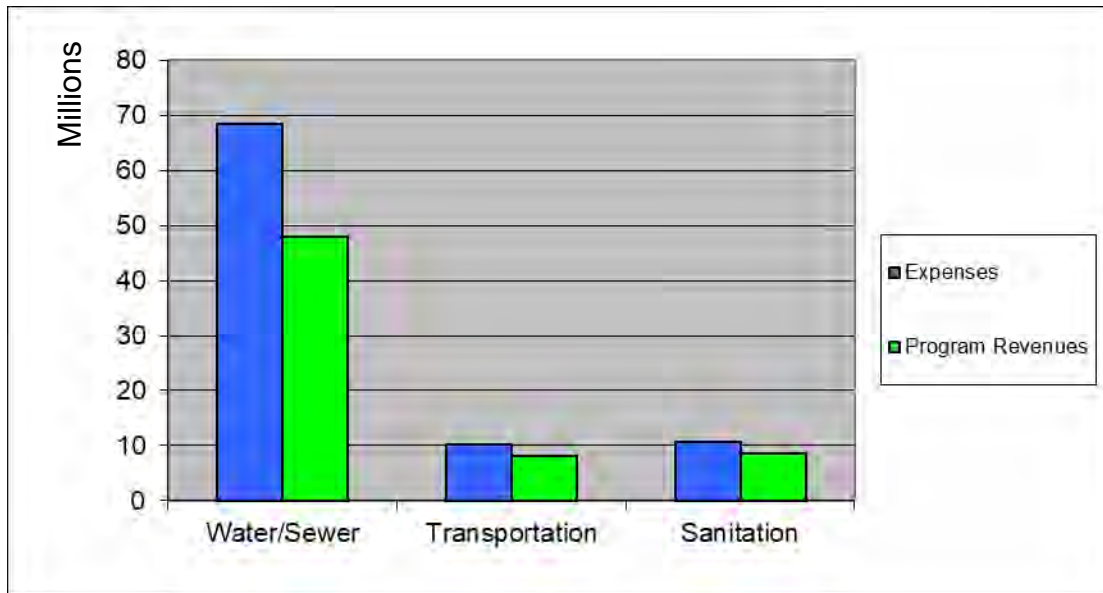
As noted earlier, the City of Jackson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

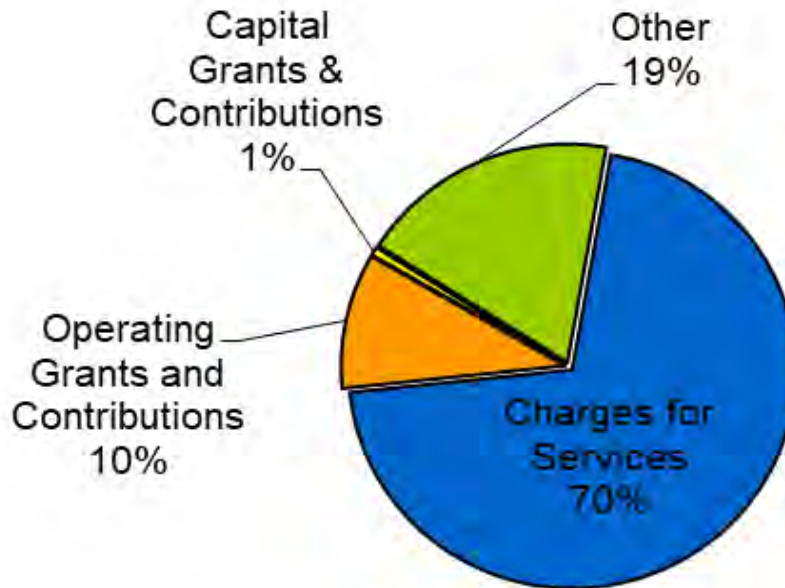
Business-type activities. Business-type activities increased the City of Jackson's net position by \$0.2 million. This increase is primarily in the Sanitation Fund and Transportation Fund and is the result of transfers from other funds to subsidize operations.

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

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 \$120.6 million, and an increase of \$40 million. 21% of this total fund balances amount is \$25.5 million which is available for spending at the government's discretion (*unassigned*). Of the remaining fund balance, \$877,163 is *nonspendable* and is not in spendable form, \$82 million is *restricted* and has limitations imposed on its use by external parties, \$11 million is *committed* for specific purposes imposed by the City Council, and \$1.5 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 \$26 million, while total fund balance reached \$49 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 increased by \$7.8 million; which is due primarily to cost savings measures implemented across city departments. The Federal Grants Special Revenue Fund is a major governmental fund. Its fund balance decreased by \$1.3 million; which is due primarily to an increase in COVID-19 related expenditures.

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 \$38.5 million. The decrease in net position for the Water/Sewage Disposal System Fund was \$6.7 million. The Water/Sewage Disposal System Fund had a \$14.7 million gain on a litigation settlement related to problems with water meters and the customer billing system, and \$7.6 million of the settlement proceeds was transferred to the Sanitation Fund to subsidize operations.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget expenditures were a \$29 million increase and can be briefly summarized as follows:

- \$0.5 million decrease in personnel services
- \$5.2 million increase in supplies and materials
- \$13.3 million decrease in contract services and charges
- \$3.2 million increase in capital outlay
- \$3.4 million increase in debt service
- \$14.8 million increase in grants and contributions
- \$16.2 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 \$9.6 million less than the final budget.
- Actual supplies and materials for all city departments was \$5 million less than the final budget.
- Actual contractual services and charges throughout all city departments was \$5.5 million less than the final budget.
- Actual capital outlay for all city departments was \$8.1 million less than the final budget.
- Actual debt service for all city departments was \$807 thousand more than the final budget.
- Actual grants and contributions for all city departments was \$11.2 million less than the final budget.
- Actual transfers for all city departments was \$4.1 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, 2020, amounts to \$801 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 decrease in the City of Jackson's capital assets for the current fiscal year was 1.7% (an 8.3% increase for governmental activities and an 8.7% decrease in business-type activities).

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

- The increase in capital assets of governmental activities was the result of continued expenditures for expansion and replacement of infrastructure.
- The decrease in capital assets of business-type activities resulted from an impairment reduction of water meters and the customer billing system related to the Water/Sewage Disposal System Fund's litigation settlement gain.

City of Jackson's Capital Assets (net of depreciation) (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 13,721	\$ 13,721	\$ 1,838	\$ 1,838	\$ 15,559	\$ 15,559
Building & systems	68,849	69,832	10,014	10,302	78,863	80,134
Automotive and equipment	14,789	13,675	11,524	9,402	26,313	23,077
Infrastructure	232,315	208,249	392,539	453,325	624,854	661,574
Construction in progress	36,209	32,444	19,420	2,108	55,629	34,552
Total	\$ 365,883	\$ 337,921	\$ 435,335	\$ 476,975	\$ 801,218	\$ 814,896

Additional information on the City of Jackson's capital assets can be found in Note 4 on pages 49-51 of this report.

Long-term debt. At the end of the current fiscal year, the City of Jackson had total bonded debt outstanding of \$306 million. Of this amount, \$108 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 107,663	\$ 116,621	\$ -	\$ -	\$ 107,663	\$ 116,621
Revenue bonds	-	-	189,480	198,185	189,480	198,185
Tax increment bonds	8,877	9,938	-	-	8,877	9,938
Loans, notes and leases	58,604	21,480	51,735	35,658	110,339	57,138
Premium (discount)	11,666	5,474	10,798	11,527	22,464	17,001
Total	\$ 186,810	\$ 153,513	\$ 252,013	\$ 245,370	\$ 438,823	\$ 398,883

The City of Jackson's total debt increased by \$39.9 million during the current fiscal year primarily as a result of a Mississippi Development Bank note payable to be repaid from the 1% sales tax for infrastructure improvements.

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	BBB-
General Obligation Bonds	Baa3	A+
Urban Renewal Revenue Bonds	Ba1	A+

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 \$78.9 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 54-65 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 2021 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased \$360 thousand.

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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Capital City Convention Center Commission
ASSETS					
Cash and cash equivalent	\$ 110,355,445	\$ 19,635,291	\$ 129,990,736	\$ 4,596,496	\$ 314,551
Receivables	111,206,464	65,468,419	176,674,883	2,905,407	696,735
Inventories	877,163	1,646,955	2,524,118	-	16,882
Prepaid expenses	731,482	-	731,482	10,875	9,450
Restricted assets:					
Cash and cash equivalents	-	25,421,006	25,421,006	28,658	1,500,000
Capital assets:					
Capital assets not being depreciated	49,929,432	21,258,107	71,187,539	11,267,388	5,828,280
Other capital assets, net of depreciation	315,953,458	414,076,722	730,030,180	20,334,161	56,618,356
Total assets	589,053,444	547,506,500	1,136,559,944	39,142,985	64,984,254
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pensions	13,480,269	1,804,784	15,285,053	-	-
Deferred outflows - other post-employment benefits	7,790,524	1,132,928	8,923,452	-	-
Total deferred outflows of resources	21,270,793	2,937,712	24,208,505	-	-
LIABILITIES					
Accounts payable	14,874,424	13,841,006	28,715,430	102,699	306,166
Accrued interest payable	1,373,289	2,319,783	3,693,072	108,377	-
Unearned revenue	3,966,100	565,843	4,531,943	-	122,625
Other liabilities	5,779,754	6,776,000	12,555,754	22,682	-
Compensated absences:					
Due within one year	654,835	118,854	773,689	-	-
Due in more than one year	3,453,755	337,349	3,791,104	-	-
Claims liabilities:					
Due within one year	4,476,341	-	4,476,341	-	-
Due in more than one year	3,934,747	-	3,934,747	-	-
Long-term debt:					
Due within one year	17,448,381	12,495,334	29,943,715	1,524,075	-
Due in more than one year	169,362,041	239,517,753	408,879,794	5,400,226	-
Other post-employment benefits:					
Due within one year	1,112,345	150,337	1,262,682	-	-
Due in more than one year	57,742,484	7,804,131	65,546,615	-	-
Net pension liability:					
Due in more than one year	205,767,575	19,262,152	225,029,727	-	-
Total liabilities	489,946,071	303,188,542	793,134,613	7,158,059	428,791
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - property taxes levied for subsequent year	77,151,991	-	77,151,991	-	-
Deferred inflows- pensions	1,961,238	1,558,429	3,519,667	-	-
Deferred inflows - other post-employment benefits	663,361	896,296	1,559,657	-	-
Total deferred inflows of resources	79,776,590	2,454,725	82,231,315	-	-
NET POSITION					
Net investment in capital assets	256,951,844	197,265,881	454,217,725	25,387,248	62,446,636
Restricted, expendable for:					
Public Safety	3,801,734	-	3,801,734	-	-
Human and Culture Services	1,572,027	-	1,572,027	-	-
Debt Service	8,568,974	-	8,568,974	5,976	1,500,000
Capital Projects: restricted by enabling legislation	18,148,748	-	18,148,748	-	-
Capital Projects: other	38,621,580	5,145,338	43,766,918	-	-
Employee Benefits	636	-	636	-	-
Unrestricted	(287,063,967)	42,389,726	(244,674,241)	6,591,702	608,827
Total net position	\$ 40,601,576	\$ 244,800,945	\$ 285,402,521	\$ 31,984,926	\$ 64,555,463

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, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 37,768,420	\$ 6,428,117	\$ 4,791,760	\$ -
Public safety	65,372,233	1,895,197	6,175,188	-
Public works	21,741,075	74,552	71,277	17,660,536
Human and cultural services	16,884,157	571,211	2,256,715	3,392,767
Interest on long term debt	5,669,059	-	-	-
Total governmental activities	147,434,944	8,969,077	13,294,940	21,053,303
Business-type activities:				
Water/Sewer	68,276,713	47,754,387	-	500,000
Transportation	10,275,470	228,976	8,011,489	-
Madison-Ridgeland Sewage	222,704	195,133	-	-
Sanitation	10,761,372	8,536,878	35,188	-
Total business-type activities	89,536,259	56,715,374	8,046,677	500,000
Total primary government	\$ 236,971,203	\$ 65,684,451	\$ 21,341,617	\$ 21,553,303
Component Units:				
Jackson Redevelopment Authority	\$ 2,743,602	\$ 1,039,473	\$ 749,365	\$ 1,500,598
Capital City Convention Center Commission	8,016,369	709,478	100,405	-
Total component units	\$ 10,759,971	\$ 1,748,951	\$ 849,770	\$ 1,500,598
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 on sale of capital assets				
Litigation settlement gain on capital assets				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position - beginning				
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	
\$ (26,548,543)	\$ -	\$ (26,548,543)	\$ -	\$ -	
(57,301,848)	-	(57,301,848)	-	-	
(3,934,710)	-	(3,934,710)	-	-	
(10,663,464)	-	(10,663,464)	-	-	
(5,669,059)	-	(5,669,059)	-	-	
(104,117,624)	-	(104,117,624)	-	-	
-	(20,022,326)	(20,022,326)	-	-	
-	(2,035,005)	(2,035,005)	-	-	
-	(27,571)	(27,571)	-	-	
-	(2,189,306)	(2,189,306)	-	-	
-	(24,274,208)	(24,274,208)	-	-	
(104,117,624)	(24,274,208)	(128,391,832)	-	-	
\$ -	\$ -	\$ -	\$ 545,834	\$ -	
-	-	-	-	(7,206,486)	
\$ -	\$ -	\$ -	\$ 545,834	\$ (7,206,486)	
79,438,857	-	79,438,857	-	-	
14,514,570	-	14,514,570	-	4,442,921	
6,842,109	-	6,842,109	-	-	
37,271,267	-	37,271,267	-	-	
2,243,655	343,454	2,587,109	10,195	47,346	
177,333	71,434	248,767	-	-	
-	14,695,137	14,695,137	-	-	
(9,378,408)	9,378,408	-	-	-	
131,109,383	24,488,433	155,597,816	10,195	4,490,267	
26,991,759	214,225	27,205,984	556,029	(2,716,219)	
13,609,817	244,586,720	258,196,537	31,428,897	67,271,682	
\$ 40,601,576	\$ 244,800,945	\$ 285,402,521	\$ 31,984,926	\$ 64,555,463	

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

City of Jackson
Balance Sheet
Governmental Funds
As of September 30, 2020

	General Fund	1% Infrastructure Tax Capital Project Fund	Federal Grants Special Revenue Fund	Infrastructure Bond 2020 Capital Project Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 37,249,882	\$ 17,843,795	\$ 879,990	\$ 35,001,482	\$ 18,598,853	\$ 109,574,002
Receivables, net of allowance for uncollectibles	71,386,174	2,541,198	9,482,185	-	26,621,916	110,031,473
Due from other funds	4,064,043	-	-	-	-	4,064,043
Inventories	877,163	-	-	-	-	877,163
Total assets	<u>\$ 113,577,262</u>	<u>\$ 20,384,993</u>	<u>\$ 10,362,175</u>	<u>\$ 35,001,482</u>	<u>\$ 45,220,769</u>	<u>\$ 224,546,681</u>
LIABILITIES						
Accounts payable	\$ 4,285,365	\$ 2,236,245	\$ 2,194,923	\$ -	\$ 4,201,457	\$ 12,917,990
Unearned grant revenue	-	-	2,467,220	-	1,498,880	3,966,100
Due to other funds	-	-	4,064,043	-	-	4,064,043
Other liabilities	5,544,400	-	86,573	-	148,781	5,779,754
Total liabilities	<u>9,829,765</u>	<u>2,236,245</u>	<u>8,812,759</u>	<u>-</u>	<u>5,849,118</u>	<u>26,727,887</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-long-term receivables	-	-	34,649	-	-	34,649
Unavailable revenue-property taxes levied for subsequent year	55,231,944	-	-	-	21,920,047	77,151,991
Total deferred inflows of resources	<u>55,231,944</u>	<u>-</u>	<u>34,649</u>	<u>-</u>	<u>21,920,047</u>	<u>77,186,640</u>
FUND BALANCES						
Nonspendable	877,163	-	-	-	-	877,163
Restricted	15,391,950	18,148,748	1,514,767	35,001,482	11,942,128	81,999,075
Committed	5,174,066	-	-	-	5,509,476	10,683,542
Assigned	1,548,664	-	-	-	-	1,548,664
Unassigned	25,523,710	-	-	-	-	25,523,710
Total fund balances	<u>48,515,553</u>	<u>18,148,748</u>	<u>1,514,767</u>	<u>35,001,482</u>	<u>17,451,604</u>	<u>120,632,154</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 113,577,262</u>	<u>\$ 20,384,993</u>	<u>\$ 10,362,175</u>	<u>\$ 35,001,482</u>	<u>\$ 45,220,769</u>	<u>\$ 224,546,681</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, 2020

Total fund balances - governmental funds	\$ 120,632,154
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.	365,882,890
Prepaid expenses are not financial resources and are not reflected in the funds.	731,482
Long-term receivables are not available to pay for current period expenditures and are recorded as deferred inflows in the fund statements.	34,649
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	7,790,524
Deferred outflows of resources related to pensions	13,480,269
Deferred inflows of resources related to other post-employment benefits	(663,361)
Deferred inflows of resources related to pensions	(1,961,238)
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	(186,810,422)
Accrued interest on long-term debt	(1,373,289)
Compensated absences	(4,108,590)
Claims payable	(8,411,088)
Other post-employment benefits	(58,854,829)
Net pension liability	(205,767,575)
Net position of governmental activities	\$ <u><u>40,601,576</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
For the Year Ended September 30, 2020

	General Fund	1% Infrastructure Tax Capital Project Fund	Federal Grants Special Revenue Fund	Infrastructure Bond 2020 Capital Project Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
General property taxes	\$ 61,368,051	\$ -	\$ -	\$ -	\$ 18,070,804	\$ 79,438,855
Franchise taxes	6,842,109	-	-	-	-	6,842,109
Licenses and permits	1,405,219	-	-	-	-	1,405,219
Intergovernmental	34,429,419	14,514,570	18,038,600	-	13,635,704	80,618,293
Fines and forfeitures	1,704,377	-	-	-	-	1,704,377
Admissions, fees, rentals and concessions	4,606,777	-	251,369	-	188,456	5,046,602
Interest	971,833	666,765	96,840	1,482	506,735	2,243,655
Other	3,770,580	20,873	33,313	-	600,680	4,425,446
Total revenues	<u>115,098,365</u>	<u>15,202,208</u>	<u>18,420,122</u>	<u>1,482</u>	<u>33,002,379</u>	<u>181,724,556</u>
EXPENDITURES						
Current:						
General government	32,277,079	-	4,417,412	-	201,312	36,895,803
Public safety	50,048,673	-	4,092,719	-	5,040,491	59,181,883
Public works	9,572,927	291,113	70,429	-	1,520,295	11,454,764
Human and cultural services	3,682,832	-	2,739,069	-	8,085,060	14,506,961
Debt service:						
Principal retirement	3,716,352	-	-	-	10,253,068	13,969,420
Interest and service charges	456,072	-	-	671,732	4,947,056	6,074,860
Capital outlay:						
General government	3,763,017	-	154,457	-	-	3,917,474
Public works	153,821	14,462,469	8,892,137	-	9,155,501	32,663,928
Public safety	764,657	-	219,523	-	53,400	1,037,580
Human and cultural services	64,292	-	-	-	610,907	675,199
Total expenditures	<u>104,499,722</u>	<u>14,753,582</u>	<u>20,585,746</u>	<u>671,732</u>	<u>39,867,090</u>	<u>180,377,872</u>
Excess (deficiency) of revenues over expenditures	<u>10,598,643</u>	<u>448,626</u>	<u>(2,165,624)</u>	<u>(670,250)</u>	<u>(6,864,711)</u>	<u>1,346,684</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	890,935	-	11,138,979	12,029,914
Transfers Out	(11,818,070)	(4,474,443)	-	(3,215,600)	(1,900,209)	(21,408,322)
Issuance of long-term debt	8,746,830	-	-	32,140,000	187,791	41,074,621
Premium on long-term debt issued	-	-	-	6,747,332	-	6,747,332
Sale of capital assets	256,971	-	-	-	-	256,971
Total other financing sources (uses)	<u>(2,814,269)</u>	<u>(4,474,443)</u>	<u>890,935</u>	<u>35,671,732</u>	<u>9,426,561</u>	<u>38,700,516</u>
Net change in fund balances	7,784,374	(4,025,817)	(1,274,689)	35,001,482	2,561,850	40,047,200
Fund balances - beginning	40,731,179	22,174,565	2,789,456	-	14,889,754	80,584,954
Fund balances - ending	<u>\$ 48,515,553</u>	<u>\$ 18,148,748</u>	<u>\$ 1,514,767</u>	<u>\$ 35,001,482</u>	<u>\$ 17,451,604</u>	<u>\$ 120,632,154</u>

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, 2020

Net change in fund balances – total governmental funds	\$ 40,047,200
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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.	23,667,041
Contributions of capital assets received are not reported in the governmental funds because they do not involve current financial resources.	4,295,449
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.	(33,297,410)
The statement of activities reports pension expense and other activity related to net pension liability and the related deferred inflows/outflows of resources.	(2,493,316)
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.	(4,561,715)
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.	(498,212)
Prepaid expenses are reported as expenditures in the governmental funds when paid since they require the use of current financial resources.	(156,959)
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.	(10,319)

Change in the net position of governmental activities	<u><u>\$ 26,991,759</u></u>
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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, 2020

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 17,220,091	\$ -	\$ 2,415,200	\$ 19,635,291	\$ 781,443
Accounts receivable, less allowances	46,439,660	7,234,906	-	53,674,566	1,174,991
Intergovernmental receivables	8,535,393	-	3,258,460	11,793,853	-
Inventories	1,646,955	-	-	1,646,955	-
Restricted cash and cash equivalents	18,380,317	-	-	18,380,317	-
Total Current Assets	<u>92,222,416</u>	<u>7,234,906</u>	<u>5,673,660</u>	<u>105,130,982</u>	<u>1,956,434</u>
Non-current Assets:					
Restricted Assets:					
Cash and cash equivalents	7,040,689	-	-	7,040,689	-
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	734,404,641	-	1,243,591	735,648,232	-
Automotive and other equipment	15,902,088	3,243,442	16,074,372	35,219,902	-
	754,951,202	3,300,743	26,432,557	784,684,502	-
Less: accumulated depreciation	(356,287,141)	(2,695,004)	(9,787,636)	(368,769,781)	-
	398,664,061	605,739	16,644,921	415,914,721	-
Construction in Progress	19,420,108	-	-	19,420,108	-
Net property, plant and equipment	418,084,169	605,739	16,644,921	435,334,829	-
Total Non-current assets	<u>425,124,858</u>	<u>605,739</u>	<u>16,644,921</u>	<u>442,375,518</u>	<u>-</u>
Total Assets	<u>517,347,274</u>	<u>7,840,645</u>	<u>22,318,581</u>	<u>547,506,500</u>	<u>1,956,434</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - other post-employment benefits	821,195	190,266	121,467	1,132,928	-
Deferred outflows of resources - pension	1,191,239	394,158	219,387	1,804,784	-
Total deferred outflows of resources	<u>\$ 2,012,434</u>	<u>\$ 584,424</u>	<u>\$ 340,854</u>	<u>\$ 2,937,712</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, 2020

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
LIABILITIES AND FUND EQUITY					
Current Liabilities Payable from Unrestricted Assets:					
Accounts payable and accrued expenses	9,003,296	874,917	4,407,263	14,285,476	1,956,434
Unearned grant revenue	-	-	565,843	565,843	-
Other Post Employment Benefits liability	127,747	15,579	7,011	150,337	-
Compensated absences	111,007	6,572	1,275	118,854	-
Current portion of Long-Term Debt:					
Capital lease obligations	265,698	93,754	-	359,452	-
Notes payable	3,120,882	-	-	3,120,882	-
Total Current Liabilities Payable from Unrestricted Assets	<u>12,628,630</u>	<u>990,822</u>	<u>4,981,392</u>	<u>18,600,844</u>	<u>1,956,434</u>
Current Liabilities Payable from Restricted Assets:					
Customer deposits	6,331,530	-	-	6,331,530	-
Revenue bonds	9,015,000	-	-	9,015,000	-
Accrued interest payable	2,319,783	-	-	2,319,783	-
Total Current Liabilities Payable from Restricted Assets	<u>17,666,313</u>	<u>-</u>	<u>-</u>	<u>17,666,313</u>	<u>-</u>
Total Current Liabilities	<u>30,294,943</u>	<u>990,822</u>	<u>4,981,392</u>	<u>36,267,157</u>	<u>1,956,434</u>
Net pension liability	16,512,493	1,618,264	1,131,395	19,262,152	-
Other Post Employment Benefits liability	6,631,490	808,718	363,923	7,804,131	-
Compensated absences	266,909	38,821	31,619	337,349	-
Long-Term Debt					
(less amounts classified as current liabilities):					
Revenue bonds	191,264,062	-	-	191,264,062	-
(net of unamortized discount/premium)					
Capital lease obligations	1,728,909	141,822	-	1,870,731	-
Notes payable	46,382,960	-	-	46,382,960	-
Total Long-Term Liabilities	<u>262,786,823</u>	<u>2,607,625</u>	<u>1,526,937</u>	<u>266,921,385</u>	<u>-</u>
Total Liabilities	<u>293,081,766</u>	<u>3,598,447</u>	<u>6,508,329</u>	<u>303,188,542</u>	<u>1,956,434</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - other post-employment benefits	792,909	99,207	4,180	896,296	-
Deferred inflows of resources - pension	1,554,923	3,506	-	1,558,429	-
Total deferred inflows of resources	<u>2,347,832</u>	<u>102,713</u>	<u>4,180</u>	<u>2,454,725</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	180,250,797	370,163	16,644,921	197,265,881	-
Restricted, expendable for capital improvements	5,145,338	-	-	5,145,338	-
Unrestricted	38,533,975	4,353,746	(497,995)	42,389,726	-
Total net position	<u>\$ 223,930,110</u>	<u>\$ 4,723,909</u>	<u>\$ 16,146,926</u>	<u>\$ 244,800,945</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, 2020

