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FY 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2022
Department of Administration
Finance Division



Mayor Chokwe A. Lumumba

CITY OF JACKSON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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August 15, 2024

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

Mississippi law requires that local governments annually publish audited financial statements. Accordingly, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022, for the City of Jackson, MS is submitted herewith.

A modified 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, 2022. The Independent Auditor's Report is included in the front of the financial section of the ACFR. The City of Jackson is also required to have an audit performed in compliance with the Single Audit Act of 1996 regarding awards received from the federal government. The Single Audit report was issued by Tann, Brown, and Russ.

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

All of the governmental activities and business-type activities of the City of Jackson, MS, as well as the Jackson Redevelopment Authority (JRA), and the Jackson Municipal Airport Authority (component units of the city) are included in the 2022 ACFR. JRA and the Jackson Municipal Airport Authority are presented discretely as component units within the ACFR because the City exercises significant oversight responsibility. The City's governing body authorizes the approval of JRA's administrative operating costs and appointments to its Board of Commissioners. Additionally, JRA accounts for its separate funds and maintains revenues sufficient to meet its operating costs, debt service, and system replacement and maintenance needs for its parking garages and other urban renewal projects. The Jackson Municipal Airport Authority is included as a component unit of the City because of its fiscal dependency on the City of Jackson. Financial information on the Capital City Convention Center was not available for inclusion in City's ACFR as a discretely presented component unit. Four Proprietary Funds, which provide a variety of services on a fee-for-service basis, are among those funds whose financial operations are included in the ACFR. These Proprietary Funds are the Water/Sewage Disposal System, Madison Sewage Disposal System,

Transportation, and Sanitation.

Organizationally, the 2022 ACFR provides information in three major sections: Introductory, Financial, and Statistical. The Introductory Section encompasses the Letter of Transmittal, the Organizational Chart of the Executive Branch of the City of Jackson, MS, and a list of principal elected and appointed officials. The Financial Section consists of the Independent Auditor 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 made 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. Before 1985, the commission form of government, which included a mayor and two commissioners elected at-large, was in place. Currently, the municipal government comprises 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, Chief Financial Officer, City Attorney, and nine department heads. City

leaders are committed to ensuring that the municipality has a healthy financial outlook while providing essential services.

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

LOCAL ECONOMY

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

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

The City is also facing major infrastructure problems, between \$1.5 and \$2.1 billion by some estimates, including a 2013 consent decree ordered 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. In 2021, the city leadership leveraged a portion of this revenue source to secure bond funding of \$32.1 million to address some of the major road infrastructure projects.

In the summer of 2022, the City's water system failed due to unanticipated challenges created by severe flooding, which led to a Federal disaster declaration. Through the efforts of Mayor

Chokwe Lumumba and advocates for the City across all levels of government, business, non-profits, foundations, and community organizations, the City received significant funding through the Congressional Omnibus Bill for \$600 million. This appropriation is intended to be used for the stabilization of the drinking water portion of the system's infrastructure.

MAJOR INITIATIVES

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

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

Strategic Plan. Under the leadership of Mayor Chokwe Antar Lumumba, the City of Jackson has undergone a thorough strategic planning process centered around the notion of a “dignity economy”, aiming to increase the city’s growth through inclusive policies, programs, and investments. After assuming office in July 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 include the reconstruction of State Street from Hartfield Street to Sheppard Road and the West County Line Road Interchange at US Highway 51. The projects include an investment from the city of approximately \$15,000,000.

Capital Improvement Plan. Jackson’s Department of Public Works has been working on updating the Capital Improvement Plan (CIP) for the city’s roads and bridges, water, sewer, and stormwater drainage systems. The plans consist of short-term, intermediate, and long-term

resilience infrastructure outlooks, which prioritize a risk-based criterion. This plan will improve the quality of services that citizens and visitors will receive, but will also provide economic stimulus in the form of construction and design jobs (in the short run) and a stock of public capital more suitable for commercial activity (in the long run). Further, the CIP will emphasize complete streets ensuring safe, ADA-compliant thoroughways that offer a variety of modes of transportation including public transportation, pedestrian and bike routes.

Sustainable Jobs. One of the challenges that Jackson and many other mid-sized, majority-minority cities face is that low-wage and low-skilled service jobs constitute the 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 an

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 increases 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 embedded 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.

Embedded 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 women 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 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 toward the growth of businesses in the Jackson region through the design, refinement, and execution of growth strategies. Members are invited to bring both a critical and enthusiastic lens to the administration's work as we co-create a more business-friendly environment in Jackson.