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
OPERATING REVENUES					
Sales to customers	\$ 47,702,468	\$ 8,527,596	\$ 424,109	\$ 56,654,173	\$ -
Contributions - Participants	-	-	-	-	3,982,868
Contributions - City	-	-	-	-	13,181,349
Other revenues	51,919	9,282	-	61,201	-
Total operating revenues	<u>47,754,387</u>	<u>8,536,878</u>	<u>424,109</u>	<u>56,715,374</u>	<u>17,164,217</u>
OPERATING EXPENSES					
Personnel services	8,505,546	930,069	750,403	10,186,018	-
Supplies	4,929,015	137,300	761,335	5,827,650	-
Other services and charges	26,614,979	9,546,614	7,788,870	43,950,463	17,171,682
Depreciation	17,701,746	146,238	1,197,567	19,045,551	-
Total operating expenses	<u>57,751,286</u>	<u>10,760,221</u>	<u>10,498,175</u>	<u>79,009,682</u>	<u>17,171,682</u>
Operating loss	<u>(9,996,899)</u>	<u>(2,223,343)</u>	<u>(10,074,066)</u>	<u>(22,294,308)</u>	<u>(7,465)</u>
NONOPERATING REVENUES (EXPENSES)					
Noncapital grants	-	35,188	8,011,489	8,046,677	-
Interest revenue	301,021	168	42,265	343,454	7,465
Interest and service charges on long-term debt	(10,525,426)	(1,151)	-	(10,526,577)	-
Gain on sale of capital assets	70,050	-	1,384	71,434	-
Litigation settlement gain on capital assets	14,695,137	-	-	14,695,137	-
Total nonoperating revenues (expenses)	<u>4,540,782</u>	<u>34,205</u>	<u>8,055,138</u>	<u>12,630,125</u>	<u>7,465</u>
Income (loss) before capital contributions and transfers	<u>(5,456,117)</u>	<u>(2,189,138)</u>	<u>(2,018,928)</u>	<u>(9,664,183)</u>	<u>-</u>
Capital contributions and grants	500,000	-	-	500,000	-
Transfers Out	(7,588,501)	-	-	(7,588,501)	-
Transfers In	5,893,997	7,709,686	3,363,226	16,966,909	-
Change in net position	<u>(6,650,621)</u>	<u>5,520,548</u>	<u>1,344,298</u>	<u>214,225</u>	<u>-</u>
Total net position - beginning	<u>230,580,731</u>	<u>(796,639)</u>	<u>14,802,628</u>	<u>244,586,720</u>	<u>-</u>
Total net position - ending	<u>\$ 223,930,110</u>	<u>\$ 4,723,909</u>	<u>\$ 16,146,926</u>	<u>\$ 244,800,945</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, 2020

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 51,553,973	\$ 8,989,328	\$ 424,109	\$ 60,967,410	\$ 3,982,855
Receipts from interfund charges	-	-	-	-	13,181,349
Receipts from other revenue	51,919	9,282	-	61,201	-
Payments to suppliers	(33,907,318)	(10,749,442)	(8,537,109)	(53,193,869)	(17,368,654)
Payments to employees	(6,758,405)	(628,302)	(443,188)	(7,829,895)	-
Payments to internal service fund	(1,660,251)	(180,933)	(112,292)	(1,953,476)	-
Net cash provided by (used for) operating activities	<u>9,279,918</u>	<u>(2,560,067)</u>	<u>(8,668,480)</u>	<u>(1,948,629)</u>	<u>(204,450)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	35,188	6,554,718	6,589,906	-
Transfers and advances from other funds	1,032,108	7,709,686	3,363,226	12,105,020	-
Repayment to other funds for advances	(7,677,553)	(5,021,884)	-	(12,699,437)	-
Transfers and advances to other funds	(7,588,501)	-	-	(7,588,501)	-
Repayment from other funds for advances	<u>2,166,292</u>	<u>-</u>	<u>-</u>	<u>2,166,292</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(12,067,654)</u>	<u>2,722,990</u>	<u>9,917,944</u>	<u>573,280</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(13,445,204)	(210,963)	(944,629)	(14,600,796)	-
Transfers from other funds for capital purposes	4,861,889	-	-	4,861,889	-
Capital grants	500,000	-	-	500,000	-
Proceeds from capital debt	11,387,152	-	-	11,387,152	-
Principal paid on capital debt	(11,869,695)	(23,961)	-	(11,893,656)	-
Proceeds from capital asset sales	70,050	-	1,384	71,434	-
Proceeds from litigation settlement on capital assets	59,829,532	-	-	59,829,532	-
Interest paid on capital debt	<u>(11,240,229)</u>	<u>(1,151)</u>	<u>-</u>	<u>(11,241,380)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>40,093,495</u>	<u>(236,075)</u>	<u>(943,245)</u>	<u>38,914,175</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>301,021</u>	<u>168</u>	<u>42,265</u>	<u>343,454</u>	<u>7,465</u>
Net cash provided by (used for) investing activities	<u>301,021</u>	<u>168</u>	<u>42,265</u>	<u>343,454</u>	<u>7,465</u>
Net increase (decrease) in cash and cash equivalents	37,606,780	(72,984)	348,484	37,882,280	(196,985)
Cash and cash equivalents at beginning of year	5,034,317	72,984	2,066,716	7,174,017	978,428
Cash and cash equivalents at end of year	<u>\$ 42,641,097</u>	<u>\$ -</u>	<u>\$ 2,415,200</u>	<u>\$ 45,056,297</u>	<u>\$ 781,443</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, 2020

	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	\$ (9,996,899)	\$ (2,223,343)	\$ (10,074,066)	\$ (22,294,308)	\$ (7,465)
Depreciation expenses	17,701,746	146,238	1,197,567	19,045,551	-
(Increase) decrease in accounts receivable	2,453,632	461,732	-	2,915,364	(50,566)
(Increase) decrease in inventories	52,964	-	-	52,964	-
Increase (decrease) in accounts payable and accrued expenses	(2,395,170)	(1,062,499)	15,997	(3,441,672)	(146,419)
Increase (decrease) in compensated absences	(47,916)	1,016	8,011	(38,889)	-
Increase (decrease) in customer deposits	1,406,047	-	-	1,406,047	-
Increase (decrease) in pension liability and deferred inflows (outflows)	(336,404)	53,807	147,758	(134,839)	-
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	441,918	62,982	36,253	541,153	-
Total adjustments	19,276,817	(336,724)	1,405,586	20,345,679	(196,985)
Net cash provided by (used for) operating activities	<u>\$ 9,279,918</u>	<u>\$ (2,560,067)</u>	<u>\$ (8,668,480)</u>	<u>\$ (1,948,629)</u>	<u>\$ (204,450)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Accounts payable for capital assets at year end	<u>\$ 5,156,745</u>	<u>\$ -</u>	<u>\$ 2,781,788</u>	<u>\$ 7,938,533</u>	<u>\$ -</u>
Capital debt proceeds receivable at year end	<u>\$ 8,535,393</u>	<u>\$ 210,963</u>	<u>\$ -</u>	<u>\$ 8,746,356</u>	<u>\$ -</u>
SUMMARY OF CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents	\$ 17,220,091	\$ -	\$ 2,415,200	\$ 19,635,291	\$ 781,443
Restricted cash and cash equivalents:					
Current	18,380,317	-	-	18,380,317	-
Noncurrent	7,040,689	-	-	7,040,689	-
	<u>\$ 42,641,097</u>	<u>\$ -</u>	<u>\$ 2,415,200</u>	<u>\$ 45,056,297</u>	<u>\$ 781,443</u>

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

**CITY OF JACKSON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2020**

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 216,392	\$ 16,226
Investment at fair value:		
Certificate of deposit	32,802	-
Taxes receivable	<u>-</u>	<u>1,171,955</u>
Total assets	<u>\$ 249,194</u>	<u>\$ 1,188,181</u>
Liabilities and Net Position		
Liabilities:		
Payables to others	\$ <u>-</u>	\$ <u>1,188,181</u>
Total liabilities	<u>-</u>	<u>1,188,181</u>
Net Position:		
Held in trust for unemployment benefits and other purposes	<u>249,194</u>	<u>-</u>
Total net position	<u>249,194</u>	<u>-</u>
Total liabilities and net position	<u>\$ 249,194</u>	<u>\$ 1,188,181</u>

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

**CITY OF JACKSON
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Trust Funds</u>
Additions:	
Interest	\$ 70
Contributions from other funds	<u>83,364</u>
Total additions	<u>83,434</u>
Deductions:	
General government:	
Unemployment claims	<u>93,152</u>
Total deductions	<u>93,152</u>
Change in Net Position	<u>(9,718)</u>
Net position - beginning of year	<u>258,912</u>
Net position - end of year	<u><u>\$ 249,194</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, 2020

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) and the Capital City Convention Center Commission should be reported as discretely presented component units of the City. 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.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 proposed 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 four 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 Municipal Airport Authority
100 International Drive
Jackson, MS 39208

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, 2020

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. Agency funds are used to report resources in a purely custodial capacity (assets equal liabilities). So, agency funds cannot be said to have a measurement focus, however, they do use the accrual basis of accounting to recognize receivables and payables. 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, 2020

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.

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%.

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

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 agency capacity for others and therefore are not available to support City programs. The City has two trust funds, the Unemployment Compensation Revolving Fund, and the Mausoleum Trust Fund. The function of the City's principal employee benefit trust fund, the Unemployment Compensation Revolving Fund, is discussed in NOTE 6.A.2. The function of the Mausoleum Trust Fund is to maintain and upkeep the Henry Mausoleum. 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 Agency 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, 2020

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, 2020

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/sewer.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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, which approximates 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, 2020

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, 2020

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 2020 is \$8,809,425, and the actual amount is \$25,523,710 at September 30, 2020.

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 \$12,048,787 and the actual total amount at September 30, 2020, 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, 2020

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. Deferred inflows of resources reflected by the City relate to pension plans, property taxes levied for the subsequent year, and long-term receivables that are not yet available.

20. New Accounting Pronouncements

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the Economic resources measurement focus. The requirements of this Statement were implemented by the City for the year ended September 30, 2020.

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.

In May 2020, the GASB issued GASB 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

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

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

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.

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) trusts 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 are effective for reporting periods beginning after December 15, 2019. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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	\$ 38,294,181
Depreciation Expense	(14,547,502)
Remaining undepreciated cost of capital asset disposals in the current year	<u>(79,638)</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>\$ 23,667,041</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:	\$ 13,969,420
Long-term debt issued	(41,074,621)
Premium on long-term debt issued	(6,747,332)
Amortization of debt premiums and discounts	<u>555,123</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>\$ (33,297,410)</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	\$ (13,688,688)
Pension deferred inflows of resources change	3,191,699
Pension deferred outflows of resources change	<u>8,003,673</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>\$ (2,493,316)</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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	\$ (12,109,972)
Other postemployment benefits deferred inflows of resources change	61,819
Other postemployment benefits deferred outflows of resources change	<u>7,486,438</u>
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>	\$ <u><u>(4,561,715)</u></u>

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 (in thousands):

Compensated absences liability change	\$ (69,334)
Claims and judgments liability change	(279,558)
Accrued interest payable change	<u>(149,320)</u>
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>	\$ <u><u>(498,212)</u></u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 Finance Division of the Department of Administration by June 1 each year.
3. The Finance 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, 2020

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

A. BUDGETARY INFORMATION (Continued):

The Finance 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 Finance 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 2020 as provided by law, as follows (in thousands):

	Originally Adopted Budget		Budget as Amended		Increase (Decrease)
General Fund	\$ 134,213	\$	163,181	\$	28,968
Special Revenue Funds	39,857		59,408		19,551
Debt Service Fund	24,877		26,309		1,432
Capital Projects Funds	19,844		89,343		69,499
Enterprise Funds	217,548		264,866		47,318
Internal Service Fund	17,175		17,175		-
	<u>\$ 453,514</u>	\$	<u>620,282</u>	\$	<u>166,768</u>

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

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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, 2020, 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, 2020:

Revenue bond reserve funds:	
Debt service fund	\$ 1,596,376
Contingent fund	6,968,274
Operation & maintenance fund	<u>3,484,137</u>
	12,048,787
Customer deposits	6,331,530
Unspent debt proceeds	1,895,352
Capital improvement fund under U.S. EPA consent decree	<u>5,145,337</u>
Total restricted cash and cash equivalents	<u>\$ 25,421,006</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, 2020:

Investment Type	Quality Ratings	Maturities (in years)	Total Fair Value	Level 1 Fair Value
Money market mutual funds	Aaa/AAA	Less than 1	\$20,833,230	\$20,833,230

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, 2020, 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, 2020

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, 2020, 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 of the Capital City Convention Center Commission and the Jackson Redevelopment Authority is restricted for 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, 2020, the component units did not have any investments.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

B. RECEIVABLES AND PAYABLES

Receivables at September 30, 2020, 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	1% Infrastructure Tax Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes	\$ 56,104	\$ -	\$ -	\$ -	\$ -	\$ 22,138	\$ 78,242
Sales taxes	4,534	2,541	-	-	-	1,172	8,247
Franchise fees	1,403	-	-	-	-	-	1,403
Federal and state assistance	132	-	9,447	8,535	-	7,553	25,667
Water, sewer, and sanitation user charges		-	-	126,549	19,498	-	146,047
Debt proceeds	8,747	-	-	-	211	188	9,146
Other	466	-	352	-	-	1,209	2,027
Gross receivables	71,386	2,541	9,799	135,084	19,709	32,260	270,779
Allowance for uncollectible	-	-	(317)	(80,109)	(12,474)	(32)	(92,932)
Net receivables	<u>\$ 71,386</u>	<u>\$ 2,541</u>	<u>\$ 9,482</u>	<u>\$ 54,975</u>	<u>\$ 7,235</u>	<u>\$ 32,228</u>	<u>\$ 177,847</u>

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 \$5,944,632 and \$1,095,283, respectively, for the year ended September 30, 2020.

Deferred inflows of resources related to the receivables consisted of the following at September 30, 2020 (in thousands):

	General Fund	1% Infrastructure Tax Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes levied for the subsequent year	\$ 55,232	\$ -	\$ -	\$ -	\$ -	\$ 21,920	\$ 77,152
Long-term receivables unavailable for current use	-	-	35	-	-	-	35
Net receivables	<u>\$ 55,232</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,920</u>	<u>\$ 77,187</u>

Amounts reflected as accounts payable and other liabilities at September 30, 2020, for the primary government's individual major funds and nonmajor and internal service funds in the aggregate, are as follows (in thousands):

	General Fund	1% Infrastructure Tax Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Accounts payable	\$ 4,285	\$ 2,236	\$ 2,195	\$ 8,612	\$ 847	\$ 8,770	\$ 26,945
Payroll and benefits	2,952	-	86	331	28	173	3,570
Seized and forfeited cash	2,585	-	-	-	-	-	2,585
Health claims	-	-	-	-	-	1,771	1,771
Others	8	-	-	60	-	-	68
	<u>\$ 9,830</u>	<u>\$ 2,236</u>	<u>\$ 2,281</u>	<u>\$ 9,003</u>	<u>\$ 875</u>	<u>\$ 10,714</u>	<u>\$ 34,939</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

B. RECEIVABLES (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 2020 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	49.30	General	None
Parks and Recreation Fund	2.00	Recreation	2.00 mills
Debt Service Fund	6.15	Debt retirement	None
Disability and Relief Fund	<u>3.87</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	2.92	Public schools	None
Special Debt Retirement Bond	13.44	Public schools	None
Special Debt Retirement Bond	0.25	Public schools	None
Special Debt Retirement Bond	<u>4.34</u>	Public schools	None
	<u>86.86</u>		
Total mills	<u>149.89</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, 2020

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

C. CHANGES IN CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2020, was as follows (in thousands):

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,721	\$ -	\$ -	\$ 13,721
Construction in progress	32,444	33,963	(30,198)	36,209
Total capital assets not being depreciated	46,165	33,963	(30,198)	49,930
Capital assets being depreciated:				
Buildings	108,317	952	-	109,269
Infrastructure	343,019	33,027	-	376,046
Automotive and equipment	78,931	4,846	(1,775)	82,002
Total capital assets being depreciated	530,267	38,825	(1,775)	567,317
Less accumulated depreciation for:				
Buildings	(38,485)	(1,935)	-	(40,420)
Infrastructure	(134,770)	(8,961)	-	(143,731)
Automotive and equipment	(65,256)	(3,652)	1,695	(67,213)
Total accumulated depreciation	(238,511)	(14,548)	1,695	(251,364)
Total capital assets being depreciated, net	291,756	24,277	(80)	315,953
Total governmental activities capital assets, net	\$ 337,921	\$ 58,240	\$ (30,278)	\$ 365,883
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,838	\$ -	\$ -	\$ 1,838
Construction in progress	2,108	18,525	(1,213)	19,420
Total capital assets not being depreciated	3,946	18,525	(1,213)	21,258
Capital assets being depreciated:				
Buildings	11,978	-	-	11,978
Infrastructure	734,435	1,213	-	735,648
Automotive and equipment	32,387	4,014	(1,181)	35,220
Total capital assets being depreciated	778,800	5,227	(1,181)	782,846
Less accumulated depreciation for:				
Buildings	(1,676)	(288)	-	(1,964)
Infrastructure	(281,110)	(61,999)	-	(343,109)
Automotive and equipment	(22,985)	(1,892)	1,181	(23,696)
Total accumulated depreciation	(305,771)	(64,179)	1,181	(368,769)
Total capital assets being depreciated, net	473,029	(58,952)	-	414,077
Total business-type activities capital assets, net	\$ 476,975	\$ (40,427)	\$ (1,213)	\$ 435,335

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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	\$ 1,309
Public Works	9,602
Human & Cultural	1,455
Public Safety	<u>2,182</u>
Total Depreciation Expense – Governmental Activities	\$ <u>14,548</u>

Business-Type Activities:

Water/Sewage Disposal	\$ 17,702
Sanitation	146
Madison-Ridgeland Sewage	15
Transportation	<u>1,182</u>
Total Depreciation Expense – Business-type Activities	\$ <u>19,045</u>

3. The Water/Sewage Disposal Fund had a litigation settlement gain for the year ended September 30, 2020, related to a contract for water meters, billing systems, and related service. The gain consists of the following (in thousands):

Litigation settlement gross amount	\$ 89,800
Attorneys contingent fees and expenses	(29,971)
Capital assets impairment (reflected as an increase in accumulated depreciation)	<u>(45,134)</u>
Litigation settlement gain	\$ <u>14,695</u>

4. Construction work in progress at September 30, 2020 for the governmental activities of the primary government is composed of the following:

	SPENT-TO-DATE	REMAINING COMMITMENT
	FY20	FY20
Community Development Block Grant	\$ -	\$ 6,714
1998 G O Public Improvement Construction Bond	-	13,012
2003 G O Public Improvement Construction Bond	226,505	594,094
2008 G O Street Construction Bond	-	19,736
Capital Street 2-Way Project	-	356,889
Museum to Market Trail	1,104,465	989
Economic Development Initiative		
Traffic - Repair and Replacement	1,995,870	46,350
Resurfacing- Repair and Replacement	8,001,998	82,768
1% Infrastructure Tax	13,901,234	885,328
Hail Damage March 2013	-	20,883
Tiger Grant	10,978,611	90,186
Total	\$ <u>36,208,683</u>	\$ <u>2,116,769</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

C. CHANGES IN CAPITAL ASSETS (Continued)

5. Construction work in progress at September 30, 2020 for primary government enterprise funds is composed of the following:

<u>Project</u>	<u>Spent-To-Date</u> <u>FY20</u>	<u>Remaining Commitment</u> <u>FY20</u>
Water/Sewer Construction Fund	\$ 19,420,108	\$ 431,161
Total	\$ 19,420,108	\$ 431,161

6. 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, 2020, was as follows (in thousands):

Business-Type Activities:	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,268	\$ -	\$ -	\$ 5,268
Property held for development	5,951	48	-	5,999
Total capital assets not being depreciated	11,219	48	-	11,267
Other capital assets:				
Land improvements	76	-	-	76
Buildings	50,635	-	-	50,635
Equipment and furniture	1,515	-	-	1,515
Total other capital assets	52,226	-	-	52,226
Less accumulated depreciation for:				
Land improvements	(48)	-	-	(48)
Buildings	(29,134)	(1,233)	-	(30,367)
Equipment and furniture	(1,477)	-	-	(1,477)
Total accumulated depreciation	(30,659)	(1,233)	-	(31,892)
Total other capital assets, net	21,567	(1,233)	-	20,334
Total capital assets, net	\$ 32,786	\$ (1,185)	\$ -	\$ 31,601

Activity for the Capital City Convention Center Commission for the year ended September 30, 2020, was as follows (in thousands):

Business-Type Activities:	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Capital assets not being depreciated:				
Land and improvements	\$ 5,828	\$ -	\$ -	\$ 5,828
Total capital assets not being depreciated	5,828	-	-	5,828
Capital assets being depreciated:				
Building and improvements	80,113	-	-	80,113
Equipment	5,607	5	-	5,612
Total other capital assets	85,720	5	-	85,725
Less accumulated depreciation	(26,959)	(2,147)	-	(29,106)
Other capital assets, net	58,761	(2,142)	-	56,619
Total capital assets, net	\$ 64,589	\$ (2,142)	\$ -	\$ 62,447

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Individual fund interfund receivable and payable balances as of September 30, 2020 follow (in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,064	\$ -
Federal Grants Special Revenue Fund	-	4,064
Total	<u>\$ 4,064</u>	<u>\$ 4,064</u>

The General Fund interfund receivable from the Federal Grants Special Revenue Fund was to provide temporary cash flow for operations.

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

	Transfer In	Transfer Out
General Fund	\$ -	\$ 11,818
1% Infrastructure Tax Capital Project Fund	-	4,474
Federal Grants Special Revenue Fund	891	-
Infrastructure Bond 2020 Capital Project Fund	-	3,216
Water/Sewage Disposal System Fund	5,894	7,589
Sanitation Fund	7,710	-
Nonmajor Governmental Funds	11,139	1,900
Nonmajor Proprietary Funds	3,363	-
Total	<u>\$ 28,997</u>	<u>\$ 28,997</u>

Interfund transfers at September 30, 2020 consist of the following (in thousands):

\$ 4,127	From the 1% infrastructure Tax Capital Project Fund to the Water/Sewage Disposal System Fund for infrastructure projects.
891	From the General Fund to the Federal Grants Special Revenue Fund to subsidized grant programs.
1,033	From the General Fund to the Water/Sewage Disposal System Fund to subsidize operations.
121	From the General Fund to the Sanitation Fund to subsidize operations.
6,410	From the General Fund to the Nonmajor Governmental Funds to subsidize operations.
3,363	From the General Fund to the Nonmajor Proprietary Fund to subsidize operations.
7,589	From the Water/Sewage Disposal System Fund litigation settlement proceeds to the Sanitation Fund to subsidize operations.
3,216	From the Infrastructure Bond 2020 Capital Project Fund to the Nonmajor Debt Service Fund for debt service.
347	From the 1% Infrastructure Tax Capital Project Fund to the Nonmajor Debt Service Fund for debt service.
1,116	From a Nonmajor Capital Project Fund to another Nonmajor Capital Project Fund for capital projects.
<u>734</u>	From Nonmajor Capital Project Funds to the Water/Sewage Disposal System Fund for infrastructure projects.
<u>\$ 28,997</u>	Total

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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, 2020, there were capital assets under capital leases with a total cost of \$36,002,632 and estimated accumulated depreciation of \$12,324,625. 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, 2020, (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 577
2022	368
2023	303
2024	268
2025	213
2026 - 2030	328
2031 – 2035	162
2036 – 2040	162
2041 – 2045	162
2046 – 2050	162
2051 – 2055	162
2056 – 2060	162
2061 – 2065	162
2066 – 2070	162
2071 – 2075	162
2076 – 2080	162
2081 – 2085	162
2086	<u>32</u>
Total	<u>\$ 3,871</u>

The total rental expenditures for all operating leases of the City for the year ended September 30, 2020 totaled \$1,213,777. 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, 2020

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, 2020

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.

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, 2020, were as follows (in thousands):

General Obligation Bonds:	Date of Obligation	Interest Rate	Final Maturity Date	Issued	Outstanding
MS Development Bank GO Bonds, Series 2003	01/05/03	2.00 – 5.25%	03/01/23	\$ 20,000	\$ 4,370
General Obligation Refunding, Series 2010A	09/01/10	3.00 – 5.00%	09/01/24	16,655	12,120
General Obligation Refunding, Series 2010B	09/01/10	4.37%	09/01/24	7,010	4,875
General Obligation Refunding, Series 2013	02/21/13	3.00 – 5.00%	03/01/36	64,940	59,505
General Obligation Refunding, Series 2015A	12/18/15	3.00 – 5.00%	05/01/36	17,465	17,455
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	9,338
Total General Obligation Bonds				\$	<u>107,663</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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, 2020, 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	\$ 32,545
Water/Sewer Revenue Refunding 2011B	09/01/11	4.07 - 5.40%	09/01/34	2,565	1,910
Water/Sewer Revenue Refunding 2012A	09/01/12	3.50 - 5.00%	09/01/34	63,045	62,670
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	83,095
Water/Sewer Revenue Refunding 2016	08/24/16	3.00 - 4.000%	09/01/24	17,135	9,260
Total Revenue Bonds					<u>\$ 189,480</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

G. LONG-TERM DEBT (Continued):

3. Tax Increment Limited Obligation Bonds

The City issued \$2.270 million of tax increment limited obligation bonds in December 2007 to provide funds for the costs of constructing certain infrastructure improvements, site development and or site preparation in connection with the development and construction of a redevelopment project located within the City. The City entered into an Interlocal Cooperation Agreement with Hinds County, Mississippi, to provide the pledge of certain ad valorem tax revenues for the payment of the principal and interest on the bonds. As a result, the bonds are not a general obligation of the City.