Building a Work-Ready Population

Aspen Institute. To create a network of workforce development partners, the City was referred to the Aspen Institute, Economic Opportunity program. The Aspen Institute is partnering with the City to present the Workforce Leadership Academy, an eight- to ten-month academy designed to develop a network of workforce development leaders who are not only able to lead their 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 the authority to implement program changes. The cohort of leaders represents the following organizations and companies: Woodward Hines Foundation, University of Mississippi Medical Center, Jackson Medical Mall Foundation, Mississippi Department of Rehabilitation, Springboard to Opportunities, Mississippi Institutions of Higher Learning, Building Healthy Military Families, Hinds Community College, Mississippi Early Learning Alliance, Mississippi Economic Council, Refill Café, LLC, The Skills Foundation, United Way of the Capital Area, Dependable Source Corp. Center for Community and Workforce Development, Jackson State University and Tougaloo College.

Social Progress Imperative. The W.K. Kellogg Foundation funding allowed the City to partner with the Social Progress Imperative (SPI). SPI partnered with the City to build an idea of social progress in Jackson (see below). The SPI index measures data in three categories: basic human needs, foundations of well-being, 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 produce “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 a 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 a 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 maker space. 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 in 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 maker-space 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 maker space 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 on 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 the 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 of the fiscal year. A budget process, linking policy initiatives, services, and available resources, is utilized to develop the budget. As the primary financial planning and control document, the budget provides the foundation for City operations.

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

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

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

Categories: Personnel Services, Supplies and Materials, Other Services and Charges, Capital Outlay, Debt Service, Grants and Contributions, 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 allowed to submit a maximum of three Budget Revisions to the City Council for approval within the fiscal year.

ACKNOWLEDGMENTS

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

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

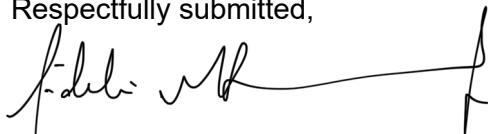
I acknowledge with appreciation the thorough, professional manner in which our independent auditors, Tann, Brown, and Russ, conducted the audit.

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

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

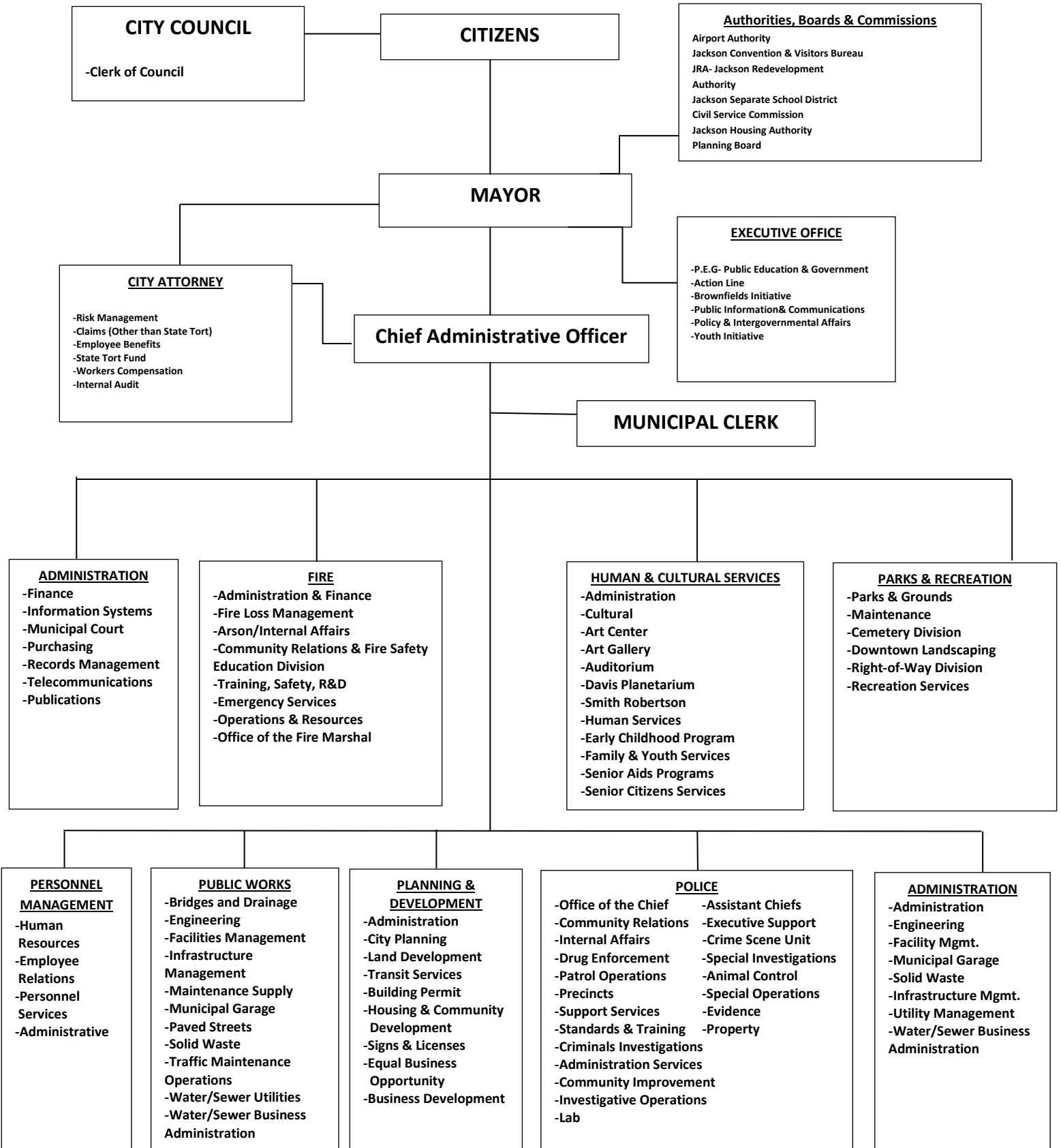
While this report is produced mainly for policy analysts and the investment community, it belongs to the citizens of Jackson; it is the best record of where their taxes are spent and how their city is doing financially. I hereby dedicate it to them.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fidelis Malembeka', followed by a long horizontal line extending to the right.