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, 2020, are as follows (in thousands):

Limited Obligation Bonds:	Date of Obligation	Interest Rate	Final Maturity Date	Issued	Outstanding
General Long-Term Debt:					
Tax Increment Financing Bonds, 2007	12/28/07	4.47%	03/01/20	\$ 2,270	\$ -
Tax Increment Financing Bonds, 2009	04/23/09	4.20%	04/01/24	407	138
Tax Increment Financing Bonds, 2009	06/19/09	4.75%	07/01/22	1,600	305
Tax Increment Financing Bonds, 2010A/B	12/30/10	4.75-5.50%	03/01/30	2,800	1,344
Tax Increment Financing Bonds, 2018	08/24/18	3.83%	07/01/33	4,447	3,967
Tax Increment Financing Bonds, 2018	10/15/18	3.50%	03/15/29	1,750	1,445
Tax Increment Financing Bonds, 2019	04/02/19	4.49%	03/01/34	1,762	1,677
Total Limited Obligation Bonds					<u>\$8,876</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 1098 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, 2020, \$5,450,000 was outstanding under the Section 108 loan.

5. Jackson Redevelopment Authority

Urban Renewal Bonds

Urban renewal bonds issued to provide funds for various rehabilitation projects at September 30, 2020, 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>					
Enterprise Funds:					
Urban Renewal Bond, Series, 2011A	06/01/11	3.25%-4.50%	06/01/31	\$ 7,165	\$ 4,930
Urban Renewal Bond, Series, 2011B	06/01/11	5.15%	06/01/23	2,745	710
Urban Renewal Bond, Series, 2018A	11/13/18	1.375%	11/01/21	2,763	<u>1,420</u>
Total Urban Renewal Bonds					<u>\$ 7,060</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 unit for the year ended September 30, 2020, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 116,621	\$ -	\$ 8,958	\$ 107,663	\$ 9,414
Limited obligation bonds	9,938		1,061	8,877	851
State revolving loan (MDA)	431	-	99	332	75
Miss. Development Bank Loan	1,002	-	273	729	294
Mississippi Development Bank Note	-	32,140	-	32,140	2,545
Section 108 Loan	6,100	-	650	5,450	650
Capital lease obligations	13,947	8,935	2,929	19,953	3,619
Issuance discount	(313)	-	(22)	(291)	-
Issuance premium	5,787	6,747	577	11,957	-
Total Long-Term Debt Payable	153,513	47,822	14,525	186,810	17,448
Net pension liability	192,079	13,689	-	205,768	-
Other Post-employment benefits	46,745	12,110	-	58,855	1,112
Claims and judgments	5,634	1,093	295	6,432	3,324
Workers' Compensation Claims	2,498	-	519	1,979	1,152
Compensated absences	4,039	786	716	4,109	655
	250,995	27,678	1,530	277,143	6,243
Total Governmental Activities	\$ 404,508	\$ 75,500	\$ 16,055	\$ 463,953	\$ 23,691
Business-Type Activities					
General Obligation Note	\$ -	\$ 2,932	\$ -	\$ 2,932	\$ -
Revenue bonds	198,185	-	8,705	189,480	9,015
State revolving loan (DEQ)	26,867	11,730	1,950	36,647	1,992
State revolving loan (DOH)	3,620	4,392	101	7,911	276
State revolving loan (MDA)	2,868	-	853	2,015	853
Capital lease obligations	2,303	211	284	2,230	359
Issuance discount	(698)	-	(48)	(650)	-
Issuance premiums	12,225	-	777	11,448	-
Total Long-Term Debt Payable	245,370	19,265	12,622	252,013	12,495
Net pension liability	19,250	12	-	19,262	-
Other Post-employment benefits	6,830	1,125	-	7,955	150
Compensated absences	495	80	119	456	119
	26,575	1,217	119	27,673	269
Total Business-type activities	\$ 271,945	\$ 20,482	\$ 12,741	\$ 279,686	\$ 12,764
Component Unit - Jackson Redevelopment Authority:					
Urban Renewal bonds	\$ 8,522	\$ -	\$ 1,462	\$ 7,060	\$ 1,524
Issuance discount	(136)	-	-	(136)	-
Total Component Unit	\$ 8,386	\$ -	\$ 1,462	\$ 6,924	\$ 1,524

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

G. LONG-TERM DEBT (Continued):

7. The City's legal debt margin for the issuance of general obligation bonds was \$78,927,000 at September 30, 2020.

8. Annual Maturities Requirements

The annual requirements to amortize all long-term debts outstanding of September 30, 2020, including interest, by source of retirement are as follows (in thousands):

Debt Service Fund (Special Tax Levy)

<u>General Obligation Bonds</u>			
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021	\$ 4,066	\$ 9,414	\$ 13,480
2022	3,655	9,911	13,566
2023	3,221	10,426	13,647
2024	2,810	10,922	13,732
2025	2,548	3,980	6,528
2026 – 2030	12,569	23,965	36,534
2031 – 2035	5,160	31,565	36,725
2036 – 2040	199	7,480	7,679
Total	\$ <u>34,228</u>	\$ <u>107,663</u>	\$ <u>141,891</u>

<u>State Revolving Loan MDA</u>			
<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021	\$ 5	\$ 75	\$ 80
2022	4	50	54
2023	3	51	54
2024	2	52	54
2025	2	52	54
2026-2030	1	52	53
Total	\$ <u>17</u>	\$ <u>332</u>	\$ <u>349</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

G. LONG-TERM DEBT (Continued):

MS Development Bank Loans			
Fiscal Year	Interest	Principal	Total
2021	\$ 31	\$ 294	\$ 325
2022	31	294	325
2023	9	87	96
2024	5	54	59
Total	\$ 76	\$ 729	\$ 805

Limited Obligation Bonds			
Fiscal Year	Interest	Principal	Total
2021	\$ 313	\$ 851	\$ 1,164
2022	364	785	1,149
2023	463	543	1,006
2024	444	566	1,010
2025	404	569	973
2026 - 2030	800	3,877	4,677
2031 - 2035	148	1,686	1,834
Total	\$ 2,936	\$ 8,877	\$ 11,813

1% Infrastructure Tax Special Revenue Fund

Mississippi Development Bank Note			
Fiscal Year	Interest	Principal	Total
2021	\$ 1,611	\$ 2,545	\$ 4,156
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 - 2030	2,791	18,025	20,816
Total	\$ 9,489	\$ 32,140	\$ 41,629

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

General Fund (General Fund Revenues)

Fiscal Year	Obligation Under Capital Leases		Total
	Interest	Principal	
2021	\$ 286	\$ 3,619	\$ 3,905
2022	231	2,955	3,186
2023	227	2,890	3,117
2024	203	3,010	3,213
2025	100	1,410	1,510
2026 – 2030	175	5,692	5,867
2031 - 2035	9	377	386
Total	\$ 1,231	\$ 19,953	\$ 21,184

Fiscal Year	HUD Section 108		Total
	Interest	Principal	
2021	\$ 29	\$ 650	\$ 679
2022	29	650	679
2023	29	650	679
2024	29	650	679
2025	29	650	679
2026 - 2030	91	2,200	2,291
Total	\$ 236	\$ 5,450	\$ 5,686

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

Fiscal Year	Revenue Bonds		Total
	Interest	Principal	
2021	\$ 10,142	\$ 9,015	\$ 19,157
2022	9,750	9,405	19,155
2023	9,333	9,820	19,153
2024	8,849	10,300	19,149
2025	8,173	8,565	16,738
2026 – 2030	34,062	50,440	84,502
2031 – 2035	22,978	55,425	78,403
2036 – 2040	7,785	29,335	37,120
2041 - 2045	247	7,175	7,422
Total	\$ 111,319	\$ 189,480	\$ 300,799

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

G. LONG-TERM DEBT (Continued):

Fiscal Year	Obligations Under Capital Leases		
	Interest	Principal	Total
2021	\$ 36	\$ 359	\$ 395
2022	35	237	272
2023	27	224	251
2024	23	155	178
2025	23	155	178
2026 - 2030	45	818	863
2031 - 2035	5	282	287
Total	\$ 194	\$ 2,230	\$ 2,424

Fiscal Year	General Obligation Note		
	Interest	Principal	Total
2021	\$ -	\$ -	\$ -
2022	210	-	210
2023	95	-	95
2024	95	-	95
2025	48	2,932	2,980
Total	\$ 448	\$ 2,932	\$ 3,380

Fiscal Year	State Revolving Loans		
	Interest	Principal	Total
2021	\$ 520	\$ 3,121	\$ 3,641
2022	742	5,000	5,742
2023	663	4,003	4,666
2024	599	3,477	4,076
2025	536	3,427	3,963
2026 - 2030	1,738	15,419	17,157
2031 - 2035	684	9,083	9,767
2036 – 2040	121	3,043	3,164
Total	\$ 5,603	\$ 46,573	\$ 52,176

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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

Jackson Redevelopment Authority (Urban Renewal Project Revenues)

Jackson Redevelopment Authority				
<u>Urban Renewal Bonds</u>				
<u>Fiscal Year</u>	<u>Interest</u>		<u>Principal</u>	<u>Total</u>
2021	\$ 300	\$	1,524	\$ 1,824
2022	243		1,086	1,329
2023	214		635	849
2024	172		410	582
2025	153		425	578
2026 - 2030	462		2,425	2,887
2031 – 2035	25		555	580
Total	\$ <u>1,569</u>	\$	<u>7,060</u>	\$ <u>8,629</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 \$492,707 in May, 2021, and \$200,000 annually in June of the years 2023 through 2027. Principal and interest maturities for 2020 were paid by contributions from the General Fund of \$1,821,512.

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, 2020.

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, 2020

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 unit as of September 30, 2020, including interest are as follows (in thousands):

<u>Fiscal Year</u>	<u>City of Jackson</u>	<u>Jackson Redevelopment Authority</u>
2021	\$ 46,982	\$ 1,824
2022	48,503	1,329
2023	46,930	849
2024	46,410	582
2025	37,764	578
2026 – 2030	172,760	2,887
2031 – 2035	127,402	580
2036 – 2040	47,963	-
2041 – 2045	<u>7,422</u>	<u>-</u>
Total	<u>\$ 582,136</u>	<u>\$ 8,629</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 \$26,605,786 for the current year and made principal and interest payments on the notes payable to the state totaling \$3,967,779 during the current year. As of September 30, 2020, the future principal and interest requirements for the notes payable totaled \$53.3 million, and the maturity dates of the notes payable extend through September, 2040.

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 \$14,514,570 for the current year and made no principal or interest payments on the note payable during the year because the first payment is due in March, 2021. As September 30, 2020, the future principal and interest requirements for the note payable totaled \$41.6 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, \$1,295,387, and the City also received 63,341 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 \$1,410,508 during the current year. As of September 30, 2020, the future principal and interest requirements on the bonds totaled \$11.8 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 \$9,996,899 in the current year, and the principal and interest payments made by the City on revenue bonds totaled \$19,162,425 during the current year. As of September 30, 2020, the future principal and interest requirements for revenue bonds totaled \$301 million, and the maturity dates extend through December, 2040.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 5 – GASB 54 Fund Balance Presentation – Classification Total

In accordance with GASB Statement 54, the fund balances of the governmental funds at September 30, 2020, are classified by specific purpose as follows:

	<u>General Fund</u>	<u>1% Infrastructure Tax Capital Project Fund</u>	<u>Federal Grants Special Revenue 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	\$ 877,163	\$ -	\$ -	\$ -	\$ -	\$ 877,163
	<u>877,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877,163</u>
Restricted For:						
Public Safety	3,618,080	-	135,196	-	48,458	3,801,734
Public Works Projects	542,753	18,148,748	515,096	35,001,482	2,562,249	56,770,328
Human and Cultural Services	235,492	-	864,475	-	472,060	1,572,027
Capital Outlay - equipment	10,994,989	-	-	-	290,387	11,285,376
Debt Service	-	-	-	-	8,568,974	8,568,974
Employee Benefits	636	-	-	-	-	636
	<u>15,391,950</u>	<u>18,148,748</u>	<u>1,514,767</u>	<u>35,001,482</u>	<u>11,942,128</u>	<u>81,999,075</u>
Committed To:						
Public Works Projects	75,000	-	-	-	4,912,106	4,987,106
Human and Cultural Services	-	-	-	-	532,811	532,811
Employee Benefits	-	-	-	-	64,559	64,559
Tort Claims	5,099,066	-	-	-	-	5,099,066
	<u>5,174,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,509,476</u>	<u>10,683,542</u>
Assigned To:						
Technology and Communication	189,011	-	-	-	-	189,011
Public Works Projects	1,340,427	-	-	-	-	1,340,427
Various Other Specific Purposes	19,226	-	-	-	-	19,226
	<u>1,548,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,548,664</u>
Unassigned	<u>25,523,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,523,710</u>
Total Fund Balances	<u>\$ 48,515,553</u>	<u>\$ 18,148,748</u>	<u>\$ 1,514,767</u>	<u>\$ 35,001,482</u>	<u>\$ 17,451,604</u>	<u>\$ 120,632,154</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 through July, 2018. 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 2020 were \$531,994.

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 has 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 (Employee Benefit Trust 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, 2020, the required amounts were funded. Claims totaled \$93,152 during fiscal year 2020. 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 \$17,164,217 and employee benefit costs were \$17,171,682, net of \$985,289 stop-loss insurance proceeds, during fiscal year 2020. Claims incurred but not reported at September 30, 2020, 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, 2020

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 2020 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, 2020 and 2019:

	Employees' Group Benefit Fund	Tort Claims Fund	Unemployment Benefits Fund	Workers' Compensation Benefits
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
Claims Payments	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>
2019:				
Beginning Balance	\$ 2,066,618	\$ 4,774,537	\$ -	\$ 3,629,370
Current Year Claims/Changes in Estimates	15,683,272	1,155,987	94,338	23,584
Claims Payments	15,647,037	296,788	94,338	1,155,160
Ending Balance	<u>\$ 2,102,853</u>	<u>\$ 5,633,736</u>	<u>\$ -</u>	<u>\$ 2,497,794</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, 2020

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, 2020, 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 14, 2022, 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 \$11,730,053 had been received or requested through September 30, 2020. Monthly repayments are to begin in December, 2021 for a period of 237 months.

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 \$681,234 had been received or requested through September 30, 2020. Monthly repayments are to begin in May, 2022, for a period of 237 months.

In November, 2019, the City issued Taxable General Obligation Note, Series 2019 to provide funds to resolve outstanding issues with the City's water/sewer billing and meter system and to pay other outstanding liabilities of the City. The maximum note amount is \$7,000,000, and proceeds of \$2,931,993 had been received through September 30, 2020. The interest rate is 3.25% for a 5-year term. Semi-annual interest payments begin November, 2021, and the principal is due in November, 2025.

In August, 2020, the City authorized a \$357,000 loan from the Mississippi Development Authority for energy-efficient LED lighting at the police/court facility to be financed over 8 years at 1.25% with annual payments and secured by sales tax revenue. However, the loan had not been finalized at September 30, 2020.

In March, 2021, the City issued General Obligation Refunding Bonds, Series 2021 for \$16,920,000 to refinance the 2010A and 2016A General Obligation Bonds. Semi-annual repayments are to begin September, 2021 for a period of 9 years. The interest rate is 5.00%.

In September, 2021, the City received 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 September, 2021, the City entered a \$484,351 master lease agreement with a bank to finance equipment purchases at an interest rate of 1.61% for a 3-year term with semi-annual payments.

In October, 2021, the City authorized the issuance of \$5.5 million general obligation bond series 2021B for planetarium renovations & arts center HVAC equipment to be financed over 15 years with semi-annual interest payments and annual principal payments.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

Litigation

The City is defendant in a number of legal actions and claims seeking actual and punitive damages. Contingencies totaling \$6,431,883 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 had an operating loss in the year ended September 30, 2020, and its cash flows from operating activities were not sufficient to cover its debt service requirements during the year. The Sanitation Fund had both an operating loss and negative cash flows from operating activities during the year ended September 30, 2019. 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 advanced funds to the Water/Sewage Disposal System Fund Sanitation Fund. In addition, the City initiated litigation against the companies that provided the software and meters and the installation thereof seeking to recover over \$450 million in damages, and negotiated a settlement of approximately \$60 million, net of legal fees, in March, 2020. The City has now begun the process of replacing the water meters and billing system to resolve these issues.

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 subsequent to year-end. Operating losses and cash shortfalls are still expected in 2021. 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, 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, 2020

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, 2020 (in thousands):

<u>Jackson/Hinds Library System</u>	
Total assets	\$ <u>715</u>
Total liabilities	\$ 246
Total fund balances	<u>469</u>
Total liabilities and fund balances	\$ <u>715</u>
Total revenues	\$ 4,306
Total expenditures	<u>4,186</u>
Net increase (decrease) in fund balances	\$ <u>120</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 \$17,364,752 for the year ended September 30, 2020.

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, 2020

Note 6 – Other Information (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.

G. EMPLOYEES' RETIREMENT SYSTEM (CONTINUED):

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, 2020, were \$10,685,195, which was equal to the required contributions for the year, and includes \$787,069 payable at September 30, 2020.

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

At September 30, 2020, the City reported a liability of \$175,713,009 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the City's proportion was 0.907663 percent, which was a decrease of 0.018344 percent from its 0.926007 percent proportion for the year ended June 30, 2019.

For the year ended September 30, 2020, the City recognized PERS pension expense of \$12,845,592. At September 30, 2020, 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	\$ 1,358,011	\$ -
Net Difference between projected and actual earnings on pension plan investments	6,426,402	-
Changes of assumptions	875,186	-
Changes in the City's proportion	-	1,961,238
City contributions subsequent to the measurement date	2,627,016	-
Total	\$ 11,286,615	\$ 1,961,238

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is an increase of \$9,325,377 at September 30, 2020.

B. Business-Type Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 167,198	\$ -
Net Difference between projected and actual earnings on pension plan investments	791,216	-
Changes of assumptions	107,753	-
Changes in the City's proportion	415,180	1,558,429
City contributions subsequent to the measurement date	323,437	-
Total	\$ 1,804,784	\$ 1,558,429

The net effect of these deferred outflows of resources and deferred inflows of resources on business-type activities' net position is an increase of \$246,355 at September 30, 2020.

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, 2020, \$2,950,453 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2021	\$ (970,861)
2022	2,427,178
2023	2,839,214
2024	2,325,748
Total	\$ 6,621,279

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

4. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary changes	3.00% – 18.25%, average, including inflation
Investment rate of return	7.75%, 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, 112% of males 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. Mortality rates were projected generationally using MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. The experience report is dated April, 2019.

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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27%	4.90%
International Equity	22	4.75
Global Equity	12	5.00
Fixed Income	20	0.50
Real Estate	10	4.00
Private Equity	8	6.25
Cash Equivalents	1	0.00
<i>Total</i>	<u>100%</u>	

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 (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.

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

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 7.75%, 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 (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of net pension liability	\$ 227,438,900	\$ 175,713,009	\$ 133,018,367

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

City's 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, 2019, the date of the most recent actuarial verification, there were 537 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	523
Former members entitled to benefits but not yet receiving them	-
Former members – not entitled to benefits	-
Active members:	-
Vested	-
Non-vested	-
Total Participants	<u>523</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

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.

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 6.5% assumption on investment earnings, and an assumption that assessed property values will remain level over time. During the year ended September 30, 2020, the City of Jackson contributed the avails of a 3.87% 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, 2020, were \$4,836,683, which was equal to the required contributions for the year, and includes \$144,994 payable at September 30, 2020.

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, 2020 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, 2020</u>
Total Pension Liability	\$ 95,735,228
Fiduciary Net Pension	<u>46,418,510</u>
Net Pension Liability	<u>\$ 49,316,718</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, 2020

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, 2020 is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Change in Net Pension Liability:			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	7,290,938	-	7,290,938
Benefit terms changes	-	-	-
Difference between expected and actual experience	35,465	-	35,465
Changes of assumptions	-	-	-
Employer's contributions	-	5,114,519	(5,114,519)
Employees' contributions	-	-	-
Pension plan net investment income	-	1,423,772	(1,423,772)
Benefit payments, including refunds of employee contributions	(11,335,587)	(11,335,587)	-
Administrative expense	-	(102,290)	102,290
Other changes	-	-	-
Net Changes	(4,009,184)	(4,899,586)	890,402
Net Pension Liability, Beginning of Year	99,744,412	51,318,096	48,426,316
Net Pension Liability, End of Year	\$ 95,735,228	\$ 46,418,510	\$ 49,316,718

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

5. Pension Expense

For the year ended September 30, 2020, the City recognized MRS pension expense of \$4,519,160. Pension expense recognized by the plan is as follows:

	<u>Pension Expense</u>
Service cost	\$ -
Interest on the total pension liability	7,290,938
Expensed portion of current-period difference between expected and actual experience in the total pension liability	35,465
Expensed portion of current-period changes of assumptions	-
Members contributions	-
Projected earnings on plan investments	(3,732,122)
Expensed portion of current-period difference between actual and projected earnings on plan investments	461,670
Administrative expense	102,290
Other	-
Recognition of beginning deferred outflows of resources as pension expense	360,919
Total Pension Expense for MRS	\$ <u>4,519,160</u>

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, 2020 for the Disability and Relief municipal plan are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 514,642	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,679,012</u>	<u>-</u>
Total	\$ <u>2,193,654</u>	\$ <u>-</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

At September 30, 2020, \$514,642 reported as deferred outflows of resources related to pensions resulting from city MRS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2020 will be recognized in pension expense as follows:

Year Ended September 30	Amount
2021	\$ (34,466)
2022	614,671
2023	637,138
2024	461,669
Total	\$ 1,679,012

The effect of these deferred outflows of resources on the governmental activities' net position is an increase of \$2,193,654 at September 30, 2020.

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 (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Plan's net pension liability	\$ 56,100,269	\$ 49,316,718	\$ 43,355,091

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, 2020

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

8. Schedule of Assumptions

Schedule of Assumptions	Disability and Relief Municipal Pension
Valuation date	June 30, 2020
Actuarial cost method	Entry Age
Amortization method	Level dollar ,closed
Remaining amortization period	14 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.75% net of pension plan investment expense, including inflation at 2.75%
Projected salary increases	3.00% - 4.50%, including wage inflation at 3.00%

Mortality rates were based on the Pubs.H-2010(B) Retiree Table with the following adjustments: For males, 112% of males 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. Mortality rates were projected generationally using MP-2018 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, 2020 valuation are based on the results of the experience investigation for the four-year period ended June 30, 2018 and adopted by the MRS Board in August, 2019.

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 30,2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27%	4.90%
International Equity	22	4.75
Global Equity	12	5.00
Fixed Income	20	0.50
Real Estate	10	4.00
Private Equity	8	6.25
Cash Equivalents	1	0.00
Total	100%	

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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, 2020. 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, 2020, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	75
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active plan members	<u>1,618</u>
	<u>1,693</u>

Total OPEB Liability

The City's total OPEB liability of \$66,809,297 was measured as of September 30, 2020, and was determined by an actuarial valuation as of October 1, 2018, rolled forward to September 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability as of September 30, 2020, 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	7.5% for 2019 graded down 0.5% per year to a rate of 5% for 2024 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
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, 2020

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

A discount rate of 2.14% 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, 2020, measurements were based on the results of an actuarial experience study for the year ended September 30, 2018.

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.

Changes in the total OPEB liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 53,574,462
Changes for the year:	
Service cost	4,374,997
Interest	1,226,679
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	8,895,842
Benefit payments	<u>(1,262,683)</u>
Net changes	<u>13,234,835</u>
Balance at September 30, 2020	\$ 66,809,297

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 (1.14%)	Discount Rate (2.14%)	1.0% Increase (3.14%)
Total OPEB liability	\$ <u>74,320,225</u>	\$ <u>66,809,297</u>	\$ <u>60,204,447</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 (6.5% decreasing to 4%)	Healthcare Cost Trend Rates (7.5% decreasing to 5%)	1.0% Increase (8.5% decreasing to 6%)
Total OPEB liability	\$ 54,265,676	\$ 66,809,297	\$ 81,798,932

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$5,102,871 as follows:

Service cost	\$ 4,374,997
Interest	1,226,679
Demographic gain/loss	(78,114)
Benefit payment	(1,262,683)
Assumption changes	841,992
OPEB expense	<u>\$ 5,102,871</u>

At September 30, 2020, 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	\$ -	\$ 663,361
Changes of assumptions	7,150,402	-
Changes in proportion	640,122	-
Total	<u>\$ 7,790,524</u>	<u>\$ 663,361</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is an increase of \$7,127,163 at September 30, 2020.

B. Business-Type Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 89,656
Changes of assumptions	966,409	-
Changes in proportion	166,519	806,641
Total	<u>\$ 1,132,928</u>	<u>\$ 896,297</u>

CITY OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2020

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 an increase of \$236,631 at September 30, 2020.

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, 2020, 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>
2021	\$ 763,879
2022	763,879
2023	763,879
2024	763,879
2025	763,879
Thereafter	<u>3,544,399</u>
Total	\$ <u>7,363,794</u>

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

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

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:

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, 2019, 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 Six Fiscal Years

	2020	2019	2018	2017	2016	2015
City's proportionate share of the net pension liability	\$ 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	0.907663%	0.926007%	0.927364%	0.944498%	1.073716%	1.110675%
City's covered payroll for the measurement years ended June 30th	\$ 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	290.73%	270.12%	260.46%	259.13%	241.64%	194.29%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

	2020	2019	2018	2017	2016	2015
Contractually required Contributions for the fiscal years ended September 30th	\$ 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	10,685,195	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	\$ 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%	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, 2020

Changes of pension assumptions:

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.
- 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.

CITY OF JACKSON
Notes to Required Supplementary Information-PERS (Continued)
For the Year Ended September 30, 2020

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.