Fidelis Malembeka,
Chief Financial Officer

CITY OF JACKSON ORGANIZATIONAL CHART



CITY OF JACKSON
MAYOR, CITY COUNCIL AND CITY OFFICIALS
SEPTEMBER 30, 2022

EXECUTIVE

Chokwe Antar Lumumba
MAYOR

LEGISLATIVE

CITY COUNCIL

Ashby Foote
Ward 1
President of Council

Angelique C. Lee
Ward 2
Vice President of Council

Kenneth I. Stokes
Ward 3

Brian C. Grizzell
Ward 4

Vernon W. Hartley
Ward 5

Aaron Banks
Ward 6

Virgi Lindsay
Ward 7

Shanekia Jordan
Clerk of Council

EXECUTIVE BRANCH

Louis Wright
Chief Administrative Officer

Fidelis Malembeka
Chief Financial Officer

Dr. Safiya Omari
Chief of Staff

Chief of Police
Fire Chief
Interim Director of Public Works
Interim 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
Jordan Hillman
Chloe Dotson
Adriane Dorsey-Kidd
Ison Harris
Toya Martin
Sharon Thames
Catoria Martin
Angela Harris

TANN, BROWN & RUSS CO., PLLC
CERTIFIED PUBLIC ACCOUNTANTS
1501 LAKE LAND DRIVE, SUITE 300
JACKSON, MISSISSIPPI 39216-4841
TELEPHONE (601) 354-4926
FACSIMILE (601) 354-4947

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PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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 the City of Jackson, Mississippi (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Debt Service Fund	Unmodified
Federal Grants Special Revenue Fund	Unmodified
Water/Sewage Disposal System Fund	Unmodified
Sanitation Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on the Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, based on our audit and the reports of other auditors, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Jackson, Mississippi, as of September 30, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City's discretely presented component units, the Jackson Redevelopment Authority and the Jackson Municipal Airport Authority, which represent 100% of the assets, net position, and revenues of the City's discretely presented component units as of September 30, 2022. 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.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The City's financial statements do not include the Capital City Convention Center Commission as part of the aggregate discretely presented component units because the Capital City Convention Center Commission's financial statements as of September 30, 2022, were not available. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the primary government. The effects of not including the Capital City Convention Center Commission in the aggregate discretely presented component units has not been determined.

Change in Accounting Principle

As discussed in Note 8, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the year ended September 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and employee benefit plan information on pages 7 through 13 and 94 through 124 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules in the other supplementary information section and the schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Thum, Brown & Russ C.

August 15, 2024

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, 2022. 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 - xi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Jackson exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year ended September 30, 2022, by \$284 million (*net position*). Of this amount, there is negative (\$282) million in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1.1 million.
- As of the close of the current fiscal year, the City of Jackson's governmental funds reported *combined* ending fund balances of \$104.5 million, an increase of \$3.2 million in comparison with the prior year. Approximately 26% of this total amount is \$27.2 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 \$27.2 million, or 27% of total general fund expenditures.
- The City of Jackson's total long-term debt increased by \$20.3 million (less than 5 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City of Jackson's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Jackson is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Jackson that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Jackson include general government, public safety, public works, human & cultural services, and interest on long term debt. The business-type activities of the City of Jackson include water/sewer, transportation and sanitation.