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 Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,836,683	\$ 5,538,892	\$ 5,464,210	\$ 5,247,946	\$ 5,099,714	\$ 5,544,877
Annual Contributions	<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>
City's covered payroll	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

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 Six Fiscal Years

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	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	35,465	676,814	(1,617,123)	(305,474)	(462,872)	(91,754)
Changes of assumptions	-	(438,615)	-	213,769	-	3,676,246
Benefit payments, including refunds of employee contributions	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Net change in total pension liability	(4,009,184)	(3,888,345)	(5,540,240) #	(3,991,575)	(4,274,032)	(147,914)
Total pension liability - beginning	99,744,412	103,632,757	109,172,997	113,164,572	117,438,604	117,586,518
Total pension liability - ending (a)	\$ 95,735,228	\$ 99,744,412	\$ 103,632,757	\$ 109,172,997	\$ 113,164,572	\$ 117,438,604
Plan fiduciary net position						
Contributions - employer	\$ 5,114,519	\$ 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	1,423,772	3,578,675	4,220,438	7,314,024	306,774	2,166,108
Benefit payments, including refunds of employee contributions	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Administrative Expense	(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	(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)	\$ 46,418,510	\$ 51,318,096	\$ 53,979,261	\$ 56,253,335	\$ 56,020,542	\$ 62,965,719
Net pension liability - ending (a) - (b)	\$ 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	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
Net pension liability as a percentage of covered payroll*	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 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 the schedule.

CITY OF JACKSON
Notes to Required Supplementary Information-MRS
For the Year Ended September 30, 2020

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, 2020 were based on the June 30, 2018 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	3.00%
Salary increases	3.25% - 4.75%, including inflation
Investment rate of return	6.5%, net of pension plan investment expenses, including inflation

The following changes in actuarial assumptions or methods were made:

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 disables lives.

2018: None

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

2016: None

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
GENERAL FUND (001,002,003,004,010,011,189,300,302,305,370,371,375)				
REVENUES				
Licenses and Permits:				
Privilege Licenses-Misc	\$ -	\$ -	\$ 171	\$ 171
Privilege Licenses	368,216	368,216	266,139	(102,077)
Building Permits	747,036	747,036	752,431	5,395
Air Conditioning & Duct Permit	43,085	43,085	31,516	(11,569)
Plumbing Permits	30,307	30,307	35,449	5,142
Electric Permits	144,081	144,081	179,226	35,145
Gas Permits	23,071	23,071	29,443	6,372
Maintenance Fees	6,990	6,990	100	(6,890)
Landscape Permits	130	130	350	220
Historic Preservation Applic.	1,935	1,935	1,470	(465)
Dance Hall & Other Recr Fees	4,343	4,343	2,048	(2,295)
Transit Merchants-Peddlers Lic	1,250	1,250	500	(750)
Aircraft Registration	12,710	12,710	9,108	(3,602)
Adult Entertn-Licenses & Fees	3,546	3,546	3,692	146
Special Event Fee	9,905	9,905	2,025	(7,880)
Passport Fees	-	-	355	355
Signs-Misc.	7,527	7,527	3,465	(4,062)
Sign Permits	35,850	35,850	28,400	(7,450)
Sign Registration	9,260	9,260	9,260	-
Signs Temporary	2,570	2,570	2,160	(410)
Fire Inspection Permit	22,725	22,725	15,425	(7,300)
Commercial Burn Permit	400	400	230	(170)
Conbust & Flamm Liquid Permit	10,500	10,500	4,750	(5,750)
Fireworks Display Permit	900	900	300	(600)
Zoning Permits	38,834	38,834	36,489	(2,345)
Taxicab License Fees	750	750	180	(570)
Annual Vehicle Inspection	90	90	-	(90)
Total Licenses & Permits	1,526,011	1,526,011	1,414,682	(111,329)

Fines and Forfeitures:

Misdemeanor Fines	264,000	264,000	248,370	(15,630)
Vehicle Parking Fines	46,679	46,679	50,723	4,044
Moving Traffic Violations	711,704	711,704	707,743	(3,961)
City Court Costs	6,425	6,425	4,483	(1,942)
Warrant Fee	69,439	69,439	70,006	567
Animal Control Citations	293	293	1,387	1,094
Municipal Court Computer	9,766	9,766	8,404	(1,362)
Drug Court	-	-	350	350
Municipal Ct Drivers Impr Fees	35	35	-	(35)
Administrative Fee + Del Cases	184,683	184,683	177,991	(6,692)
Contempt Fee + Municipal Court	51,674	51,674	49,879	(1,795)
Computerzd Crime Preven+Police	11,115	11,115	9,563	(1,552)
Municipl Court Enhancement Fee	131,000	131,000	84,907	(46,093)
Jackson Enhancement Fee	49,976	49,976	42,457	(7,519)
Bad Check Fees	1,153	1,153	500	(653)
Daily Storage Fee+Vehicle	62,575	62,575	66,605	4,030
Wrecker Fees	77,145	77,145	61,735	(15,410)
Expungement Fee + Municipal Ct	8,650	8,650	6,450	(2,200)
Jackson Collection Fee (15%)	45,478	45,478	33,429	(12,049)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
Docket Fee + Municipal Court	70,535	70,535	67,615	(2,920)
Dropped Charge Fee + Mun Crt	900	900	1,400	500
Cash Bond Clearing Account +Mc	(5,091)	(5,091)	1,161	6,252
Rearraignment Fee + Mun Court	9,833	9,833	9,200	(633)
Total Fines and Forfeitures	1,807,967	1,807,967	1,704,358	(103,609)

REVENUES

INTERGOVERNMENTAL REVENUE

FEDERAL

Police Overtime - FBI/DEA Grant	59,325	59,325	70,121	10,796
DEA - Ms Gulf Coast (HIDTA)	26,806	26,806	25,561	(1,245)
DEA - Assest & Forfeiture	31,000	31,000	17,424	(13,576)
Total Intergovernmental - Federal	117,131	117,131	113,106	(4,025)

STATE

Alcohol Permits + Abc	330,649	330,649	301,455	(29,194)
Gasoline Tax	569,395	569,395	593,857	24,462
Municipal Revolving Fund	99,262	99,262	86,528	(12,734)
State Fire Protection	1,024,101	1,024,101	1,046,781	22,680
Pro+rata State Sales Tax	28,348,681	28,348,681	26,668,100	(1,680,581)
Homestead Exemption	1,720,158	1,720,158	1,684,727	(35,431)
Homestead Exemption Chargeback	17,282	17,282	24,903	7,621
State Reimb Training Academy	-	-	86,900	86,900
Wireless Radio Communicat Prgm	72,123	360,275	360,275	-
Bus & Truck Privilege Tax	431,879	431,879	388,599	(43,280)
Mdot+Litter Pickup+JPD	12,660	12,660	306	(12,354)
TSA Precheck Services	-	-	2,980	2,980
Total Intergovernmental- State	32,626,190	32,914,342	31,245,411	(1,668,931)

LOCAL

Pro-Rata County Road Tax	594,357	594,357	608,108	13,751
Smith Robertson Museum	6,516	6,516	-	(6,516)
Total Intergovernmental - Local	600,873	600,873	608,108	7,235

ADMISSIONS, FEES, RENTALS

Parking Meters	158,152	158,152	48,407	(109,745)
Local Records Fee	3,669	3,669	2,682	(987)
MS GOV Crash Reports	-	-	61,186	61,186
Data Collection	-	-	1,667	1,667
Mun Aud+Thalia Mara Hall Rents	262,455	262,455	133,124	(129,331)
Smith Robtsn Museum+Donations	600	600	-	(600)
Sm Robtsn Mus+Admission Rental	9,035	9,035	3,862	(5,173)
Smith Robtsn Mus + Room Rent	5,425	5,425	5,898	473
Senior Centers Reservation Fee	2,549	2,549	(65)	(2,614)
Smith Robertson+Gift Shop Sale	580	580	723	143
Arts Ctr+Rent on Community Rm	9,270	9,270	3,232	(6,038)
Carnival Inspection Fee	50	50	-	(50)
Daycare Fire Inspection+Afterc	5,880	5,880	5,705	(175)
Fire Water Flow Test Fee	2,800	2,800	2,800	-
Fire Reports	17,200	17,200	16,700	(500)
Accident Report Fee	124,171	124,171	69,795	(54,376)
Background Check Fee	10,530	10,530	3,555	(6,975)
Fingerprinting	24,115	24,115	10,440	(13,675)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
Verification of Records	17,789	17,789	17,305	(484)
Bail Bondsman Applicant Photo	120	120	150	30
Telecomm. Franchise Agreement	518,845	518,845	436,883	(81,962)
Rents And Royalties	11,100	11,100	11,100	-
Tower Rentals	3,694,644	3,694,644	3,926,523	231,879
Pistol Range Rent	2,323	2,323	523	(1,800)
Sprinkler+Hydro Static+Pump	420	420	900	480
Fire Alarm Acceptance Test	780	780	720	(60)
Fire Re+Inspection	550	550	50	(500)
Fire Suppresion System Test	600	600	480	(120)
Outdoor Advertising Leases	11,970	11,970	12,153	183
Rental Fee + Fire Museum	260	260	206	(54)
School TOURS Fee+ Fire Museum	1,476	1,476	498	(978)
Land Rental	-	-	12,012	12,012
Credit Card Fees	-	-	626	626
Zoo Gift Shop	-	-	818	818
Zoo Admissions	-	-	25,220	25,220
Zoo Vendor Fees	-	-	2,784	2,784
Total Admissions, Fees and Rentals	4,897,358	4,897,358	4,818,662	(78,696)

Interest Revenues:

Interest Earned on Investments	11,267	30,511	28,980	(1,531)
Interest Earned on Repos	268,686	275,530	896,019	620,489
Total Interest Earned	279,953	306,041	924,999	618,958

Revenues

Miscellaneous Income:

Public Utility Franchise Fee	4,752,792	4,752,792	4,544,589	(208,203)
Franchise Cable Television	1,362,119	1,362,119	1,149,542	(212,577)
Nuclear Power Plant	1,604,810	1,604,810	1,592,845	(11,965)
In+Lieu+of Property Tax	503	503	70,380	69,877
Water/Sewer Franchise Fee	972,534	972,534	972,534	-
T Warner+Pa/Ga Operation Fund	78,561	78,561	65,213	(13,348)
Sale of Land	60,167	60,167	4,004	(56,163)
Sale of Fixed Assets	137,360	137,360	252,967	115,607
Small Animal Control	-	-	1,390	1,390
Police+Misc	95,804	95,804	38,887	(56,917)
Police + Sale Of Weapons	15	15	11	(4)
Public Safety Comm Trng Reim	100,000	100,000	2,605	(97,395)
Union Station Tenants/Jra	102,379	102,379	91,734	(10,645)
Grants & Donations	110,621	560,621	583,476	22,855
Indirect Cost	2,680,223	2,680,223	2,381,913	(298,310)
Other Departments	15,148	65,148	49,810	(15,338)
I.d. Badge Fee+City Employees	180	180	15	(165)
Parking Fee+City Employees	6,730	6,730	5,233	(1,497)
Admin. Fee+Payroll Deductions	15,725	15,725	13,236	(2,489)
Building & Permit+Misc.	110,957	110,957	108,515	(2,442)
Penalty on Demo/Grass/Weeds	7,579	7,579	-	(7,579)
Site Plan Review	16,157	16,157	11,211	(4,946)
Sale of Maps Plan Specs	158	158	13,773	13,615
Smith Robertson + Nissan Grant	23,775	23,775	-	(23,775)
NLC Champs Grant	90,000	57,394	30,000	(27,394)
Traffic	170	170	40	(130)
Abstract Fees MCS	6,961	6,961	4,665	(2,296)
Cellular Rebate	30,707	30,707	36,197	5,490
City Clerk	15,271	15,271	17,498	2,227

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
Inkind Peg Fees	40,132	40,132	34,824	(5,308)
Publications + Misc	7,089	7,089	616	(6,473)
Cafeteria Plan+Flexible Spend	150,000	150,000	-	(150,000)
Settlement of INS Claim Prop	75,000	75,000	49,915	(25,085)
Proceeds of Long Term Debt	5,519,079	9,225,957	-	(9,225,957)
Fees for Lost Fuelman Cards	-	-	190	190
Total Miscellaneous Income	18,188,706	22,362,978	12,127,828	(10,235,150)
Operating Transfers In:				
Transfer In/From General Fund	369,287	2,869,287	-	(2,869,287)
Transfer In/From Water/Sewer	-	12,614,800	-	(12,614,800)
Transfer In/From Other Funds	1,659,830	1,659,830	-	(1,659,830)
Total Operating Transfers In	2,029,117	17,143,917	-	(17,143,917)
Beginning Fund Balance	5,479,662	14,798,137	28,388,113	13,589,976
Total Revenue from Sources other than Taxation and Beginning Fund Balance	67,552,968	96,474,755	81,345,267	(15,129,488)
Taxes:				
Current Realty Taxes	35,063,203	35,063,203	35,312,427	249,224
Current Personal Taxes	16,388,919	16,388,919	16,571,570	182,651
Delinquent Realty Taxes	927,952	927,952	588,005	(339,947)
Delinquent Personal Taxes	218,093	218,093	74,213	(143,880)
Ad Valorem Tax on Automobiles	7,443,551	7,443,551	7,086,657	(356,894)
Motor Vehicle Rental Tax DISTR	702,375	702,375	784,544	82,169
Interest on Delinquent Taxes	801,265	801,265	916,444	115,179
Damages on Delinquent Taxes	631,317	631,317	660,365	29,048
Hazardous Waste AX	-	-	113	113
Rail Car Taxes	49,975	49,975	64,472	14,497
Tax Fortefied Land	-	-	109,036	109,036
MISC Fees Community Improvement	265,896	265,896	22,054	(243,842)
Total Taxes	62,492,546	62,492,546	62,189,900	(302,646)
Total Revenue from all Sources and Beginning Fund Balance	\$ 130,045,514	\$ 158,967,301	\$ 143,535,167	\$ (15,432,134)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
POLICE				
EXPENDITURES				
Personnel Services	30,212,611	29,895,736	23,543,389	(6,352,347)
Supplies	1,508,679	2,023,457	1,711,202	(312,255)
Other Services & Charges	2,591,596	1,472,056	1,232,754	(239,302)
Capital Outlay	1,463,355	1,767,615	685,509	(1,082,106)
Debt Services	-	41,996	646,253	604,257
Grants, Contributions	-	1,298,566	1,298,566	(1,298,566)
Total Expenditures	35,776,241	36,499,426	29,117,673	(7,381,753)
FIRE				
EXPENDITURES				
Personnel Services	21,604,056	21,535,056	20,954,372	(580,684)
Supplies	715,082	723,326	657,437	(65,889)
Other Services & Charges	1,038,089	970,553	650,953	(319,600)
Capital Outlay	5,527,056	5,656,198	79,148	(5,577,050)
Debt Services	-	64,440	726,807	662,367
Grants, Contributions	-	69	-	(69)
Total Expenditures	28,884,283	28,949,642	23,068,717	(5,880,925)
PUBLIC WORKS				
EXPENDITURES				
Personnel Services	7,600,914	7,495,380	6,194,928	(1,300,452)
Supplies	1,682,170	1,688,211	1,283,514	(404,697)
Other Services & Charges	2,697,932	4,264,691	2,094,485	(2,170,206)
Capital Outlay	1,163,360	1,164,525	153,821	(1,010,704)
Debt Services	-	155,528	603,166	447,638
Grants, Contributions	-	76,041	-	(76,041)
Total Expenditures	13,144,376	14,844,376	10,329,914	(4,514,462)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
PLANNING & DEVELOPMENT				
EXPENDITURES				
Personnel Services	2,726,989	2,743,379	2,356,297	(387,082)
Supplies	85,632	79,896	42,000	(37,896)
Other Services & Charges	8,004,278	4,495,402	3,951,314	(544,088)
Capital Outlay	2,400	64,899	47,200	(17,699)
Debt Service	-	1,025	-	(1,025)
Grants, Contributions	-	71,675	71,660	(15)
Transfer to other funds	-	3,363,227	3,363,226	(1)
Total Expenditures	10,819,299	10,819,503	9,831,697	(987,806)

HUMAN & CULTURAL SERVICES

EXPENDITURES				
Personnel Services	1,566,909	1,479,390	1,540,713	61,323
Supplies	111,260	286,423	216,368	(70,055)
Other Services & Charges	2,950,107	1,704,859	1,494,101	(210,758)
Capital Outlay	460,116	543,861	64,292	(479,569)
Debt Services	-	56,964	440,578	383,614
Grants, Contributions	-	465,000	431,650	(33,350)
Transfers to other Funds	-	847,475	-	(847,475)
Total Expenditures	5,088,392	5,383,972	4,187,702	(1,196,270)

PERSONNEL

EXPENDITURES				
Personnel Services	838,420	838,420	844,480	6,060
Supplies	15,687	30,687	2,564	(28,123)
Other Services & Charges	129,553	1,351,675	1,177,522	(174,153)
Capital Outlay	61,036	61,036	-	(61,036)
Debt Services	-	11,541	50,766	39,225
Grants, Contributions	-	1,337	-	(1,337)
Total Expenditures	1,044,696	2,294,696	2,075,332	(219,364)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
ADMINISTRATION				
EXPENDITURES				
Personnel Services	6,848,074	6,848,074	6,143,554	(704,520)
Supplies	841,263	5,292,528	1,465,797	(3,826,731)
Other Services & Charges	5,940,026	5,626,975	3,868,875	(1,758,100)
Capital Outlay	845,791	3,460,759	3,715,817	255,058
Debt Services	-	86,335	-	(86,335)
Grants, Contributions	-	10,100	-	(10,100)
Transfers to other Funds	-	1,446,000	-	(1,446,000)
Total Expenditures	14,475,154	22,770,771	15,194,043	(7,576,728)
GENERAL GOVERNMENT				
EXPENDITURES				
Personnel Services	5,532,051	5,137,021	4,971,676	(165,345)
Supplies	309,598	293,664	72,767	(220,897)
Other Services & Charges	14,885,268	4,992,239	4,931,301	(60,938)
Capital Outlay	86,156	86,111	-	(86,111)
Debt Services	-	2,947,717	1,704,854	(1,242,863)
Grants, Contributions	-	12,925,448	1,821,512	(11,103,936)
Transfers to other Funds	-	10,532,473	8,705,694	(1,826,779)
Total Expenditures	20,813,073	36,914,673	22,207,804	(14,706,869)
MUNICIPAL CLERK				
EXPENDITURES				
Personnel Services	-	418,476	226,919	(191,557)
Supplies	-	11,288	2,403	(8,885)
Other Services & Charges	-	60,433	30,706	(29,727)
Capital Outlay	-	45	-	(45)
Total Expenditures	-	490,242	260,028	(230,214)
Ending Fund Balance	-	-	27,262,257	27,262,257
Total General Fund Expenditures and Ending Fund Balance	\$ 130,045,514	\$ 158,967,301	\$ 143,535,167	\$ (15,432,134)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
STATE TORT CLAIMS FUND (018)				
REVENUES				
Interest Earned	\$ -	\$ 45,428	\$ 46,834	\$ 1,406
Transfers from General Fund	250,000	250,000	250,850	850
Beginning Fund Balance	3,917,717	3,918,215	5,097,114	1,178,899
Total Revenues and Beginning Fund Balance	\$ 4,167,717	\$ 4,213,643	\$ 5,394,798	\$ 1,181,155
EXPENDITURES				
Other Services and Charges	\$ 4,167,717	\$ 5,930	\$ 850	\$ (5,080)
Grants, contributions, settlements	-	4,207,713	294,882	(3,912,831)
Ending Fund Balance	-	-	5,099,066	5,099,066
Total Expenditures and Ending Fund Balance	\$ 4,167,717	\$ 4,213,643	\$ 5,394,798	\$ 1,181,155

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

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 and State Tort Claims Fund separately. However, the latter does not meet the criteria of a major fund as set forth by GASB and for reporting purposes is 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 and State Tort Claims 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 and the State Tort Claims Fund.

	General Fund	State Tort Claims Fund	Eliminations	Combined General Fund
REVENUES				
General property taxes	\$ 61,368,051	\$ -	\$ -	\$ 61,368,051
Franchise taxes	6,842,109	-	-	6,842,109
Licenses and permits	1,405,219	-	-	1,405,219
Intergovernmental	34,429,419	-	-	34,429,419
Fines and forfeitures	1,704,377	-	-	1,704,377
Admissions, fees, rentals and concessions	4,606,777	-	-	4,606,777
Interest	924,999	46,834	-	971,833
Other	3,770,580	-	-	3,770,580
Total revenues	115,051,531	46,834	-	115,098,365
EXPENDITURES				
Current:				
General government	31,981,347	295,732	-	32,277,079
Public safety	50,048,673	-	-	50,048,673
Public works	9,572,927	-	-	9,572,927
Human and Cultural services	3,682,832	-	-	3,682,832
Debt Service:				
Principal	3,716,352	-	-	3,716,352
Interest and service charges	456,072	-	-	456,072
Capital outlay:				
General government	3,763,017	-	-	3,763,017
Public Works	153,821	-	-	153,821
Public safety	764,657	-	-	764,657
Human and Cultural services	64,292	-	-	64,292
Total expenditures	104,203,990	295,732	-	104,499,722
Excess (deficiency) of revenues over (under) expenditures	10,847,541	(248,898)	-	10,598,643
OTHER FINANCING SOURCES (USES)				
Transfers in	-	250,850	(250,850)	-
Transfers out	(12,068,920)	-	250,850	(11,818,070)
Proceeds from long-term debt	8,746,830	-	-	8,746,830
Sale of capital assets	256,971	-	-	256,971
Total other financing sources (uses)	(3,065,119)	250,850	-	(2,814,269)
Net change in fund balances	7,782,422	1,952	-	7,784,374
Fund balances at beginning of year	35,634,065	5,097,114	-	40,731,179
Fund balances at end of year - GAAP basis	43,416,487	5,099,066	-	48,515,553
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	(16,154,230)	-	-	(16,154,230)
Fund balances at end of year - budgetary basis	\$ 27,262,257	\$ 5,099,066	\$ -	\$ 32,361,323

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
SENIOR AIDES FUND (012)				
REVENUES				
NCSC Senior Aides	\$ 423,144	\$ 376,965	\$ 466,685	\$ 89,720
Interest on Investments	-	-	-	-
Transfer In/From General Fund	91,790	102,168	102,167	(1)
Beginning Fund Balance	-	-	(156,342)	(156,342)
Total Revenues and Beginning Fund Balance	<u>\$ 514,934</u>	<u>\$ 479,133</u>	<u>\$ 412,510</u>	<u>\$ (66,623)</u>
EXPENDITURES				
Personnel Services	\$ 498,138	\$ 459,875	\$ 557,635	\$ 97,760
Supplies	6,419	2,600	2,224	(376)
Other Services and Charges	6,097	14,378	1,674	(12,704)
Capital Outlay	4,280	2,280	-	(2,280)
Ending Fund Balance	-	-	(149,023)	(149,023)
Total Expenditures and Ending Fund Balance	<u>\$ 514,934</u>	<u>\$ 479,133</u>	<u>\$ 412,510</u>	<u>\$ (66,623)</u>
FEDERAL GRANT FUND (019, 063, 069, 083, 084, 087,090, 103, 106, 117, 119, 139)				
REVENUES				
Interest Income	\$ -	\$ -	\$ 8,648	\$ 8,648
Beginning Fund Balance	-	-	816,373	816,373
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,021</u>	<u>\$ 825,021</u>
EXPENDITURES				
Other Services and Charges	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	-	-	825,021	825,021
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,021</u>	<u>\$ 825,021</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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
EARLY CHILDHOOD FUND (081)				
REVENUES				
USDA Food Revenue (Daycare)	\$ -	\$ 216,928	\$ 84,156	\$ (132,772)
OCY- Partnership	-	750,027	345,553	(404,474)
Interest	-	2,511	7,262	4,751
Mary Jones Daycare	-	66,000	96,629	30,629
Westside Daycare	-	73,000	153,220	80,220
Other Revenue	-	-	11,756	11,756
Transfer In/From General Fund	-	387,696	387,696	-
Beginning Fund Balance	-	206,186	239,647	33,461
Total Revenues and Beginning Fund Balance	\$ -	\$ 1,702,348	\$ 1,325,919	\$ (376,429)
EXPENDITURES				
Personal Services	\$ -	\$ 1,350,968	\$ 1,259,115	\$ (91,853)
Supplies	-	290,317	46,104	(244,213)
Other Services and Charges	-	60,671	31,300	(29,371)
Capital Outlay	-	392	-	(392)
Ending Fund Balance	-	-	(10,600)	(10,600)
Total Expenditures and Ending Fund Balance	\$ -	\$ 1,702,348	\$ 1,325,919	\$ (376,429)
CDBG FUND (085)				
REVENUES				
CDBG - Housing & Community Development Grant	\$ -	\$ 4,617,759	\$ 1,125,472	\$ (3,492,287)
Interest Earned	-	13,539	44,357	30,818
City Matching Funds	-	429,809	-	(429,809)
Lead Based Hazard Grant	-	1,032,503	-	(1,032,503)
Program Income/Other Department	-	-	11,389	11,389
Transfer In from other funds	-	43,461	43,461	-
Beginning Fund Balance	-	-	(592,627)	(592,627)
Total Revenues and Beginning Fund Balance	\$ -	\$ 6,137,071	\$ 632,052	\$ (5,505,019)
EXPENDITURES				
Personal Services	\$ -	\$ 829,002	\$ 581,839	\$ (247,163)
Supplies	-	50,092	5,697	(44,395)
Other Services and Charges	-	3,284,953	402,772	(2,882,181)
Capital Outlay	-	70,273	161,854	91,581
Grants, Contribution	-	1,902,751	323,539	(1,579,212)
Ending Fund Balance	-	-	(843,649)	(843,649)
Total Expenditures and Ending Fund Balance	\$ -	\$ 6,137,071	\$ 632,052	\$ (5,505,019)

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
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EMERGENCY SHELTER GRANT (086)

REVENUES

Emergency Shelter Grant	\$ -	\$ 443,548	\$ 223,763	\$ (219,785)
Beginning Fund Balance	-	-	(92,538)	(92,538)
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 443,548</u>	<u>\$ 131,225</u>	<u>\$ (312,323)</u>

EXPENDITURES

Personal Services	\$ -	\$ 31,357	\$ 23,044	\$ (8,313)
Other Services and Charges	-	-	148,050	148,050
Grants, Contribution	-	412,191	-	(412,191)
Ending Fund Balance	-	-	(39,869)	(39,869)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 443,548</u>	<u>\$ 131,225</u>	<u>\$ (312,323)</u>

METRO MEDICAL RESPONSE SYSTEM (093)

REVENUES

MMRS Grant-Metro Med Response	\$ 25,198	\$ 25,198	\$ -	\$ (25,198)
Interest on Investment	-	175	707	532
Beginning Fund Balance	-	-	506	506
Total Revenues	<u>\$ 25,198</u>	<u>\$ 25,373</u>	<u>\$ 1,213</u>	<u>\$ (24,160)</u>

EXPENDITURES

Supplies	\$ 105	\$ 105	\$ -	\$ (105)
Other Services and Charges	24,445	24,620	-	(24,620)
Capital Outlay	648	648	-	(648)
Ending Fund Balance	-	-	1,213	1,213
Total Expenditures and Ending Fund Balance	<u>\$ 25,198</u>	<u>\$ 25,373</u>	<u>\$ 1,213</u>	<u>\$ (24,160)</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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
HOME PROGRAM (120)				
REVENUES				
Home Program	\$ 2,881,959	\$ 2,881,959	\$ 744,345	\$ (2,137,614)
Interest Earned on Investments	-	-	-	-
Other Revenue	-	-	10,360	10,360
Beginning Fund Balance	-	-	(400,976)	(400,976)
Total Revenues and Beginning Fund Balance	<u>\$ 2,881,959</u>	<u>\$ 2,881,959</u>	<u>\$ 353,729</u>	<u>\$ (2,528,230)</u>
EXPENDITURES				
Personnel Services	\$ 118,265	\$ 118,265	\$ 66,711	\$ (51,554)
Supplies	4,800	7,800	2,195	(5,605)
Other Services and charges	2,758,894	16,012	5,162	(10,850)
Grants and Contributions	-	2,739,882	533,740	(2,206,142)
Ending Fund Balance	-	-	(254,079)	(254,079)
Total Expenditures and Ending Fund Balance	<u>\$ 2,881,959</u>	<u>\$ 2,881,959</u>	<u>\$ 353,729</u>	<u>\$ (2,528,230)</u>
HOPWA GRANT FUND (122)				
REVENUES				
HOPWA Grant-Dept. of HUD	\$ 5,153,922	\$ 5,297,316	\$ 2,315,618	\$ (2,981,698)
Beginning Fund Balance	-	-	(291,740)	(291,740)
Total Revenues and Beginning Fund Balance	<u>\$ 5,153,922</u>	<u>\$ 5,297,316</u>	<u>\$ 2,023,878</u>	<u>\$ (3,273,438)</u>
EXPENDITURES				
Personnel Services	\$ 107,432	\$ 107,432	\$ 51,607	\$ (55,825)
Supplies	3,000	3,000	551	(2,449)
Other Services and charges	5,043,490	13,268	1,350	(11,918)
Grants, Contributions	-	5,173,616	2,073,226	(3,100,390)
Ending Fund Balance	-	-	(102,856)	(102,856)
Total Expenditures and Ending Fund Balance	<u>\$ 5,153,922</u>	<u>\$ 5,297,316</u>	<u>\$ 2,023,878</u>	<u>\$ (3,273,438)</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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
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TITLE III AGING (125)

REVENUES

Title IIIB Outreach	\$ 13,000	\$ 13,000	\$ 11,917	\$ (1,083)
Title IIIB Transportation	142,115	142,115	217,001	74,886
Title III Congregate Meals	80,666	78,266	78,266	-
SSBG Title XX Home Delivery	282,000	280,112	251,627	(28,485)
Interest Earned	-	8,317	34,470	26,153
Grants & Donations	10,935	10,935	-	(10,935)
Title III Congregate Donation	2,473	3,000	3,979	979
Title III Trans Donation	-	-	96	96
Title XX-Transportation Donation P.I.	500	500	-	(500)
Transfer In/From General Fund	360,803	357,611	357,611	-
Beginning Fund Balance	-	3,000	1,096,093	1,093,093
Total Revenues and Beginning Fund Balance	\$ 892,492	\$ 896,856	\$ 2,051,060	\$ 1,154,204

EXPENDITURES

Personnel Services	\$ 167,124	\$ 167,124	\$ 172,978	\$ 5,854
Supplies	398,163	402,527	339,556	(62,971)
Other Services and charges	325,205	325,205	328,486	3,281
Capital Outlay	2,000	2,000	-	(2,000)
Ending Fund Balance	-	-	1,210,040	1,210,040
Total Expenditures and Ending Fund Balance	\$ 892,492	\$ 896,856	\$ 2,051,060	\$ 1,154,204

AMERICORPS (134)

REVENUES

Interest Earned	\$ -	\$ -	\$ 1,399	\$ 1,399
Beginning Fund Balance	-	-	94,620	94,620
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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
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ED BYRNE MEMORIAL GRANT FUND (353, 356, 359, 361,367)

REVENUES

Edward Byrne Mem Justice Grant	\$ 498,553	\$ 498,553	\$ 172,216	\$ (326,337)
Beginning Fund Balance	-	-	(678)	(678)
Total Revenues and Beginning Fund Balance	<u>\$ 498,553</u>	<u>\$ 498,553</u>	<u>\$ 171,538</u>	<u>(327,015)</u>

EXPENDITURES

Grants, Contributions	\$ 40,000	\$ 70,000	\$ 28,676	\$ (41,324)
Capital Outlay	458,553	428,553	219,523	(209,030)
Ending Fund Balance	-	-	(76,661)	(76,661)
Total Expenditures and Ending Fund Balance	<u>\$ 498,553</u>	<u>\$ 498,553</u>	<u>\$ 171,538</u>	<u>(327,015)</u>

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	<u>\$ 38,151</u>	<u>\$ 38,151</u>	<u>\$ 29,887</u>	<u>(8,264)</u>

EXPENDITURES

Other Services and Charges	\$ 38,151	\$ -	\$ -	\$ -
Grants, Contribution	-	38,151	-	(38,151)
Ending Fund Balance	-	-	29,887	29,887
Total Expenditures and Ending Fund Balance	<u>\$ 38,151</u>	<u>\$ 38,151</u>	<u>\$ 29,887</u>	<u>(8,264)</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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
TIGER GRANT (357)				
REVENUES				
Tiger Grant	\$ 6,764,996	\$ 6,764,996	\$ 7,089,863	\$ 324,867
Beginning Fund Balance	-	-	(2,792,668)	(2,792,668)
Total Revenues and Beginning Fund Balance	<u>\$ 6,764,996</u>	<u>\$ 6,764,996</u>	<u>\$ 4,297,195</u>	<u>\$ (2,467,801)</u>
EXPENDITURES				
Other Services and Charges	\$ 6,764,996	\$ 6,764,996	\$ -	\$ (6,764,996)
Capital Outlay	-	-	8,884,740	8,884,740
Ending Fund Balance	-	-	(4,587,545)	(4,587,545)
Total Expenditures and Ending Fund Balance	<u>\$ 6,764,996</u>	<u>\$ 6,764,996</u>	<u>\$ 4,297,195</u>	<u>\$ (2,467,801)</u>
BLIGHT ELIMINATION GRANT (360)				
REVENUES				
Intergovernmental- Federal	\$ 323,560	\$ 323,560	\$ -	\$ (323,560)
Beginning Fund Balance	-	-	297,122	297,122
Total Revenues and Beginning Fund Balance	<u>\$ 323,560</u>	<u>\$ 323,560</u>	<u>\$ 297,122</u>	<u>\$ (26,438)</u>
EXPENDITURES				
Other Services and Charges	\$ 323,560	\$ -	\$ 260	\$ 260
Debt Services	-	1,060	-	(1,060)
Grants and Contribution	-	322,500	197,669	(124,831)
Ending Fund Balance	-	-	99,193	99,193
Total Expenditures and Ending Fund Balance	<u>\$ 323,560</u>	<u>\$ 323,560</u>	<u>\$ 297,122</u>	<u>\$ (26,438)</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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
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BODY CAMERA GRANT (362)

REVENUES

Intergovernmental- Federal	\$ 162,227	\$ 4,612	\$ -	\$ (4,612)
Transfer from Other Funds	160,500	-	-	-
Beginning Fund Balance	-	-	4,612	4,612
Total Revenues and Beginning Fund Balance	<u>\$ 322,727</u>	<u>\$ 4,612</u>	<u>\$ 4,612</u>	<u>\$ -</u>

EXPENDITURES

Other Services and Charges	\$ 1,727	\$ 4,612	\$ -	\$ (4,612)
Capital Outlay	321,000	-	-	-
Ending Fund Balance	-	-	4,612	4,612
Total Expenditures and Ending Fund Balance	<u>\$ 322,727</u>	<u>\$ 4,612</u>	<u>\$ 4,612</u>	<u>\$ -</u>

CARES ACT SB3047 (384)

REVENUES

Cares Act Senate Bill 3047	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXPENDITURES

Personnel	\$ -	\$ -	\$ 4,064,043	\$ 4,064,043
Ending Fund Balance	-	-	(4,064,043)	(4,064,043)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MEMA- FEMA (397)

REVENUES

MEMA-FEMA	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXPENDITURES

Other Charges and Services	\$ -	\$ -	\$ 70,429	\$ 70,429
Ending Fund Balance	-	-	(70,429)	(70,429)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2020

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	\$ (149,023)
Federal Grant Fund	825,021
Early Childhood Fund	(10,600)
CDBG Fund	(843,649)
Emergency Shelter Grant Fund	(39,869)
Metro Medical Response System Fund	1,213
Home Program Fund	(254,079)
HOPWA Grant Fund	(102,856)
Title III Aging Fund	1,210,040
Americorps Fund	96,019
Ed Byrne Memorial Grant Fund	(76,661)
Body Camera Grant Fund	4,612
Kaboom Grant- Playground Equipment Fund	29,887
TIGER Grant Fund	(4,587,545)
Blight Elimination Grant Fund	99,193
CARES Act SB3047 Fund	(4,064,043)
MEMA FEMA Fund	(70,429)
	<u>(7,932,769)</u>

Amounts reported are different under GAAP basis because:

Revenues under the budgetary basis are recognized	
when cash is received	9,447,536
Ending GAAP basis fund balance	<u><u>\$ 1,514,767</u></u>

OTHER SUPPLEMENTARY INFORMATION

**MAJOR GOVERNMENTAL
FUNDS**

City of Jackson
1% Infrastructure Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
1% INFRASTRUCTURE TAX (173)				
REVENUES				
General Property Taxes	\$ 12,963,269	\$ 12,963,269	\$ 14,390,176	\$ 1,426,907
Interest Earned	-	175,162	666,765	491,603
Transfer In	-	27,086,033	-	(27,086,033)
Other Revenues	-	-	20,873	20,873
Beginning Fund Balance	-	346,744	19,757,761	19,411,017
Total Revenues and Beginning Fund Balance	<u>\$ 12,963,269</u>	<u>\$ 40,571,208</u>	<u>\$ 34,835,575</u>	<u>\$ (5,735,633)</u>
EXPENDITURES				
Other Services and Charges	\$ 12,963,269	\$ 39,106,869	\$ 291,113	(38,815,756)
Grants, Contribution	-	984,314	-	(984,314)
Transfers	-	346,744	4,474,443	4,127,699
Capital Outlay	-	133,281	14,462,469	14,329,188
Ending Fund Balance	-	-	15,607,550	15,607,550
Total Expenditures and Ending Fund Balance	<u>\$ 12,963,269</u>	<u>\$ 40,571,208</u>	<u>\$ 34,835,575</u>	<u>\$ (5,735,633)</u>

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
INFRASTRUCTURE BOND 2020 (157)				
REVENUES				
Sales of Bond	\$ -	\$ 32,140,000	\$ 32,140,000	\$ -
Premium	-	6,747,332	6,747,332	-
Interest Earned	-	-	1,482	1,482
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 38,887,332</u>	<u>\$ 38,888,814</u>	<u>\$ 1,482</u>
EXPENDITURES				
Grants, Contribution	\$ -	\$ 35,000,000	\$ -	\$ (35,000,000)
Transfers to Other Funds	-	3,215,600	3,215,600	-
Debt Service	-	671,732	671,732	-
Ending Fund Balance	-	-	35,001,482	35,001,482
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 38,887,332</u>	<u>\$ 38,888,814</u>	<u>\$ 1,482</u>

**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.

Debt Service Fund

To account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of the Enterprise Funds). Bond ordinances require the City to account for debt service transactions in separate funds, restrict the flow of cash between such funds, and comply with various other covenants. For financial statement reporting, the various debt service funds have been combined.

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 Refunding 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 Capital Project Fund

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

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.

Modernization Tax Capital 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.

City of Jackson
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2020

	Special Revenue					
	<u>Parks and Recreation</u>	<u>Disability and Relief</u>	<u>State Grant</u>	<u>Improvement Fund</u>	<u>Library</u>	<u>Total Special Revenue</u>
ASSETS						
Cash and cash equivalents	\$ 866,799	\$ 148,298	\$ 1,698,109	\$ 3,933,865	\$ 91,008	\$ 6,738,079
Receivables	2,626,940	4,656,899	151,191	4,621,292	2,084,393	14,140,715
Total current assets	<u>\$ 3,493,739</u>	<u>\$ 4,805,197</u>	<u>\$ 1,849,300</u>	<u>\$ 8,555,157</u>	<u>\$ 2,175,401</u>	<u>\$ 20,878,794</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 97,309	\$ 144,994	\$ 41,615	\$ 2,244,019	\$ -	\$ 2,527,937
Unearned grant revenue	-	-	1,423,711	75,169	-	1,498,880
Other liabilities	148,781	-	-	-	-	148,781
Total liabilities	<u>246,090</u>	<u>144,994</u>	<u>1,465,326</u>	<u>2,319,188</u>	<u>-</u>	<u>4,175,598</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes levied for subsequent year	2,406,096	4,595,644	-	1,323,863	2,057,212	10,382,815
Total deferred inflows of resources	<u>2,406,096</u>	<u>4,595,644</u>	<u>-</u>	<u>1,323,863</u>	<u>2,057,212</u>	<u>10,382,815</u>
FUND BALANCES						
Restricted	308,742	-	383,974	-	118,189	810,905
Committed	532,811	64,559	-	4,912,106	-	5,509,476
Total fund balance	<u>841,553</u>	<u>64,559</u>	<u>383,974</u>	<u>4,912,106</u>	<u>118,189</u>	<u>6,320,381</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,493,739</u>	<u>\$ 4,805,197</u>	<u>\$ 1,849,300</u>	<u>\$ 8,555,157</u>	<u>\$ 2,175,401</u>	<u>\$ 20,878,794</u>

Capital Projects

Debt Service	1998 GO Bond	2003 GO Bond	2009 GO Bond	Capitol 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
\$ 8,472,557	\$ 11,034	\$ 1,243,358	\$ 134,475	\$ 649,496	\$ 768,930	\$ 116	\$ 580,808	\$ -	\$ 3,388,217	\$ 18,598,853
11,634,049	-	-	-	35,992	-	-	-	811,160	847,152	26,621,916
<u>\$ 20,106,606</u>	<u>\$ 11,034</u>	<u>\$ 1,243,358</u>	<u>\$ 134,475</u>	<u>\$ 685,488</u>	<u>\$ 768,930</u>	<u>\$ 116</u>	<u>\$ 580,808</u>	<u>\$ 811,160</u>	<u>\$ 4,235,369</u>	<u>\$ 45,220,769</u>
\$ 400	\$ -	\$ 858,418	\$ -	\$ 3,542	\$ -	\$ -	\$ -	\$ 811,160	\$ 1,673,120	\$ 4,201,457
-	-	-	-	-	-	-	-	-	-	1,498,880
-	-	-	-	-	-	-	-	-	-	148,781
<u>400</u>	<u>-</u>	<u>858,418</u>	<u>-</u>	<u>3,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,160</u>	<u>1,673,120</u>	<u>5,849,118</u>
11,537,232	-	-	-	-	-	-	-	-	-	21,920,047
<u>11,537,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,920,047</u>
8,568,974	11,034	384,940	134,475	681,946	768,930	116	580,808	-	2,562,249	11,942,128
-	-	-	-	-	-	-	-	-	-	5,509,476
<u>8,568,974</u>	<u>11,034</u>	<u>384,940</u>	<u>134,475</u>	<u>681,946</u>	<u>768,930</u>	<u>116</u>	<u>580,808</u>	<u>-</u>	<u>2,562,249</u>	<u>17,451,604</u>
<u>\$ 20,106,606</u>	<u>\$ 11,034</u>	<u>\$ 1,243,358</u>	<u>\$ 134,475</u>	<u>\$ 685,488</u>	<u>\$ 768,930</u>	<u>\$ 116</u>	<u>\$ 580,808</u>	<u>\$ 811,160</u>	<u>\$ 4,235,369</u>	<u>\$ 45,220,769</u>

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue					
	Parks and Recreation	Disability and Relief	State Grant	Improvement Fund	Library	Total Special Revenue
REVENUES						
General property taxes	\$ 2,486,974	\$ 4,688,420	\$ -	\$ 1,308,694	\$ 2,063,201	\$ 10,547,289
Intergovernmental	70,239	140,252	613,770	6,751,804	61,006	7,637,071
Admissions, fees, rentals and concessions	188,456	-	-	-	-	188,456
Interest	25,222	12,569	18,780	106,718	-	163,289
Other	11,658	-	584,663	-	-	596,321
Total revenues	<u>2,782,549</u>	<u>4,841,241</u>	<u>1,217,213</u>	<u>8,167,216</u>	<u>2,124,207</u>	<u>19,132,426</u>
EXPENDITURES						
Current:						
General government	-	-	201,312	-	-	201,312
Public safety	-	4,836,683	203,808	-	-	5,040,491
Public works	-	-	-	1,309,561	-	1,309,561
Human and cultural services	5,400,020	-	622,476	-	2,062,564	8,085,060
Debt Service:						
Principal	233,887	-	-	-	-	233,887
Interest and service charges	18,528	-	-	-	-	18,528
Capital Outlay:						
Public works	-	-	-	8,069,640	-	8,069,640
Public safety	-	-	53,400	-	-	53,400
Human and cultural services	610,907	-	-	-	-	610,907
Total expenditures	<u>6,263,342</u>	<u>4,836,683</u>	<u>1,080,996</u>	<u>9,379,201</u>	<u>2,062,564</u>	<u>23,622,786</u>
Excess (deficiency) of revenues over expenditures	<u>(3,480,793)</u>	<u>4,558</u>	<u>136,217</u>	<u>(1,211,985)</u>	<u>61,643</u>	<u>(4,490,360)</u>
OTHER FINANCING SOURCES						
Transfers in	3,616,464	-	-	2,794,153	-	6,410,617
Transfers out	-	-	-	-	-	-
Issuance of long-term debt	187,791	-	-	-	-	187,791
Total other financing sources	<u>3,804,255</u>	<u>-</u>	<u>-</u>	<u>2,794,153</u>	<u>-</u>	<u>6,598,408</u>
Net change in fund balances	323,462	4,558	136,217	1,582,168	61,643	2,108,048
Fund balances at beginning of year	<u>518,091</u>	<u>60,001</u>	<u>247,757</u>	<u>3,329,938</u>	<u>56,546</u>	<u>4,212,333</u>
Fund balances at end of year	<u>\$ 841,553</u>	<u>\$ 64,559</u>	<u>\$ 383,974</u>	<u>\$ 4,912,106</u>	<u>\$ 118,189</u>	<u>\$ 6,320,381</u>

Debt Service	Capital Projects									Total Nonmajor Governmental Funds
	1998 GO Bond	2003 GO Bond	2009 GO Bond	Capitol Street 2-way	2012 GO Note	Thalia Mara Hall Renovation	Modernization Tax Capital Fund	Museum-to-Market Project	Total Capital Projects	
\$ 7,523,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,070,804
4,180,321	-	-	-	35,992	-	-	971,160	811,160	1,818,312	13,635,704
-	-	-	-	-	-	-	-	-	-	188,456
274,870	318	-	4,163	41,953	22,140	2	-	-	68,576	506,735
4,359	-	-	-	-	-	-	-	-	-	600,680
11,983,065	318	-	4,163	77,945	22,140	2	971,160	811,160	1,886,888	33,002,379
-	-	-	-	-	-	-	-	-	-	201,312
-	-	-	-	-	-	-	-	-	-	5,040,491
-	-	210,734	-	-	-	-	-	-	210,734	1,520,295
-	-	-	-	-	-	-	-	-	-	8,085,060
10,019,181	-	-	-	-	-	-	-	-	-	10,253,068
4,928,528	-	-	-	-	-	-	-	-	-	4,947,056
-	-	226,505	15,068	33,128	-	-	-	811,160	1,085,861	9,155,501
-	-	-	-	-	-	-	-	-	-	53,400
-	-	-	-	-	-	-	-	-	-	610,907
14,947,709	-	437,239	15,068	33,128	-	-	-	811,160	1,296,595	39,867,090
(2,964,644)	318	(437,239)	(10,905)	44,817	22,140	2	971,160	-	590,293	(6,864,711)
3,562,344	-	1,166,018	-	-	-	-	-	-	1,166,018	11,138,979
-	-	(343,839)	-	(1,166,018)	-	-	(390,352)	-	(1,900,209)	(1,900,209)
-	-	-	-	-	-	-	-	-	-	187,791
3,562,344	-	822,179	-	(1,166,018)	-	-	(390,352)	-	(734,191)	9,426,561
597,700	318	384,940	(10,905)	(1,121,201)	22,140	2	580,808	-	(143,898)	2,561,850
7,971,274	10,716	-	145,380	1,803,147	746,790	114	-	-	2,706,147	14,889,754
\$ 8,568,974	\$ 11,034	\$ 384,940	\$ 134,475	\$ 681,946	\$ 768,930	\$ 116	\$ 580,808	\$ -	\$ 2,562,249	\$ 17,451,604

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
REVENUES				
Aircraft Registration	\$ 500	\$ 500	\$ 370	\$ (130)
Homestead Exemption	65,000	65,000	68,897	3,897
Homestead Exemption Chargeback	-	-	973	973
Sonny Guy Green Fees	45,000	45,000	65,073	20,073
Sonny Guy Pk Elec Gif Cart Ren	25,000	25,000	37,117	12,117
Range Balls	1,247	1,247	3,621	2,374
Swimming Fees	10,000	10,000	132	(9,868)
Athletic Fees	35,000	35,000	14,115	(20,885)
Gym User Fees	20,000	20,000	8,288	(11,712)
Parks Building Rentals	25,000	25,000	928	(24,072)
Parks Field Rentals	23,000	23,000	529	(22,471)
Parks Concessions	100	100	-	(100)
Parks Programs Registration	7,000	7,000	220	(6,780)
Jones Center Rental	10,000	10,000	5,963	(4,037)
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	200	(1,800)
Admissions /Summer Festivals	50,000	50,000	3,744	(46,256)
Mynelle Garden-Photography	2,161	2,161	100	(2,061)
Mynelle Garden Admissions	5,000	5,000	722	(4,278)
Mynelle Garden Rental	499	499	1,067	568
Mynelle Garden Weddings	2,000	2,000	2,400	400
Mynelle Garden Gift Shop Sales	200	200	28	(172)
Mynelle Garden Grants	1,211	1,211	-	(1,211)
Donations-Summer Festivals	24,000	24,000	4,633	(19,367)
Rents and Royalties	22,000	22,000	17,810	(4,190)
Interest Earned On Investments	-	-	1,803	1,803
Interest Earned On Repos	-	-	23,418	23,418
Grants & Donations	30,884	30,884	6,000	(24,884)
Other Departments	-	-	1,025	1,025
Cemeteries Opening Clsg & Misc	25,000	25,000	26,400	1,400
Proceeds Of Long Term Debt	144,000	144,000	-	(144,000)
Applied Fund Balance/R.E.	-	-	-	-
Transfers In/From General Fund	3,625,548	3,662,203	3,616,464	(45,739)
Beginning Fund Balance	-	446,232	484,654	38,422
Total Revenue from Sources other than Taxation	4,204,350	4,687,237	4,396,693	(290,544)
Taxes				
Real Property	1,421,471	1,421,471	1,430,443	8,972
Personal Property	664,865	664,865	672,296	7,431
Delinquent Real	43,160	43,160	23,025	(20,135)
Delinquent Personal	1,596	1,596	2,999	1,403
Automotive	301,970	301,970	358,595	56,625
Total Taxes	2,433,062	2,433,062	2,487,358	54,296
Total Beginning Fund Balance and Anticipated Revenue from all Sources	\$ 6,637,412	\$ 7,120,299	\$ 6,884,051	\$ (236,248)
EXPENDITURES				
Personnel Services	\$ 4,436,257	\$ 4,299,547	\$ 3,845,464	\$ (454,083)
Supplies	551,698	601,734	498,832	(102,902)
Other Services and Charges	1,259,632	1,674,974	1,055,725	(619,249)
Capital Outlay	389,825	477,327	610,907	133,580
Debt Service	-	66,717	252,414	185,697
Ending Fund Balance	-	-	620,709	620,709
Total Expenditures and Ending Fund Balance	\$ 6,637,412	\$ 7,120,299	\$ 6,884,051	\$ (236,248)

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
DISABILITY AND RELIEF FUND (055)				
REVENUES				
Real Property	\$ 2,779,443	\$ 2,778,713	\$ 2,778,713	\$ -
Personal Property	1,271,377	1,301,651	1,301,651	-
Delinquent Realty	-	29,580	51,492	21,912
Delinquent Personal	-	6,819	6,819	-
Automotive	586,193	583,166	556,205	(26,961)
Aircraft Registration	-	716	716	-
Homestead Exemption	67,508	137,535	139,536	2,001
Interest Income	-	872	12,569	11,697
Beginning Fund Balance	-	3,922	(7,712)	(11,634)
Total Revenues and Beginning Fund Balance	<u>\$ 4,704,521</u>	<u>\$ 4,842,974</u>	<u>\$ 4,839,988</u>	<u>\$ (2,986)</u>
EXPENDITURES				
Other Services and Charges	\$ 4,704,521	\$ -	\$ -	\$ -
Grants and Contributions	-	4,842,974	4,836,684	(6,290)
Ending Fund Balance	-	-	3,304	3,304
Total Expenditures and Ending Fund Balance	<u>\$ 4,704,521</u>	<u>\$ 4,842,974</u>	<u>\$ 4,839,988</u>	<u>\$ (2,986)</u>

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
STATE GRANTS FUNDS 76,109,123,140,340,373,374)				
REVENUES				
Intergovernmental Revenue-MEMA/Public Safety	\$ -	\$ 493,138	\$ 212,470	\$ (280,668)
Intergovernmental Revenue-KELLOGG	-	1,418,262	534,663	(883,599)
Intergovernmental Revenue-Human & Culture	-	-	20,000	20,000
DFA	-	-	351,715	351,715
Aspen	-	-	30,000	30,000
Intergovernmental Revenue-Planning	-	-	8,775	8,775
Project SA	-	70,649	-	(70,649)
Interest	-	-	18,780	18,780
Beginning Fund Balance	-	540,429	137,376	(403,053)
Total Revenues and Beginning Fund Balance	\$ -	\$ 2,522,478	\$ 1,313,779	\$ (1,208,699)
EXPENDITURES				
Salaries	\$ -	\$ 433,323	\$ 169,401	\$ (263,922)
Supplies & Materials	-	162,638	111,470	(51,168)
Other Services and Charges	-	1,564,843	746,725	(818,118)
Capital Outlay	-	361,674	53,400	(308,274)
Ending Fund Balance	-	-	232,783	232,783
Total Expenditures and Ending Fund Balance	\$ -	\$ 2,522,478	\$ 1,313,779	\$ (1,208,699)

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
BUSINESS IMPROVEMENT TAX ASSESSMENT (007)				
REVENUES				
Real Property Taxes	\$ 1,082,747	\$ 1,092,431	\$ 1,092,431	\$ -
Interest on Investment	-	-	639	639
Beginning Fund Balance	-	-	15,011	15,011
Total Revenues and Beginning Fund Balance	<u>\$ 1,082,747</u>	<u>\$ 1,092,431</u>	<u>\$ 1,108,081</u>	<u>\$ 15,650</u>
EXPENDITURES				
Other Services and Charges	\$ 1,082,747	\$ 1,092,431	\$ 1,092,431	\$ -
Ending Fund Balance	-	-	15,650	15,650
Total Expenditures and Ending Fund Balance	<u>\$ 1,082,747</u>	<u>\$ 1,092,431</u>	<u>\$ 1,108,081</u>	<u>\$ 15,650</u>
CAPITAL IMPROVEMENT FUND (047,141, 213, 214, 215, 216, 217, 223, 364)				
REVENUES				
Interest Earned on Investments	\$ -	\$ 31,268	\$ 106,079	\$ 74,811
Intergovernmental-Federal- (MDOT)	-	-	168,836	168,836
Intergovernmental-State - (MDOT)(TRAFFIC)	170,622	-	176,234	176,234
Intergovernmental (MDOT) Lynch Street	-	170,622	49,437	(121,185)
Intergovernmental-State - (MDOT)	500,000	500,000	-	(500,000)
Intergovernmental-State- (MDOT)- Mill Street	2,101,994	2,101,994	517,121	(1,584,873)
Intergovernmental-State- Fondren Enhancement Proj	129,533	129,533	11,380	(118,153)
Intergovernmental-State- (MDOT) ERB Beasley	-	391,673	406,047	14,374
Intergovernmental-State - (DFA Parham Bridges)	99,952	99,952	-	(99,952)
Intergovernmental-Local - (Street Resurfacing)	101,318	101,318	67,207	(34,111)
Intergovernmental-State- (MDOT) Many	-	3,888,750	1,429,797	(2,458,953)
Intergovernmental-State- Fort Web	-	1,415,681	956,036	(459,645)
Intergovernmental- State-West St Br	-	-	41,252	41,252
Grants and Donations	15,200	15,200	250,000	234,800
Settlement of Insurance Claims	140,481	140,481	-	(140,481)
Proceeds of Long Term Debt	496,800	496,800	-	(496,800)
Transfer In/From General Fund	-	-	1,194,153	1,194,153
Beginning Fund Balance	<u>3,719,155</u>	<u>3,841,942</u>	<u>2,698,279</u>	<u>(1,143,663)</u>
Total Revenues and Beginning Fund Balance	<u>\$ 7,475,055</u>	<u>\$ 13,325,214</u>	<u>\$ 8,071,858</u>	<u>(5,253,356)</u>
EXPENDITURES				
Supplies	\$ 45,204	\$ 45,204	\$ -	\$ (45,204)
Other Services and Charges	7,387,192	12,378,684	477	(12,378,207)
Grants, Contributions	-	466,994	-	(466,994)
Capital Outlay	42,659	434,332	8,069,640	7,635,308
Ending Fund Balance	-	-	1,741	1,741
Total Expenditures and Ending Fund Balance	<u>\$ 7,475,055</u>	<u>\$ 13,325,214</u>	<u>\$ 8,071,858</u>	<u>(5,253,356)</u>

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, 2020

	Original Budget	Final Budget	Actual Amount	Variance
GRAND GULF EMERGENCY PLANNING (365)				
REVENUES				
Interest	\$ -	\$ 31	\$ -	\$ (31)
Nuclear Power Plant	477,057	321,576	-	(321,576)
Transfers	-	1,600,000	1,600,000	-
Beginning Fund Balance	-	-	(2,323)	(2,323)
Total Revenues and Beginning Fund Balance	<u>\$ 477,057</u>	<u>\$ 1,921,607</u>	<u>\$ 1,597,677</u>	<u>\$ (323,930)</u>
EXPENDITURES				
Other Services and Charges	\$ 477,057	\$ 5,000	\$ 391	\$ (4,609)
Grants, Contribution	-	1,916,607	-	(1,916,607)
Ending Fund Balance	-	-	1,597,286	1,597,286
Total Expenditures and Ending Fund Balance	<u>\$ 477,057</u>	<u>\$ 1,921,607</u>	<u>\$ 1,597,677</u>	<u>\$ (323,930)</u>
FONDREN BUSINESS IMPROVEMENT FUND (192)				
REVENUES				
Current Realty Taxes	\$ -	\$ 201,698	\$ 216,264	\$ 14,566
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 201,698</u>	<u>\$ 216,264</u>	<u>\$ 14,566</u>
EXPENDITURES				
Grants, Contribution	\$ -	\$ 201,698	\$ 216,264	\$ 14,566
Ending Fund Balance	-	-	-	-
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 201,698</u>	<u>\$ 216,264</u>	<u>\$ 14,566</u>

City of Jackson
Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
LIBRARY FUND				
REVENUES				
Current Realty Taxes	\$ 1,215,358	\$ 1,215,358	\$ 1,223,381	\$ 8,023
Current Personal Taxes	568,459	568,459	574,841	6,382
Delinquent Realty Taxes	1	1	20,756	20,755
Delinquent Personal Taxes	-	-	2,620	2,620
Ad Valorem Tax on Automobiles	258,184	258,184	242,730	(15,454)
Aircraft Registration	-	-	316	316
Homestead Exemption	21,268	21,268	60,690	39,422
Beginning Fund Balance	-	-	28,238	28,238
Total Revenues and Beginning Fund Balance	<u>\$ 2,063,270</u>	<u>\$ 2,063,270</u>	<u>\$ 2,153,572</u>	<u>\$ 90,302</u>
EXPENDITURES				
Other Services and Charges	\$ 2,063,270	\$ 116,262	\$ 115,556	(706)
Grants and Contributions	\$ -	\$ 1,947,008	\$ 1,947,008	-
Ending Fund Balance	-	-	91,008	91,008
Total Expenditures and Ending Fund Balance	<u>\$ 2,063,270</u>	<u>\$ 2,063,270</u>	<u>\$ 2,153,572</u>	<u>\$ 90,302</u>

City of Jackson
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
BOND AND INTEREST FUND				
REVENUES				
Current Realty Taxes	\$ 4,416,944	\$ 4,413,853	\$ 4,552,557	\$ 138,704
Current Personal Taxes	2,020,406	2,009,655	2,076,925	67,270
Delinquent Realty Taxes	1	-	43,014	43,014
Delinquent Personal Taxes	-	-	8,748	8,748
Ad Valorem Tax on Automotive	931,547	926,737	837,424	(89,313)
Aircraft Registration	-	-	1,138	1,138
Homestead Exemption	-	18,652	220,296	201,644
Homestead Exemption Chargeback	-	-	3,122	3,122
Interest Earnings	-	40,206	274,869	234,663
Special Assessment	-	-	1,786	1,786
Capital City Convention Commission	-	-	3,892,424	3,892,424
Other Departments	-	-	2,573	2,573
County Taxes	59,393	59,393	63,341	3,948
Transfer In From Other Funds	14,547,895	15,310,203	3,562,344	(11,747,859)
Beginning Fund Balance	2,900,809	3,530,203	7,873,829	4,343,626
Total Revenue and Beginning Fund Balance	\$ 24,876,995	\$ 26,308,902	\$ 23,414,390	\$ (2,894,512)
EXPENDITURES				
Other Services & Charges	\$ 24,876,995	\$ 64,106	\$ -	\$ (64,106)
Debt Service	-	15,184,058	14,942,233	(241,825)
Transfers and Other Functions	-	11,060,738	-	(11,060,738)
Ending Fund Balance	-	-	8,472,157	8,472,157
Total Expenditures and Ending Fund Balance	\$ 24,876,995	\$ 26,308,902	\$ 23,414,390	\$ (2,894,512)

City of Jackson
1998 General Obligation Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
G.O. BONDS 1998 CONSTRUCTION FUND (156)				
REVENUES				
Interest Earned	\$ -	\$ 78	\$ 318	\$ 240
Beginning Fund Balance	10,540	10,540	10,716	176
Total Revenues and Beginning Fund Balance	<u>\$ 10,540</u>	<u>\$ 10,618</u>	<u>\$ 11,034</u>	<u>\$ 416</u>
EXPENDITURES				
Other Services and Charges	\$ 10,540	\$ 10,618	\$ -	\$ (10,618)
Ending Fund Balance	-	-	11,034	11,034
Total Expenditures and Ending Fund Balance	<u>\$ 10,540</u>	<u>\$ 10,618</u>	<u>\$ 11,034</u>	<u>\$ 416</u>

City of Jackson
2003 General Obligation Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	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	-	1,166,019	1,166,018	\$ (1)
Total Revenues and Beginning Fund Balance	<u>\$ 4,043,462</u>	<u>\$ 5,209,481</u>	<u>\$ 1,166,018</u>	<u>\$ (4,043,463)</u>
EXPENDITURES				
Other Services and Charges	\$ 4,043,462	\$ 5,109,481	\$ 210,734	\$ (4,898,747)
Capital Outlay	-	-	226,505	226,505
Grants and Contributions	-	100,000	-	(100,000)
Transfers to Other Funds	-	-	343,839	343,839
Ending Fund Balance	-	-	384,940	384,940
Total Expenditures and Ending Fund Balance	<u>\$ 4,043,462</u>	<u>\$ 5,209,481</u>	<u>\$ 1,166,018</u>	<u>\$ (4,043,463)</u>

City of Jackson
2009 General Obligation Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
G.O. BONDS 2009 STREET CONSTRUCTION FUND (168)				
REVENUES				
Interest Earned	\$ -	\$ 1,063	\$ 4,163	\$ 3,100
Beginning Fund Balance	148,389	148,389	145,380	(3,009)
Total Revenues and Beginning Fund Balance	<u>\$ 148,389</u>	<u>\$ 149,452</u>	<u>\$ 149,543</u>	<u>\$ 91</u>
EXPENDITURES				
Other Services and Charges	\$ 148,389	\$ 149,452	\$ -	\$ (149,452)
Capital Outlay	-	-	15,068	15,068
Ending Fund Balance	-	-	134,475	134,475
Total Expenditures and Ending Fund Balance	<u>\$ 148,389</u>	<u>\$ 149,452</u>	<u>\$ 149,543</u>	<u>\$ 91</u>

City of Jackson
 Capitol Street 2 - Way
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
CAPITOL STREET 2-WAY PROJECT (171)				
REVENUES				
Interest Earned	\$ -	\$ 13,223	\$ 41,953	\$ 28,730
Beginning Fund Balance	935,796	1,782,149	1,803,147	20,998
Total Revenues and Beginning Fund Balance	<u>\$ 935,796</u>	<u>\$ 1,795,372</u>	<u>\$ 1,845,100</u>	<u>49,728</u>
EXPENDITURES				
Other Services and Charges	\$ 935,796	\$ 629,353	\$ -	\$ (629,353)
Capital Outlay	-	-	33,128	33,128
Transfers To Other Funds	-	1,166,019	1,166,018	(1)
Ending Fund Balance	-	-	645,954	645,954
Total Expenditures and Ending Fund Balance	<u>\$ 935,796</u>	<u>\$ 1,795,372</u>	<u>\$ 1,845,100</u>	<u>\$ 49,728</u>

City of Jackson
2012 General Obligation Note Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
2012 G.O. NOTE-CAPITAL PROJECT FUND (190)				
REVENUES				
Interest Earned	\$ -	\$ 5,464	\$ 22,140	\$ 16,676
Beginning Fund Balance	743,027	743,027	746,790	3,763
Total Revenues and Beginning Fund Balance	<u>\$ 743,027</u>	<u>\$ 748,491</u>	<u>\$ 768,930</u>	<u>\$ 20,439</u>
EXPENDITURES				
Other Services and Charges	\$ 680,840	\$ 434,877	\$ -	(434,877)
Grants and Contributions	-	251,427	-	(251,427)
Capital Outlay	62,187	62,187	-	(62,187)
Ending Fund Balance	-	-	768,930	768,930
Total Expenditures and Ending Fund Balance	<u>\$ 743,027</u>	<u>\$ 748,491</u>	<u>\$ 768,930</u>	<u>\$ 20,439</u>

City of Jackson
Thalia Mara Hall Renovation
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
THALIA MARA HALL RENOVATION (172)				
REVENUES				
Interest Earned	\$ -	\$ -	2	\$ 2
Beginning Fund Balance	-	-	114	114
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>116</u>	<u>\$ 116</u>
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	116	\$ 116
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>116</u>	<u>\$ 116</u>

City of Jackson
Modernization Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
MODERNIZATION TAX (372)				
REVENUES				
Modernization Tax	\$ -	\$ 971,160	\$ 971,160	\$ -
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ 971,160</u>	<u>\$ 971,160</u>	<u>\$ -</u>
EXPENDITURES				
Other Services and Charges	\$ -	\$ 971,160	\$ -	\$ (971,160)
Transfers to Other Funds	-	-	390,352	390,352
Ending Fund Balance	-	-	580,808	580,808
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ 971,160</u>	<u>\$ 971,160</u>	<u>\$ -</u>

City of Jackson
Museum To Market Project
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance
MUSEUM TO MARKET PROJECT (351)				
REVENUES				
Intergovernmental-State	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Grants & Donation	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>(1,000,000)</u>
EXPENDITURES				
Other Services and Charges	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Capital Outlay	-	-	811,160	811,160
Ending Fund Balance	-	-	(811,160)	(811,160)
Total Expenditures and Ending Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>(1,000,000)</u>

**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 Net Position
Proprietary Funds - Nonmajor Enterprise Funds
As of September 30, 2020

	Madison-Ridgeland Sewage	Transportation	Totals
ASSETS			
Current assets:			
Cash and Cash equivalents	\$ -	\$ 2,415,200	\$ 2,415,200
Intergovernmental Receivables	-	3,258,460	3,258,460
Total Current Assets	-	5,673,660	5,673,660
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	655,773	1,243,591
Automotive and other equipment	5,278	16,069,094	16,074,372
	593,096	25,839,461	26,432,557
Less: accumulated depreciation	(332,650)	(9,454,986)	(9,787,636)
Net property, plant and equipment	260,446	16,384,475	16,644,921
Total Assets	260,446	22,058,135	22,318,581
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - other post employment benefits	-	121,467	121,467
Deferred outflows of resources - pension	-	219,387	219,387
Total deferred outflows of resources	-	340,854	340,854

City of Jackson
Combining Statement of Net Position
Proprietary Funds - Nonmajor Enterprise Funds
As of September 30, 2020

	Madison-Ridgeland Sewage	Transportation	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 41,748	\$ 4,365,515	\$ 4,407,263
Unearned grant revenue	-	565,843	565,843
Compensated absences	-	1,275	1,275
Other Post Employments Benefits liability	-	7,011	7,011
Total current liabilities	<u>41,748</u>	<u>4,939,644</u>	<u>4,981,392</u>
Net pension liability	-	1,131,395	1,131,395
Other Post Employment Benefits liability	-	363,923	363,923
Compensated absences	-	31,619	31,619
Total long-term liabilities	<u>-</u>	<u>1,526,937</u>	<u>1,526,937</u>
Total liabilities	<u>41,748</u>	<u>6,466,581</u>	<u>6,508,329</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - other post employment benefits	-	4,180	4,180
Total deferred inflows of resources	<u>-</u>	<u>4,180</u>	<u>4,180</u>
NET POSITION			
Net investment in capital assets	260,446	16,384,475	16,644,921
Unrestricted	<u>(41,748)</u>	<u>(456,247)</u>	<u>(497,995)</u>
Total net position	<u>\$ 218,698</u>	<u>\$ 15,928,228</u>	<u>\$ 16,146,926</u>

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2020

	Madison- Ridgeland Sewage	Transportation	Totals
Operating Revenues:			
Sales to Customers	\$ 195,133	\$ 228,976	\$ 424,109
Total Operating Revenues	<u>195,133</u>	<u>228,976</u>	<u>424,109</u>
Operating Expenses:			
Personnel services	-	750,403	750,403
Supplies	10,700	750,635	761,335
Other services and charges	196,661	7,592,209	7,788,870
Depreciation	15,344	1,182,223	1,197,567
Total Operating Expenses	<u>222,705</u>	<u>10,275,470</u>	<u>10,498,175</u>
Operating Loss	<u>(27,572)</u>	<u>(10,046,494)</u>	<u>(10,074,066)</u>
Nonoperating Revenues (Expenses):			
Noncapital grants	-	8,011,489	8,011,489
Interest revenue	-	42,265	42,265
Gain on sale of capital assets	-	1,384	1,384
Total nonoperating revenues (expenses)	<u>-</u>	<u>8,055,138</u>	<u>8,055,138</u>
Loss before transfers	<u>(27,572)</u>	<u>(1,991,356)</u>	<u>(2,018,928)</u>
Transfers In:			
General Fund	-	3,363,226	3,363,226
Change in Net Position	(27,572)	1,371,870	1,344,298
Total net position - beginning	<u>246,270</u>	<u>14,556,358</u>	<u>14,802,628</u>
Total net position - ending	<u><u>\$ 218,698</u></u>	<u><u>\$ 15,928,228</u></u>	<u><u>\$ 16,146,926</u></u>

City of Jackson
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2020

	Madison- Ridgeland Sewage	Transportation	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 195,133	\$ 228,976	\$ 424,109
Payments to suppliers	(195,133)	(8,341,976)	(8,537,109)
Payments to employees	-	(443,188)	(443,188)
Payments to internal service fund	-	(112,292)	(112,292)
Net cash provided (used) by operating activities	<u>-</u>	<u>(8,668,480)</u>	<u>(8,668,480)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants	-	6,554,718	6,554,718
Transfers and advances from other funds	-	3,363,226	3,363,226
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>9,917,944</u>	<u>9,917,944</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(944,629)	(944,629)
Proceeds from capital asset sales	-	1,384	1,384
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(943,245)</u>	<u>(943,245)</u>
Cash Flows from Investing Activities			
Interest on investments	-	42,265	42,265
Net cash provided (used) by investing activities	<u>-</u>	<u>42,265</u>	<u>42,265</u>
Net increase (decrease) in cash and cash equivalents	-	348,484	348,484
Cash and cash equivalents at beginning of year	-	2,066,716	2,066,716
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 2,415,200</u>	<u>\$ 2,415,200</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating loss	\$ (27,572)	\$ (10,046,494)	\$ (10,074,066)
Depreciation	15,345	1,182,223	1,197,568
Increase (decrease) in accounts payable and accrued expenses	12,227	3,769	15,996
Increase (decrease) in compensated absences	-	8,011	8,011
Increase (decrease) in pension liability and deferred inflows (outflows)	-	147,758	147,758
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	-	36,253	36,253
Total adjustments	<u>27,572</u>	<u>1,378,014</u>	<u>1,405,586</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (8,668,480)</u>	<u>\$ (8,668,480)</u>
Accounts payable for capital assets at year end	<u>\$ -</u>	<u>\$ 2,781,788</u>	<u>\$ 2,781,788</u>

Fiduciary Funds

Unemployment Compensation Revolving Fund

To account for money held in trust to fund unemployment claims pursuant to State law.

Mausoleum Trust Fund

To account for funds to be used for maintenance and upkeep of the Henry Mausoleum located in Kernaghan Cemetery.

Tax Collections Agency Funds

To account for receipt of tax collections for and subsequent payment to the Jackson Municipal Separate School District, Capital City Community Convention Center, and Jackson Convention & Visitors Bureau.

**CITY OF JACKSON
ALL TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2020**

	Unemployment Compensation Revolving Fund	Mausoleum Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 216,392	\$ -	\$ 216,392
Investment at fair value:			
Certificate of deposit	-	32,802	32,802
Total assets	\$ <u>216,392</u>	\$ <u>32,802</u>	\$ <u>249,194</u>
Liabilities and Net Position			
Liabilities:			
Total liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net Position:			
Held in trust for unemployment benefits and other purposes	<u>216,392</u>	<u>32,802</u>	<u>249,194</u>
Total net position	<u>216,392</u>	<u>32,802</u>	<u>249,194</u>
Total liabilities and net position	\$ <u>216,392</u>	\$ <u>32,802</u>	\$ <u>249,194</u>

**CITY OF JACKSON
ALL TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Unemployment Compensation Revolving Fund	Mausoleum Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Interest	\$	\$ 70	\$ 70
Contributions from other funds	<u>83,364</u>	<u>-</u>	<u>83,364</u>
Total additions	<u>83,364</u>	<u>70</u>	<u>83,434</u>
Deductions:			
General government:			
Unemployment claims	<u>93,152</u>	<u>-</u>	<u>93,152</u>
Total deductions	<u>93,152</u>	<u>-</u>	<u>93,152</u>
Change in Net Position	<u>(9,788)</u>	<u>70</u>	<u>(9,718)</u>
Net position - beginning of year	<u>226,180</u>	<u>32,732</u>	<u>258,912</u>
Net position - end of year	<u>\$ 216,392</u>	<u>\$ 32,802</u>	<u>\$ 249,194</u>

**CITY OF JACKSON
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

		Cash Equivalents		Taxes Receivable		Total Assets		Payables to Others		Total Liabilities
Capital City Community Convention Center										
Balance at October 1, 2019	\$	12,925	\$	775,098	\$	788,023	\$	788,023	\$	788,023
Additions		3,972,152		-		3,972,152		3,972,152		3,972,152
Deductions		<u>3,971,420</u>		<u>121,371</u>		<u>4,092,791</u>		<u>4,092,791</u>		<u>4,092,791</u>
Balance at September 30, 2020	\$	<u><u>13,657</u></u>	\$	<u><u>653,727</u></u>	\$	<u><u>667,384</u></u>	\$	<u><u>667,384</u></u>	\$	<u><u>667,384</u></u>
Jackson Convention & Visitors Bureau										
Balance at October 1, 2019	\$	338,868	\$	605,581	\$	944,449	\$	944,449	\$	944,449
Additions		3,157,061		-		3,157,061		3,157,061		3,157,061
Deductions		<u>3,493,360</u>		<u>87,353</u>		<u>3,580,713</u>		<u>3,580,713</u>		<u>3,580,713</u>
Balance at September 30, 2020	\$	<u><u>2,569</u></u>	\$	<u><u>518,228</u></u>	\$	<u><u>520,797</u></u>	\$	<u><u>520,797</u></u>	\$	<u><u>520,797</u></u>
Jackson Municipal Separate School District										
Balance at October 1, 2019	\$	-	\$	-	\$	-	\$	-	\$	-
Additions		14,719,727		-		14,719,727		14,719,727		14,719,727
Deductions		<u>14,719,727</u>		<u>-</u>		<u>14,719,727</u>		<u>14,719,727</u>		<u>14,719,727</u>
Balance at September 30, 2020	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>	\$	<u><u>-</u></u>
Total - All Agency Funds:										
Balance at October 1, 2019	\$	351,793	\$	1,380,679	\$	1,732,472	\$	1,732,472	\$	1,732,472
Additions		21,848,940		-		21,848,940		21,848,940		21,848,940
Deductions		<u>22,184,507</u>		<u>208,724</u>		<u>22,393,231</u>		<u>22,393,231</u>		<u>22,393,231</u>
Balance at September 30, 2020	\$	<u><u>16,226</u></u>	\$	<u><u>1,171,955</u></u>	\$	<u><u>1,188,181</u></u>	\$	<u><u>1,188,181</u></u>	\$	<u><u>1,188,181</u></u>

CITY OF JACKSON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULES BY SOURCE (1)
SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Governmental activities capital assets:		
Land	\$ 13,720,748	\$ 13,720,748
Buildings	109,269,156	108,317,974
Automotive and equipment:	82,001,665	78,930,591
Infrastructure	376,046,427	343,018,522
Construction in progress	<u>36,208,683</u>	<u>32,444,146</u>
Total governmental activities capital assets	<u>\$ 617,246,680</u>	<u>\$ 576,431,981</u>
 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	116,694,272	112,070,618
Special Revenue Fund revenues	147,333,848	123,424,699
Special Assessment bonds	2,123,934	2,123,934
General Obligation bonds	267,572,309	267,345,804
Limited Obligation bonds	4,330,429	4,330,429
Debt Service Fund revenues	65,000	65,000
Federal grants	64,560,457	52,547,643
State grants	414,734	372,157
County grants	<u>430,949</u>	<u>430,949</u>
Total governmental activities capital assets	<u>\$ 617,246,680</u>	<u>\$ 576,431,981</u>

(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, 2020

	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	572,525	-	1,561,859
Code Services	-	-	-	658,228	-	658,228
Telecommunication	-	5,907,442	39,036	157,799	-	6,104,277
Data Processing / Information System	-	42,257	555,255	12,496,069	-	13,093,581
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	1,386,481	18,410,325	-	29,395,641
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	17,487,261	-	27,030,379
Police Department	123,992	19,362,027	10,784,134	24,970,194	59,447	55,299,794
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	28,248,625	18,958,888	42,909,277	59,447	90,375,229
Public Works:						
Cemeteries	-	8,430	-	143,318	-	151,748
Engineering	585,273	1,020,866	49,795,642	5,113,391	11,729,606	68,244,778
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	8,536,528	73,658	911,001	17,978,104
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	63,172,015	1,020,817	21,157,995	86,098,681
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
Solid Waste	-	-	-	-	-	-
Soil Conservation	-	120,000	112,159	-	-	232,159
Total public works	939,551	10,888,082	340,226,064	9,795,856	35,963,521	397,813,074
Culture and Recreation:						
Planetarium	-	827,314	34,963	1,342,865	-	2,205,142
Jackson Zoological Park	-	3,000,000	3,392,767	465,122	-	6,857,889
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	3,604,312	68,897	32,022,466
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	15,214,009	6,166,245	185,716	62,007,097
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	\$ 109,269,156	\$ 376,046,427	\$ 82,001,665	\$ 36,208,683	\$ 617,246,680

(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, 2020

	Governmental Activities Capital Assets			Governmental Activities Capital Assets
	September 30, 2019	Additions	Deductions	September 30, 2020
Assets prior to 1985 not segregated by function and activity	\$ 13,681,448	-	-	13,681,448
General Government:				
Planning	1,514,659	47,200		1,561,859
Code Services	658,228	-		658,228
Telecommunication	6,104,277	-	-	6,104,277
Data Processing / Information System	9,377,763	3,715,818		13,093,581
Vehicle Pool Fund	1,575,817	-	14,812	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	25,647,435	3,763,018	14,812	29,395,641
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	15,456,873	-	-	15,456,873
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	1,291,428	301,482	150,741	1,442,169
Group Home	46,245	-	-	46,245
Human and Cultural Services	515,751	23,600	-	539,351
Total health and welfare	3,019,657	325,082	150,741	3,193,998
Public Safety:				
Fire Department	27,039,150	79,149	87,920	27,030,379
Police Department	55,999,674	958,432	1,658,312	55,299,794
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	91,083,880	1,037,581	1,746,232	90,375,229
Public Works:				
Cemeteries	151,748	-	-	151,748
Engineering	68,244,778	-	-	68,244,778
Traffic Engineering	3,928,198	-	-	3,928,198
Traffic Signals	2,568,536	-	-	2,568,536
Care and Maintenance of Public Buildings	17,888,117	179,974	89,987	17,978,104
Building and Ground	516,800	-	-	516,800
Custodial Services	34,818	-	-	34,818
Public Works Deputy Dir/Adm	41,124	96,708	-	137,832
Public Works Infrastructure Management	52,728,938	62,782,469	29,412,726	86,098,681
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
Solid Waste	-	-	-	-
Soil Conservation	232,159	-	-	232,159
Total public works	364,256,636	63,059,151	29,502,713	397,813,074
Culture and Recreation:				
Planetarium	2,205,142	-	-	2,205,142
Jackson Zoological Park	3,465,122	3,392,767	-	6,857,889
Municipal Art Building	43,258	-	-	43,258
Parks Maintenance	546,413	-	-	546,413
Parks and Recreation	31,411,560	1,169,509	558,603	32,022,466
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	10,583,141	40,692	-	10,623,833
Total culture and recreation	57,962,732	4,602,968	558,603	62,007,097
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	5,323,320	-	-	5,323,320
Total governmental funds capital assets	\$ 576,431,981	72,787,800	31,973,101	617,246,680

(1) This schedule presents only the capital asset balances related to governmental activities.

**SCHEDULE OF BONDS
OF CITY OFFICIALS**

**CITY OF JACKSON
SCHEDULE OF BONDS OF CITY OFFICIALS
SEPTEMBER 30, 2020**

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 07/01/19 - 07/01/21 07/06/18 - 07/06/22 07/03/19 - 07/03/21 07/03/17 - 07/03/21 07/01/19 - 07/01/21
Mayor	\$100,000	06/28/17 - 06/28/21
City Administrative Officer	\$50,000	08/15/17 - 08/15/21
City Clerk	\$50,000	09/12/20 - 09/12/21
Director of Administration	\$50,000	01/24/20 - 01/24/21
Chief of Police	\$50,000	12/23/18 - 12/23/20
Assistant Police Chief	\$50,000	01/27/20 - 01/27/21
Deputy Chief of Police	\$50,000	01/21/20 - 01/21/21 07/26/19 - 07/26/21 07/25/19 - 07/25/21 07/27/19 - 07/27/21
Assistant City Clerk	\$50,000	VACANT
Deputy Clerks (7)	\$50,000	10/10/19 - 10/10/20 11/21/18 - 11/21/20 12/07/18 - 12/07/20 12/28/18 - 12/28/20 09/07/19 - 09/07/21

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.

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Financial Trends	157
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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	162
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These schedules contain information to help the reader assess the City of Jackson's most significant local revenue source, the property tax.

Debt Capacity	167
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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	173
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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	176
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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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 256,952	\$ 259,506	\$ 229,661	\$ 210,819	\$ 125,653	\$ 121,798	\$ 197,641	\$ 179,234	\$ 187,511	\$ 180,357
Restricted	70,714	36,814	43,488	44,637	5,961	5,926	5,726	13,446	15,040	17,469
Unrestricted	(287,064)	(282,710)	(277,805)	(276,849)	(190,475)	(173,696)	(8,168)	(45,855)	(41,290)	(36,100)
Total governmental activities net position	<u>\$ 40,602</u>	<u>\$ 13,610</u>	<u>\$ (4,656)</u>	<u>\$ (21,393)</u>	<u>\$ (58,861)</u>	<u>\$ (45,972)</u>	<u>\$ 195,199</u>	<u>\$ 146,825</u>	<u>\$ 161,261</u>	<u>\$ 161,726</u>
Business-type activities										
Net investment in capital assests	\$ 197,266	\$ 235,404	\$ 242,146	\$ 240,550	\$ 218,760	\$ 213,137	\$ 192,012	\$ 101,011	\$ 184,185	\$ 183,735
Restricted	5,145	1,284	3,491	8,261	-	-	-	-	-	-
Unrestricted	42,390	7,899	16,543	15,928	68,728	59,674	84,672	159,496	73,303	78,501
Total business-type activities net position	<u>\$ 244,801</u>	<u>\$ 244,587</u>	<u>\$ 262,180</u>	<u>\$ 264,739</u>	<u>\$ 287,488</u>	<u>\$ 272,811</u>	<u>\$ 276,684</u>	<u>\$ 260,507</u>	<u>\$ 257,488</u>	<u>\$ 262,236</u>
Primary government										
Net investment in capital assests	\$ 454,218	\$ 494,910	\$ 471,807	\$ 451,369	\$ 344,413	\$ 334,935	\$ 389,653	\$ 371,696	\$ 371,696	\$ 364,092
Restricted	75,859	38,098	46,979	52,898	5,961	5,926	5,726	15,041	15,040	17,469
Unrestricted	(244,674)	(274,811)	(261,262)	(260,921)	(121,747)	(114,022)	76,504	113,641	32,013	42,401
Total primary government net position	<u>\$ 285,403</u>	<u>\$ 258,197</u>	<u>\$ 257,524</u>	<u>\$ 243,346</u>	<u>\$ 228,627</u>	<u>\$ 226,839</u>	<u>\$ 471,883</u>	<u>\$ 500,378</u>	<u>\$ 418,749</u>	<u>\$ 423,962</u>

Source: Statement of Net Position.

City of Jackson
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
Expenses	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	\$ 37,769	\$ 38,798	\$ 35,428	\$ 31,782	\$ 40,546	\$ 40,625	\$ 15,780	\$ 40,602	\$ 29,456	\$ 29,312
Public safety	65,372	62,601	62,809	67,089	68,029	64,796	27,031	64,780	57,055	59,166
Public works	21,741	20,491	14,714	14,338	13,375	19,595	14,505	24,661	24,721	21,774
Human and cultural services	16,884	16,710	17,694	16,571	16,297	16,720	7,831	14,311	13,756	16,011
Employee benefits	-	-	-	-	6,485	1,564	8,232	7,860	8,685	8,625
Interest on long-term debt	5,669	5,331	5,236	5,570	7,825	5,912	844	8,230	7,448	5,864
Total governmental activities	147,435	143,930	135,881	135,350	152,557	149,212	74,223	160,444	141,121	140,752
Business-type activities:										
Water/Sewer	68,277	77,587	67,911	65,503	50,962	45,439	55,553	48,891	55,347	41,795
Transportation	10,275	8,680	7,837	7,054	8,200	8,213	7,995	7,554	6,970	8,713
Madison-Ridgeland Sewage	223	113	25,971	117	60	55	109	82	74	51
Sanitation	10,761	11,084	10,657	10,904	11,996	10,857	10,766	11,699	11,894	11,156
Total business-type activities	89,536	97,464	86,431	83,578	71,219	64,564	74,423	68,226	74,285	61,715
Total primary government	\$ 236,971	\$ 241,394	\$ 222,312	\$ 218,928	\$ 223,776	\$ 213,776	\$ 148,646	\$ 228,670	\$ 215,406	\$ 202,467
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,428	\$ 6,565	\$ 6,028	\$ 5,601	\$ 8,439	\$ 9,281	\$ 10,875	\$ 14,204	\$ 15,019	\$ 13,075
Public Safety	1,895	2,023	2,075	2,757	288	195	1,348	823	798	367
Public Works	75	101	144	167	208	195	162	200	253	15
Human and cultural services	571	740	596	607	658	455	464	595	885	619
Operating grants contributions	13,295	11,756	9,580	10,394	13,486	11,912	8,251	12,261	10,114	11,570
Capital grants and contributions	21,053	16,249	10,075	4,190	2,697	5,200	7,016	11,291	1,970	5,025
Total governmental activities	43,317	37,434	28,498	23,716	25,776	27,238	28,116	39,374	29,039	30,671
Business-type activities:										
Charges for services:										
Water/Sewer	47,754	49,863	57,709	61,212	63,085	59,849	69,423	44,052	47,966	47,578
Transportation	229	443	506	426	406	716	710	677	589	529
Madison-Ridgeland Sewage	195	70	9	-	-	-	-	-	-	-
Sanitation	8,537	8,374	9,502	10,272	11,606	11,349	11,024	11,311	12,007	11,473
Operating grants contributions	8,047	5,553	5,312	4,977	509	570	506	582	631	706
Capital grants and contributions	500	-	-	338	6,415	2,143	2,516	4,675	2,844	2,568
Total business-type activities	65,262	64,303	73,038	77,225	82,021	74,627	84,179	61,297	64,037	62,854
Net (expense)/revenue										
Governmental activities	(104,118)	(106,496)	(107,383)	(111,634)	(126,781)	(121,974)	(46,108)	(121,070)	(112,082)	(110,081)
Business-type activities	(24,274)	(33,161)	(13,393)	(6,353)	10,802	10,063	9,756	(6,929)	(10,248)	1,139
Total primary government net expenses	\$ (128,392)	\$ (139,657)	\$ (120,776)	\$ (117,987)	\$ (115,979)	\$ (111,911)	\$ (36,352)	\$ (127,999)	\$ (122,330)	\$ (108,942)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,698	\$ 69,708	\$ 77,881	\$ 77,634	\$ 72,437	\$ 74,856	\$ 68,108
Sales taxes	14,515	14,548	14,234	14,515	36,731	31,937	32,740	32,718	32,701	31,656
Franchise taxes	6,842	7,298	7,510	7,140	8,119	8,975	9,667	8,245	8,218	7,878
Intergovernmental	37,271	38,213	39,412	38,920	-	-	-	-	-	-
Investment earnings	2,244	1,417	426	302	52	59	74	145	395	341
Gain (loss) on sale of capital assets	177	227	554	137	489	318	561	108	166	172
Miscellaneous	-	-	13	-	401	1,071	1,714	577	282	317
Transfers	(9,378)	(15,423)	(11,366)	(4,483)	(2,082)	(3,054)	(6,106)	(9,585)	(5,000)	(10,232)
Total governmental activities	131,110	124,762	128,862	132,229	113,418	117,187	116,284	104,645	111,618	98,240
Business-type activities										
Investment earnings	344	259	129	127	91	124	256	249	472	490
Gain on sale of capital assets	71	(114)	19	48	-	2	59	15	30	76
Miscellaneous	-	-	-	-	1,700	-	-	-	-	-
Litigation settlement gain on capital assets	14,695	-	-	-	-	-	-	-	-	-
Gain on retirement bonds	-	-	-	-	-	-	-	-	-	1,275
Transfers	9,378	15,423	11,366	4,483	2,082	3,054	6,106	9,585	5,000	5,565
Total business-type activities	24,488	15,568	11,514	4,658	3,873	3,180	6,421	9,849	5,502	7,406
Total primary government	\$ 155,598	\$ 140,330	\$ 140,376	\$ 136,887	\$ 117,291	\$ 120,367	\$ 122,705	\$ 114,494	\$ 117,120	\$ 105,646
Change in net position										
Governmental activities	\$ 26,992	\$ 18,266	\$ 21,479	\$ 20,595	\$ (13,363)	\$ (4,787)	\$ 70,177	\$ (16,425)	\$ (464)	\$ (11,841)
Business-type activities	214	(17,593)	(1,879)	(1,695)	14,675	13,243	16,177	2,920	(4,746)	8,545
Total primary government	\$ 27,206	\$ 673	\$ 19,600	\$ 18,900	\$ 1,312	\$ 8,456	\$ 86,354	\$ (13,505)	\$ (5,210)	\$ (3,296)

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
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
2011	54,594	30,798	1,823	28	268	87,511

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Nonspendable	\$ 877	\$ 811	781	\$ 722	\$ 1,187	\$ 875	\$ 997	\$ 2,283	\$ 2,160	\$ 1,814
Restricted	15,392	6,573	1,731	749	687	550	517	492	658	437
Committed	5,174	7,348	6,990	6,771	5,066	3,780	3,833	3,585	4,789	6,086
Assigned	1,549	115	1,995	1,294	1,179	2,005	2,518	49	49	33
Unassigned	25,523	25,884	24,356	18,478	6,931	5,525	16,579	26,517	26,310	24,757
Total general fund	<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>	<u>\$ 33,127</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	66,607	36,460	43,202	43,888	8,261	7,876	8,362	7,210	4,045	3,600
Committed	5,510	3,394	5,906	7,225	8,084	8,188	10,699	13,943	11,692	19,780
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(45)	(194)	-	(498)	(1,663)	-	-	-
Total all other governmental funds	<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>	<u>\$ 23,380</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,697	\$ 69,945	\$ 69,118	\$ 77,435	\$ 70,026	\$ 69,887	\$ 68,253
Franchise taxes	6,842	7,298	7,510	7,140	-	-	-	-	-	-
Licenses and permits	1,405	1,464	1,587	1,403	1,448	1,973	2,006	2,291	2,676	2,873
Intergovernmental	80,618	73,894	72,239	67,550	46,900	47,489	50,291	55,535	49,721	46,069
Charges for services	1,704	5,683	4,760	4,689	4,581	4,695	4,092	4,152	3,693	3,499
Fines	5,047	1,739	1,996	2,350	2,849	3,457	3,109	3,923	4,166	4,537
Investment earnings	2,244	1,417	426	303	52	59	74	145	395	342
Special assessments	-	-	-	-	10	21	34	2	6	8
Other	4,426	3,550	4,010	3,625	18,209	18,625	18,626	18,423	16,560	15,923
Total revenues	181,725	173,527	170,607	162,757	143,994	145,437	155,667	154,497	147,104	141,504
Expenditures										
General government	36,896	40,014	35,719	31,118	27,989	28,371	30,515	30,718	29,269	30,977
Public safety	59,182	60,196	60,996	60,507	53,086	54,068	54,738	52,586	57,035	52,606
Human and cultural services	14,507	14,757	15,328	14,113	13,339	14,619	14,242	13,753	8,349	13,370
Public works	11,455	11,476	10,830	10,547	9,175	16,554	30,334	23,232	24,698	19,126
Employee Benefits	-	-	-	0	6,696	7,553	8,070	7,780	8,685	8,625
Capital Outlay	38,294	28,874	23,820	23,838	8,658	7,546	10,463	21,090	10,539	5,749
Debt service										
Principal	13,969	16,640	7,341	4,368	7,150	15,700	6,030	2,780	873	624
Interest	6,075	5,741	5,696	5,763	8,244	6,491	6,013	5,061	6,575	6,424
Total expenditures	180,378	177,698	159,730	150,254	134,337	150,902	160,405	157,000	146,023	137,501
Excess of revenues over (under) expenditures	1,347	(4,171)	10,877	12,503	9,657	(5,465)	(4,738)	(2,503)	1,081	4,003
Other financing sources (uses)										
Transfer in	12,030	5,634	5,511	5,586	6,435	9,347	15,582	10,400	4,813	7,927
Transfer out	(21,408)	(21,057)	(16,877)	(10,069)	(16,624)	(19,836)	(28,448)	(26,745)	(16,442)	(18,159)
Issuance of long-term debt	41,075	15,007	5,892	497	30,019	2,095	4,808	87,269	3,500	9,213
Sale of capital assets	256	256	579	137	489	318	561	108	166	-
Payments to refunded bond escrow agent	-	-	-	-	(28,440)	-	-	(69,891)	-	(33)
Discount on long-term debt issued	-	-	-	-	(88)	-	-	-	-	-
Premium on long-term debt issued	6,747	-	-	-	1,172	-	-	5,738	-	-
Total other financing sources (uses)	38,700	(160)	(4,895)	(3,849)	(7,037)	(8,076)	(7,497)	6,879	(7,963)	(1,052)
Net change in fund balances	\$ 40,047	\$ (4,331)	\$ 5,982	\$ 8,654	\$ 2,620	\$ (13,541)	\$ (12,235)	\$ 4,376	\$ (6,882)	\$ 2,951
Debt service as a percentage of noncapital expenditures	14.1%	15.0%	9.6%	8.0%	12.3%	15.5%	8.0%	5.8%	5.5%	5.4%

City of Jackson
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
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
2011	68,253	30,798	1,823	28	268	101,170

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		
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%
2011	809,368,529	6,323,192,313	396,605,625	1,897,105,793	1,205,974,154	8,220,298,106	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 Tax Commission, 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	School District			Library Special District	
			Total City Millage	Debt Service & Operating County Milage	Operating Millage	Debt Service Millage	Total School Millage		
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
2011	53.56	3.07	56.63	44.13	62.58	12.41	74.99	1.40	177.15

(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>	2020			2011		
	<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	\$ 159,304	1	12.40%	\$ -		-
Bell South	24,704	2	1.92%	-		-
Entergy Services Inc	21,205	3	1.65%	-		-
Atmos Energy	20,077	4	1.56%	-		-
Gulf South Pipeline Co. LP	18,105	5	1.41%	-		-
Texas Eastern Transmission LP	16,802	6	1.31%	-		-
Midcontinent Express Pipeline LLC	15,762	7	1.23%	-		-
FKA Illinois Central Railroad	9,658	8	0.75%	-		-
Jackson HMA Inc. LLC	5,957	9	0.46%	-		-
Eaton Aerospace LLC	5,877	10	0.46%	-		-
Totals	<u>\$ 297,451</u>		<u>23.16%</u>	<u>\$ -</u>		<u>0.00%</u>

The data was not available from Hinds County in 2011.

Source: Hinds County

Note: See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 163 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
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
2011	-	-	-	-	-	-

The data was not available from Hinds County in 2011.

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
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
2011	131,720	6,541	430	3,335	-	7,000	-	18,073

(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 173 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)
\$ 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
148,325	-	13,799	-	-	2,758	331,981	5.54%	1,914

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)
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
2011	1,205,974	6,541	131,720	1,832	136,429	1.66%	786.27

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 163 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 173.

City of Jackson
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(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	\$ 78,022	76.57%	\$ 59,741
Jackson Public Schools	195,729	100.00%	<u>195,729</u>
Subtotal, overlapping debt			255,470
 City of Jackson direct debt	 186,810	 100.00%	 <u>186,810</u>
 Total direct and overlapping debt			 <u><u>\$ 442,280</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 with 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$182,360	\$175,533	\$175,212	\$ 173,963	\$ 174,666	\$ 173,182	\$ 176,428	\$ 176,090	\$ 174,971	\$ 173,629
Total net debt applicable to limit	<u>103,433</u>	<u>109,481</u>	<u>115,476</u>	<u>119,440</u>	<u>107,047</u>	<u>105,717</u>	<u>100,148</u>	<u>94,548</u>	<u>73,224</u>	<u>73,261</u>
Legal debt margin	<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>	<u>\$ 100,368</u>
Total net debt applicable to the limit as a percentage of the debt limit	56.7%	62.4%	65.9%	68.7%	61.3%	61.0%	56.8%	53.7%	41.8%	42.2%

Legal Debt margin Calculation for Fiscal Year 2020

Assessed value	\$ 1,284,452
Less Homestead Exemption	<u>(68,718)</u>
Total assessed value	<u>\$ 1,215,734</u>
Debt limit (15% of total assessed value)	<u>182,360</u>
Debt application to limit:	
General obligation bond indebtedness	107,663
Less: Amount set aside for repayment of General obligation bond debt	<u>(4,230)</u>
Total net debt applicable to limit	<u>\$ 103,433</u>
Legal debt margin	<u>\$ 78,927</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		Less: Operating Expenses		Net Available Revenue	Debt Service		(1) Coverage
						Principal	Interest	
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
2011		47,578		32,755	14,823	4,870	6,876	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 (3)
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%
2011	173,514	5,995,776	34,555	32.0	12	30,600	8.4%

Data Sources

- (1) Mississippi Census Bureau
- (2) Jackson Public Schools Estimate
- (3) Bureau of Labor Statistics
- (4) Mississippi Department of Employment Security

**City of Jackson
Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Mississippi	29,069	1	18.91%	31,556	1	17.13%
University of Mississippi	8,759	2	5.70%	8,000	2	4.34%
Jackson Public School District	4,100	3	2.67%	4,814	4	2.61%
U.S. Government	3,700	4	2.41%	5,500	3	2.98%
Baptist Health Systems	3,100	5	2.02%	2,875	5	1.56%
Merit Health	3,000	6	1.95%	-		
St. Dominic Health Services	3,000	7	1.95%	2,600	6	1.41%
City of Jackson, Mississippi	1,895	8	1.23%	2,323	7	1.26%
Jackson State University	1,500	9	0.98%	1,667	8	0.90%
AT&T	1,300	10	0.85%	1,300	9	0.71%
Central MS Medical Center	-			1,200	10	0.65%
	<u>59,423</u>		<u>38.66%</u>	<u>61,835</u>		<u>33.56%</u>

Source: MetroJackson Chamber of Commerce 2020

City of Jackson
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	<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>	<u>2011</u>
General government	269	268	267	249	266	267	278	302	290	315
Public safety										
Police										
Officers	298	352	415	352	440	389	412	455	499	479
Civilians	169	188	153	208	193	245	280	267	272	261
Fire										
Firefighters and officers	332	336	314	311	338	333	345	316	337	357
Civilians	14	14	14	14	14	24	23	17	11	11
Public Works	330	373	367	333	157	395	425	461	484	482
Culture and Recreation	209	234	246	184	260	273	262	318	238	303
Total	<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>	<u>2,208</u>

Source: City of Jackson Information System Department.

City of Jackson
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function										
Police										
Parking violations	4,916	8,185	29,270	5,535	9,399	9,197	10,098	12,281	17,190	18,101
Traffic violations	21,970	28,498	63,634	17,666	30,405	44,008	41,823	52,425	60,598	57,815
Fire										
Number of calls answered (1)	16,658	17,503	17,802	15,309	716	14,567	14,025	11,825	9,403	-
Inspections	1,784	2,461	1,276	3,392	3,941	3,205	4,141	4,500	4,635	3,590
Highways and streets										
Street resurfacing (miles) (1)	18	13	4	25	24.8	6.2	6.1	4.2	10.6	-
Potholes repaired (2)	15,962	24,191	11,224	14,999	22,116	30,389	29,921	37,565	29,871	38,776
Sanitation										
Refuse collected (tons/day)	3,456	7,799	9,880	3,381	4,114	5,496	5,361	5,301	7,904	4,523
Recyclables collected (tons/day)	-	69	160	69	83.18	81.96	90.06	91.35	89.84	76.89
Culture and recreation										
Community center admissions	97	160	169	80	79	110	64	89	118	53
Water										
New connections (1)	3,748	1,078	188	121	-	-	-	-	212	-
Average daily consumption (thousands of gallons) (1)	75,517	96,600	7,189	7,008	-	-	-	-	-	24,024
Wastewater										
Average daily sewage treatment (thousands of gallons) (1)	75,686	96,929	7,218	43,896	-	-	-	-	-	46,650

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	1,204	1,300
Traffic signals intersection	321	321	321	319	358	358	358	358	358	358
Culture and recreation										
Parks	57	57	57	57	57	57	54	54	54	54
Gymnasiums	5	5	5	5	5	5	5	5	5	5
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	61	61	61	61	61	61	61	61	61	61
Community centers	9	9	9	9	10	10	10	10	10	10
Water										
Water mains (miles)	1,000	1,000	1,000	1,000	-	-	-	-	-	-
Fire hydrants	7,000	7,000	7,800	22,000	-	-	-	-	-	-
Maximum daily capacity (thousands of gallons)	18,974	18,316	18,057	17,795	-	-	-	-	-	-
Sewer										
Sanitary sewers (miles)	1,000	1,000	1,000	900	-	-	-	-	-	-
Storms sewers (miles)	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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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
MISSISSIPPI SOCIETY OF CERTIFIED
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, 2020, 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 14, 2022. 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 and the Jackson Redevelopment 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 significant deficiencies.

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 2020-001 through 2020-006, 2020-008 through 2020-015, and 2020-017 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-007, 2020-016, and 2020-027 to be significant deficiencies.

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 2020-017 through 2020-026.

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.

Theresa Brown + Russ G.

February 14, 2022

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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, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2020.

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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-027, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Tom, Brown & Russ Co.

February 14, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

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>				
Food and Nutrition Service (MS Department of Education - Pass Through)				
Child and Adult Care Food Program (USDA)	10.558	V0000700018	\$ 77,260	\$ -
SUBTOTAL CFDA NUMBER 10.558			77,260	-
Food Distribution Cluster:				
(Central Mississippi Planning and Development District - Pass Through)				
Commodity Supplemental Food Program (Congregate)	10.565	1120-25	43,273	-
Commodity Supplemental Food Program (Home Delivered)	10.565	1520-25	45,216	-
SUBTOTAL CFDA NUMBER 10.565			88,489	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			165,749	-
<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-15-MC-28-0003	299	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-28-0003	4,572	-
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-28-0003	40,872	515
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-28-0003	639,095	-
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-28-0003	516,437	259,823
SUBTOTAL CFDA NUMBER 14.218			1,201,275	260,338
Emergency Solutions Grants Program	14.231	E-19-MC-28-0003	160,054	148,050
Emergency Solutions Grants Program	14.231	E-20-MW-28-0003	11,040	-
SUBTOTAL CFDA NUMBER 14.231			171,094	148,050
HOME Investment Partnerships Program	14.239	M-15-MC-28-0200	28,221	28,221
HOME Investment Partnerships Program	14.239	M-16-MC-28-0200	52,262	52,262
HOME Investment Partnerships Program	14.239	M-17-MC-28-0200	301,407	297,739
HOME Investment Partnerships Program	14.239	M-18-MC-28-0200	173,125	120,132
SUBTOTAL CFDA NUMBER 14.239			555,015	498,354
Housing Opportunities for Persons with AIDS	14.241	MS-H16-F001	308,122	308,122
Housing Opportunities for Persons with AIDS	14.241	MS-H18-F001	390,305	349,641
Housing Opportunities for Persons with AIDS	14.241	MS-H19-F001	1,370,844	1,358,000
SUBTOTAL CFDA NUMBER 14.241			2,069,271	2,015,763
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MSLHB0631-16	166,854	29,668
SUBTOTAL CFDA NUMBER 14.900			166,854	29,668
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			4,163,509	2,952,173
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017DJBX0618	248,199	-
SUBTOTAL CFDA NUMBER 16.738			248,199	-
Equitable Sharing Program	16.922		17,424	-
SUBTOTAL CFDA NUMBER 16.922			17,424	-
TOTAL U.S. DEPARTMENT OF JUSTICE			265,623	-
<u>U.S. Department of Labor</u>				
Older Americans Act				
(Senior Service America - Pass Through)				
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-33688-19-55-A-24	338,860	-
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-35223-20-60-A-24	99,424	-
SUBTOTAL CFDA NUMBER 17.235			438,284	-
TOTAL U.S. DEPARTMENT OF LABOR			438,284	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

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	837,702	-
Highway Planning and Construction (ADA Project)	20.205	TCSP-0250-00(046) 103924-305000	38,230	-
Highway Planning and Construction (Capital Street Phase II)	20.205	TCSP-8312-00(002) 106058-802000	35,992	-
Highway Planning and Construction (West Street Bridge)	20.205	LER-7254-00(005) 10738-701000	41,252	-
Highway Planning and Construction (Mill Street Rehabilitation-Hinds County)	20.205	STP-7621-00(01) 107313-711000	419,384	-
Highway Planning and Construction (Traffic Calming)	20.205	TCSP-0250-00(046) 103924-304000	176,234	-
Highway Planning and Construction (Northside Drive)	20.205	STP-6929-00(008) 107547-701000	1,031,869	-
Highway Planning and Construction (Terry Road)	20.205	STP-7286-00(003) 106995-70100	67,208	-
Highway Planning and Construction (Fondren Sidewalk and Landscape Improvement)	20.205	STP-0200-00(038) 106056-70100	11,380	-
Highway Planning and Construction (Museum to Market Trail)	20.205	STP-0250-00(039) 106367-70100	811,160	-
Highway Planning and Construction (Barr Elementary)	20.205	SRSP-0250-00(051) 105812-40100	92,286	-
Highway Planning and Construction (North Jackson Signals)	20.205	STP-8243-00(002) 107546-70100	91,209	-
Highway Planning and Construction (North State Street)	20.205	STP-6928-00(013) 107548-70100	2,969,254	-
SUBTOTAL CFDA NUMBER 20.205			6,623,160	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
Federal Transit Administration				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit Formula Grants	20.507	MS-90-00-88	13,255	-
Federal Transit Formula Grants	20.507	MS-90-X092-00	42,086	-
Federal Transit Formula Grants	20.507	MS-90-0081-01	37,865	-
Federal Transit Formula Grants	20.507	MS-2016-010-00	248,641	-
Federal Transit Formula Grants	20.507	MS-2017-005-01	144,760	-
Federal Transit Formula Grants	20.507	MS-2018-004-00	1,313,930	-
Federal Transit Formula Grants	20.507	MS-2019-001-00	1,500,000	-
Federal Transit Formula Grants	20.507	MS-2019-007-00	253,683	-
Federal Transit Formula Grants	20.507	MS-2020-001-00	1,873,576	-
Federal Transit Formula Grants	20.507	MS-2020-004-00	867,779	-
Federal Transit Formula Grants	20.507	MS-2020-009-00	1,235,914	-
SUBTOTAL CFDA NUMBER 20.507			7,531,489	-
Highway Safety Cluster:				
(Mississippi Office of Highway Safety-Pass Through)				
State and Community Highway Safety	20.600	PT-2020-PT-21-91	122,242	-
SUBTOTAL CFDA NUMBER 20.600			122,242	-
(Mississippi Department of Transportation-Pass Through)				
National Infrastructure Investments (Tiger Grant)	20.933	STP-0250-00(047) 107200/811000	8,187,737	-
SUBTOTAL CFDA NUMBER 20.933			8,187,737	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			22,464,628	-
<u>U.S. Department of Treasury</u>				
(Mississippi Emergency Management Agency-Pass Through)				
COVID-10 Coronavirus Relief Fund	21.019		4,064,043	-
SUBTOTAL CFDA NUMBER 21.019			4,064,043	-
TOTAL U.S. DEPARTMENT OF TREASURY			4,064,043	-
<u>U.S. Environmental Protection Agency</u>				
Mississippi Department of Environmental Quality- Pass Through Clean Water State Revolving Fund Cluster				
Capitalization grants for Clean Water State Revolving Funds	66.458	SRF-C2800838-04	1,807,662	-
SUBTOTAL CFDA NUMBER 66.458			1,807,662	-
Drinking Water State Revolving Funds Cluster				
Mississippi Department of Health (Pass-Through)				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWI-L250008-01	1,084,258	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWI-L250008-02	443,696	-
SUBTOTAL CFDA NUMBER 66.468			1,527,954	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			3,335,616	-
<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	10,833	-
SUBTOTAL CFDA NUMBER 93.044			10,833	-
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	34,993	-
SUBTOTAL CFDA NUMBER 93.045			34,993	-
TOTAL AGING CLUSTER			45,826	-
(State of MS Office of Child Nutrition - Pass Through)				
CCDF Cluster:				
Child Care Development Block Grant (OCY-Slots)	93.575	6017093	291,391	-
SUBTOTAL CFDA NUMBER 93.575			291,391	-
(Central MS Planning and Development District - Pass Through)				
Social Services Block Grant (Transportation)	93.667	1530-25	153,732	-
Social Services Block Grant (Home Delivered Meals) (Non-cash)	93.667	1520-25	206,411	-
SUBTOTAL CFDA NUMBER 93.667			360,143	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			697,360	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>Executive Office of the President</u>				
Direct Program:				
High Intensity Drug Trafficking Area Program	95.001		25,561	-
SUBTOTAL CFDA NUMBER 95.001			<u>25,561</u>	<u>-</u>
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			<u>25,561</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	70,971	-
SUBTOTAL CFDA NUMBER 97.036			<u>70,971</u>	<u>-</u>
(Mississippi Department of Public Safety- Pass Through)				
Homeland Security Grant Program	97.067	1911S221	35,370	-
Homeland Security Grant Program	97.067	17HS2191	90,668	-
SUBTOTAL CFDA NUMBER 97.067			<u>126,038</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>197,009</u>	<u>70,971</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 35,817,382</u>	<u>\$ 2,952,173</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, 2020

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, 2020. 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 \$241,404 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, 2020

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. Significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in this schedule. No material weaknesses 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. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:
 - CDBG-Entitlement Grants Cluster (14.218)
 - 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)
 - 14.241 Housing Opportunities for Persons with AIDS
 - 20.933 National Infrastructure Investments
 - 21.019 COVID-19 Coronavirus Relief Fund
8. The threshold for distinguishing Types A and B programs was \$1,074,521.
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, 2020

FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001 Material Weakness – Financial Reporting (Repeated finding. See finding 2019-001)

- Criteria: The City's comprehensive annual financial report (CAFR) 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 CAFR.
- Condition: We assisted the City's management with drafting portions of the CAFR because the City did not have adequate internal resources to prepare the CAFR in accordance with generally accepted accounting principles (GAAP).
- Cause: The City determined that it was more cost efficient to utilize the expertise of the auditor to assist with preparing the CAFR during the audit process as opposed to hiring an employee with comparable experience.
- Effect: While we have implemented controls within our CPA firm, our controls cannot be considered as part of the City's controls over the CAFR preparation process. Accordingly, a material weakness in the City's internal controls exists in the CAFR reporting function.
- Recommendation: We recommend that appropriate training be made available to the City's finance department personnel involved in the CAFR preparation process. The Government Finance Officers Association (GFOA) and similar organizations have continuing education training opportunities available in various formats.
- Response: The City's response is reflected in the accompanying corrective action plan.

2020-002 Material Weakness – Cash (Repeated finding. See finding 2019-002)

- 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.
- 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 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

2020-003 Material Weakness – Investment Accounts

- 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.

2020-004 Material Weakness – Receivables (Repeated finding. See finding 2019-003)

- 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 weren’t 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 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.

2020-005 Material Weakness – Receivables (Repeated finding. See finding 2019-004)

- 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

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.

2020-006 Material Weakness – Inventories (Repeated finding. See finding 2019-005)

Criteria: Reconciliation of supplies inventory account totals in the accounting system to detailed reports reflecting the actual inventory on hand is a primary control procedure to ensure that transactions are properly recorded in the accounting system.

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.

Cause: Procedures were not in place to periodically reconcile the actual water meters supply on hand to the inventory balances reflected in the accounting system.

Effect: The City's accounting system did not properly reflect the water meter supply inventory.

Recommendation: We recommend that procedures be implemented to reconcile the water meters supply inventory on hand to the accounting system at least annually.

Response: The City's response is reflected in the accompanying corrective action plan.

2020-007 Significant Deficiency – Inventories

Criteria: Year-end physical inventory procedures are necessary to ensure that the cost of the inventory on hand is accurately reflected in the financial reports.

Condition: The City was unable to generate year-end supplies inventory reports from its new accounting system after the physical inventory counts were performed.

Cause: Portions of the City's new accounting system were not yet functioning at year end.

Effect: The City was unable to adjust the year-end supplies inventory account balances for any differences between the existing inventory account balances and the cost of the actual year-end inventory on hand.

Recommendation: We recommend that the City implement procedures to ensure that the supplies inventory account balances are accurately reflected in the accounting system.

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, 2020

2020-008 Material Weakness – Liabilities (Repeated finding. See finding 2019-006)

- 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, and the vouchers payable subsidiary ledger reflected old incorrect balances as being owed to certain vendors.
- 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.

2020-009 Material Weakness – Liabilities (Repeated finding. See finding 2019-007)

- 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.
- 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 on a monthly basis 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.

2020-010 Material Weakness – Liabilities (Repeated finding. See finding 2019-008)

- 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

Condition: The detailed report of the individual customer meter deposits held by the City was not periodically reconciled to the accounting system.

Cause: The City has had difficulties in reconciling the activity within the water/sewer billing system.

Effect: The customer meter deposits liability reflected in the accounting system was not periodically reconciled to the individual customer meter deposit amounts reflected in the billing system.

Recommendation: We recommend that the City implement procedures to reconcile the customer meter deposits report to the balance in the accounting system on a monthly basis.

Response: The City's response is reflected in the accompanying corrective action plan.

2020-011 Material Weakness – Liabilities (Repeated finding. See finding 2019-009)

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.

2020-012 Material Weakness – Fund Balances (Repeated finding. See finding 2019-010)

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 transactions were improperly netted within the restricted liability or fund balance accounts rather than being reflected as revenues and expenses.

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, 2020

Effect: The City's liabilities were overstated and revenues, expenses 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.

2020-013 Material Weakness – Revenues (Repeated finding. See finding 2019-011)

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.

2020-014 Material Weakness – Expenditures (Repeated finding. See finding 2019-013)

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 mispostings.

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, 2020

2020-015 Material Weakness – Purchasing Procedures

- Criteria: Municipalities have an obligation to their citizens and grantors to efficiently utilize financial resources in providing the necessary municipal services.
- 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.
- 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.
- Effect: The City may not have paid the best price for the services that it received.
- 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 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.

2020-016 Significant Deficiency – Employee Benefits

- Criteria: The City's employee benefit plans have specific criteria and requirements for individuals' participation in those benefit plans.
- 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.
- Cause: The benefit plan participant roster was not adequately monitored to ensure that ineligible individuals were removed from participation.
- Effect: Benefits continued to be paid for the former employee after the individual's eligibility ended.
- Recommendation: We recommend that the City review its employee benefit plan monitoring procedures and revise them as necessary to ensure that only eligible individuals are participating in the benefit plans.
- Response: The City's response is reflected in the accompanying corrective action plan.

2020-017 Material Weakness and Noncompliance – Unclaimed Funds (Repeated finding. See finding 2019-017)

- 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

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.

Cause: The City was unaware of the requirement to transfer unclaimed funds to the State Treasurer's Office.

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.

2020-018 Noncompliance – City Council Meeting Minutes

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 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.

2020-019 Noncompliance – Municipal Compliance Questionnaire

Criteria: Regulations of the Mississippi State Auditor's Office require that a municipality complete and approve a Municipal Compliance Questionnaire at the City Council's first regular meeting after each fiscal year-end and include the questionnaire in the official minutes as a means of certifying that it has complied with applicable state statutes and regulations. The Municipal Compliance Questionnaire provides a listing of various compliance requirements along with the source of the requirements.

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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

Cause: The City was not aware of the requirement to include the content of the questionnaire in the city council meeting minutes.
Effect: The Municipal Compliance Questionnaire content was not documented in the official minutes as required.
Recommendation: We recommend that the City's procedures for approving the Municipal Compliance Questionnaire be revised so that the actual questionnaire content is reflected in the city council meeting minutes as required.
Response: The City's response is reflected in the accompanying corrective action plan.

2020-020 Noncompliance – Budgeting (Repeated finding. See finding 2019-019)

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.

2020-021 Noncompliance – Budgeting

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.
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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

2020-022 Noncompliance – Bank Accounts

- 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: 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.
- 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 banks.
- 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.

2020-023 Noncompliance – Investments (Repeated finding. See finding 2019-020)

- 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 was unaware that this type of investment isn't allowed.
- 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.

2020-024 Noncompliance – Personnel (Repeated finding. See finding 2019-021)

- 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.
- 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2020

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.

2020-025 Noncompliance – State Purchase Laws (Repeated finding. See finding 2019-023)

Criteria: State statutes require municipalities to obtain competitive bids before purchasing items over \$50,000 unless the purchase is made under a vendor state contract approved by the Mississippi Department of Finance and Administration (MS DFA) or meets certain other limited exceptions to the 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.

Cause: The City was not aware that the vendor's contract with the NCPA did not meet Mississippi's requirements for a state contract exemption to the bid requirements because the contract with the vendor had not been approved by MS DFA.

Effect: The City was not in compliance with state purchase laws.

Recommendation: We recommend that the City review and revise its purchasing procedures as necessary to ensure compliance with Mississippi purchase laws.

Response: The City's response is reflected in the accompanying corrective action plan.

2020-026 Noncompliance – Timely Pay Statute (Repeated finding. See finding 2019-024)

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 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.

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, 2020

2020-027 Significant Deficiency – Federal Grant Cash Management and Allowable Costs

Criteria:	Grantees are required to request grant funds only for their immediate allowable cost needs.
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.
Cause:	The reimbursement requests were not adequately reviewed prior to submission.
Effect:	The City's reimbursement requests were delayed while the erroneously requested grant funds were returned to the grantor.
Recommendation:	We recommend that the City review its grant reimbursement request procedures and revise them as necessary to ensure that funds are requested from the appropriate grants based on its immediate needs for allowable costs.
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, 2020

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL TRANSIT ADMINISTRATION

Federal Transit Cluster (20.507)

MS-2017-004-01

MS-2018-003-01

The cash management and allowable costs significant deficiency at finding 2020-027 applies to this federal award program.

CITY OF JACKSON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2020

2019-001 Material Weakness – Financial Reporting

Condition: We assisted the City's management with drafting portions of the CAFR because the City did not have adequate internal resources to prepare the CAFR in accordance with generally accepted accounting principles (GAAP).
Status: Not corrected. See finding 2020-001.

2019-002 Material Weakness – Cash

Condition: The operating bank account reconciliations did not agree with the general ledger balances, and discrepancies were not researched and reconciled in a timely manner.
Status: Not corrected. See finding 2020-002.

2019-003 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 2020-004.

2019-004 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 2020-005.

2019-005 Material Weakness – Inventories

Condition: The inventory count of the water meters supply on hand at the warehouse was not performed and reconciled to the accounting system.
Status: Not corrected. See finding 2020-006.

2019-006 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 2020-008.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2020

2019-007 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 2020-009.

2019-008 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: Not corrected. See finding 2020-010.

2019-009 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 2020-011.

2019-010 Material Weakness – Fund Balances

Condition: Restricted fund balances for special programs were incorrectly reflected as "other liabilities" and some transactions were improperly netted within the liability accounts rather than being reflected as revenues and expenses.

Status: Not corrected. See finding 2020-012.

2019-011 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 2020-013.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2020

2019-012 Significant Deficiency – Federal Awards Cash Management

Condition: The City received several federal awards passed through the Mississippi Department of Transportation (MDOT) that were awarded on a reimbursement basis, but we noted that some grant project costs were not paid prior to requesting and receiving the reimbursements from MDOT. Of the twelve MDOT reimbursement requests selected to test, three of the reimbursements were received prior to the City's payment of the project costs. The City also received a federal award passed through the Mississippi Department of Health (MS DOH) that was awarded on an advance basis, and we noted that \$655,952 of project costs were not paid within three days of receiving the requested award advance for these costs.

Status: Corrected.

2019-013 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. In addition, debt service payments on capital leases weren't properly segregated into principal and interest expenditure accounts.

Status: Not corrected. See finding 2020-014.

2019-014 Material Weakness – Expenditures

Condition: County fees charged for the collection of the City's ad valorem taxes were netted from tax revenues rather than being posted as contractual services expense.

Status: Corrected.

2019-015 Material Weakness – Expenditures

Condition: We noted several instances in which vendors were overpaid as a result of processing the same invoice for payment twice, payment of the wrong vendor for an invoice, or payment in excess of the approved contract amount.

Status: Corrected.

2019-016 Significant Deficiency – Personnel

Condition: We noted that six of the 25 personnel files selected for testing did not contain documentation of the employee's current approved pay rate.

Status: Corrected.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2020

2019-017 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 2020-017.

2019-018 Material Weakness and Noncompliance – Budgeting

Condition: Debt service, grants/subsidies/allocations, and interfund transfers were not budgeted separately from other expenditures as required by the OSA but instead were included in the Other Services and Charges and Capital Outlay budget line items.

Status: Corrected.

2019-019 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 2020-020.

2019-020 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 2020-023.

2019-021 Noncompliance – Personnel

Condition: I-9 forms and documentation of E-Verify online employment eligibility verifications could not be located for some new employees.

Status: Not corrected. See finding 2020-024.

2019-022 Noncompliance – Bond Covenants

Condition: The Water/Sewer Fund's debt service fund, operation and maintenance fund, and contingent fund were below the required amounts at September 30, 2019, and the total debt coverage ratio was below the 100% level required by the bond covenants as of September 30, 2019.

Status: Corrected.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2020

2019-023 Noncompliance – State Purchase Laws

Condition: We noted that the City made two purchases of multiple buses totaling approximately \$1,040,000 under other states' vendor contracts that were not approved as state contracts by MS DFA.

Status: Not corrected. See finding 2020-025.

2019-024 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 2020-026.



CORRECTIVE ACTION PLAN

02/14/2022

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The City of Jackson respectfully submits the following corrective action plan for the year ended September 30, 2020.

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, 2020

The findings from the September 30, 2020 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.

FINDING- FINANCIAL STATEMENT AUDIT

Finding No. 2020-001

MATERIAL WEAKNESS- FINANCIAL REPORTING

Recommendation: We recommend that appropriate training be made available to the City's finance department personnel involved in the CAFR preparation process. The Government Finance Officers Association (GFOA) and similar organizations have continuing education training opportunities available in various formats.

Action Taken: The City of Jackson is a member of GFOA and often sends employees to training events that they sponsor. The City's plan of action is to continue enrolling all relevant finance employees in available GFOA training opportunities.

Finding No. 2020-002

MATERIAL WEAKNESS- CASH

Recommendation: We recommend that procedures be implemented to reconcile all bank 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 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. 2020-003

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. 2020-004

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 on a monthly basis. 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. 2020-005

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. 2020-006

MATERIAL WEAKNESS- INVENTORIES

Recommendation: We recommend that procedures be implemented to reconcile the water meters supply inventory on hand to the accounting system at least annually.

Action Taken: The City will reconcile the water meters supply inventory on hand to the accounting system at the time of the annual inventory audit.

FINDING No. 2020-007

SIGNIFICANT DEFICIENCY- INVENTORIES

Recommendation: We recommended that the City implement procedures to ensure that the supplies inventory account balances are accurately reflected in the accounting system.

Action Taken: The City will implement procedures to ensure that the supplies inventory account balances are accurately reflected. The City implemented a new ERP system that will assist with the accuracy of supplies inventory account balances.

FINDING No. 2020-008

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. 2020-009

MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that procedures be implemented to reconcile on a monthly basis 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. 2020-010

MATERIAL WEAKNESS- LIABILITIES

Recommendation: We recommend that the City implement procedures to reconcile the customer meter deposits report to the balance in the accounting system on a monthly basis.

Action Taken: Management intends to develop and implement procedures to reconcile individual customer meter deposits to the meter deposits liability on a monthly basis.

FINDING No. 2020-011

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. 2020- 012

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. 2020-013

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. 2020-014

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. 2020-015

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 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. 2020-016

SIGNIFICANT DEFICIENCY- EMPLOYEE BENEFITS

Recommendation: We recommend that the City review its employee benefit plan monitoring procedures and revise them as necessary to ensure that only eligible individuals are participating in the benefit plans.

Action Taken: The benefits plan will remove terminated employees on a monthly basis to ensure terminated members aren't receiving benefits after termination of their premium collection. In addition, retired and Cobra eligible employees will be properly designated to ensure premium collection from third party providers to closely monitor our active employee to active cobra enrolled members. They also will be terminated upon an inactive status in our HRIS system based on weekly to monthly generated inactive reports for reconciliation.

FINDING No. 2020-017

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. 2020-018

NONCOMPLIANCE- CITY COUNCIL MEETING MINUTES

Recommendation: We recommend that the procedures are 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. 2020-019

NONCOMPLIANCE- MUNICIPAL COMPLIANCE QUESTIONNAIRE

Recommendation: We recommend that the City's procedures for approving the Municipal Compliance Questionnaire be revised so that the actual questionnaire content is reflected in the city council meeting minutes as required.

Action Taken: The City is revising its procedures to ensure the actual questionnaire content is reflected in the city council meeting minutes as required.

FINDING NO. 2020-020

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 requires 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. 2020-021

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. 2020-022

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 and will continue to work closely with the primary municipal depository to ensure compliance with the municipal depository agreement.

FINDING NO. 2020-023
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. 2020-024
NONCOMPLIANCE- PERSONNEL

Recommendation: We recommend that the City review and revise its employee's 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. 2020-025
NONCOMPLIANCE- STATE PURCHASING LAWS

Recommendation: We recommend that the City review and revise its purchasing procedures as necessary to ensure compliance with Mississippi purchase laws.

Action Taken: The City will obtain approval from MS DFA when using other vendor's contracts in its purchasing procedures to ensure compliance with Mississippi purchase laws.

FINDING NO. 2020-026
NONCOMPLIANCE- TIMELY PAY STATUE

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.

FINDING NO. 2020-027
SIGNIFICANT DEFICIENCY-FEDERAL GRANT CASH MANAGEMENT AND ALLOWABLE COST

Recommendation: We recommend that the City review its grant reimbursement request procedures and revise them as necessary to ensure that funds are requested from the appropriate grants based on its immediate needs for allowable costs.

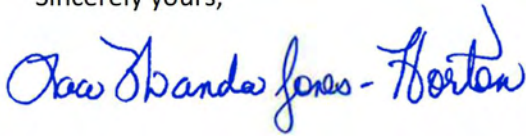
Action Taken: The City is revising its grant reimbursement request procedures to ensure funds are requested from the appropriate grants. Additionally, the City implemented a new ERP system that includes a grant module which will assist with the grant reimbursement request process.

FINDINGS AND QUESTIONS COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

See finding no. 2020-027 above.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call me at (601) 960-1005.

Sincerely yours,

A handwritten signature in blue ink that reads "LaaWanda Jones-Horton". The signature is written in a cursive, flowing style.

LaaWanda Jones-Horton, 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, 2020, and have issued our report thereon dated February 14, 2022. 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 2020-017 through 2020-026.

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 14, 2022