The government-wide financial statements include the City of Jackson itself (known as the *primary government*), and the legally separate Jackson Redevelopment Authority and Jackson Municipal Airport Authority for which the City of Jackson is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. Complete financial statements are also issued by and available from these component units. The Capital City Convention Center Commission is not included, because its financial information was not available.

The government-wide financial statements can be found on pages 17-19 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 sixteen (16) 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, Debt Service Fund, and Federal Grants Special Revenue Fund, which are considered to be major funds. Data from the other thirteen (13) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 20-23 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 24-28 of this report.

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

The basic fiduciary fund financial statements can be found on pages 29-30 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 32-92 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 95-122 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 131-151 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 \$284 million at the close of September 30, 2022.

By far the largest portion of the City of Jackson's net position (184 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 241,569	\$ 222,426	\$ 50,499	\$ 78,696	\$ 292,068	\$ 301,122
Capital assets	402,928	387,766	480,419	438,965	883,347	826,731
Total assets	644,497	610,192	530,918	517,661	1,175,415	1,127,853
Deferred Outflows of Resources	28,984	23,996	3,671	2,958	32,655	26,954
Long-term liabilities outstanding	392,504	372,328	318,040	277,607	710,544	649,935
Other Liabilities	59,773	44,809	30,642	17,913	90,415	62,722
Total Liabilities	452,277	417,137	348,682	295,520	800,959	712,657
Deferred Inflows of Resources	116,416	146,625	6,720	10,274	123,136	156,899
Net position:						
Net investment in capital assets	325,706	284,282	197,715	194,928	523,421	479,210
Restricted	42,202	63,011	642	640	42,844	63,651
Unrestricted	(263,120)	(276,867)	(19,170)	19,257	(282,290)	(257,610)
Total net position	\$ 104,788	\$ 70,426	\$ 179,187	\$ 214,825	\$ 283,975	\$ 285,251

CITY OF JACKSON, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Jackson's total net position decreased by \$1.1 million during the current fiscal year primarily as a result of operating losses incurred by the water/sewage disposal system and sanitation operations. In addition, the beginning net position was decreased by \$196 thousand as a result of the current year implementation of GASB statement No. 87, Leases, as discussed in Note 8 to the financial statements.

City of Jackson's Changes in Net Position (amounts expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program revenues							
Charges for services	\$ 9,520	\$ 9,029	\$ 33,672	\$ 39,894	\$ 43,192	\$ 48,923	
Operating grants and contributions	24,036	8,571	5,347	9,253	29,383	17,824	
Capital grants and contributions	16,453	15,005	3,704	-	20,157	15,005	
General revenues:							
Property taxes	79,946	80,103	-	-	79,946	80,103	
Sales taxes	16,336	15,770	-	-	16,336	15,770	
Franchise taxes	7,528	7,157	-	-	7,528	7,157	
Other	45,005	41,495	112	486	45,117	41,981	
Total revenues	198,824	177,130	42,835	49,633	241,659	226,763	
Expenses:							
General government	35,678	36,992	-	-	35,678	36,992	
Public safety	60,704	53,541	-	-	60,704	53,541	
Public works	22,779	22,233	-	-	22,779	22,233	
Human and cultural services	17,162	16,795	-	-	17,162	16,795	
Interest on long-term debt	4,320	4,797	-	-	4,320	4,797	
Water/Sewer	-	-	78,398	70,865	78,398	70,865	
Transportation	-	-	10,459	9,882	10,459	9,882	
Madison-Ridgeland Sewage	-	-	62	86	62	86	
Sanitation	-	-	13,177	11,940	13,177	11,940	
Total expenses	140,643	134,358	102,096	92,773	242,739	227,131	
Increase in net position before transfers	58,181	42,772	(59,261)	(43,140)	(1,080)	(368)	
Transfers	(23,726)	(13,164)	23,726	13,164	-	-	
Increase in net position	34,455	29,608	(35,535)	(29,976)	(1,080)	(368)	
Net position - October 1, 2021	70,426	40,818	214,825	244,801	285,251	285,619	
Cumulative effect of new accounting standard	(93)	-	(103)	-	(196)	-	
Net position - September 30, 2022	\$ 104,788	\$ 70,426	\$ 179,187	\$ 214,825	\$ 283,975	\$ 285,251	

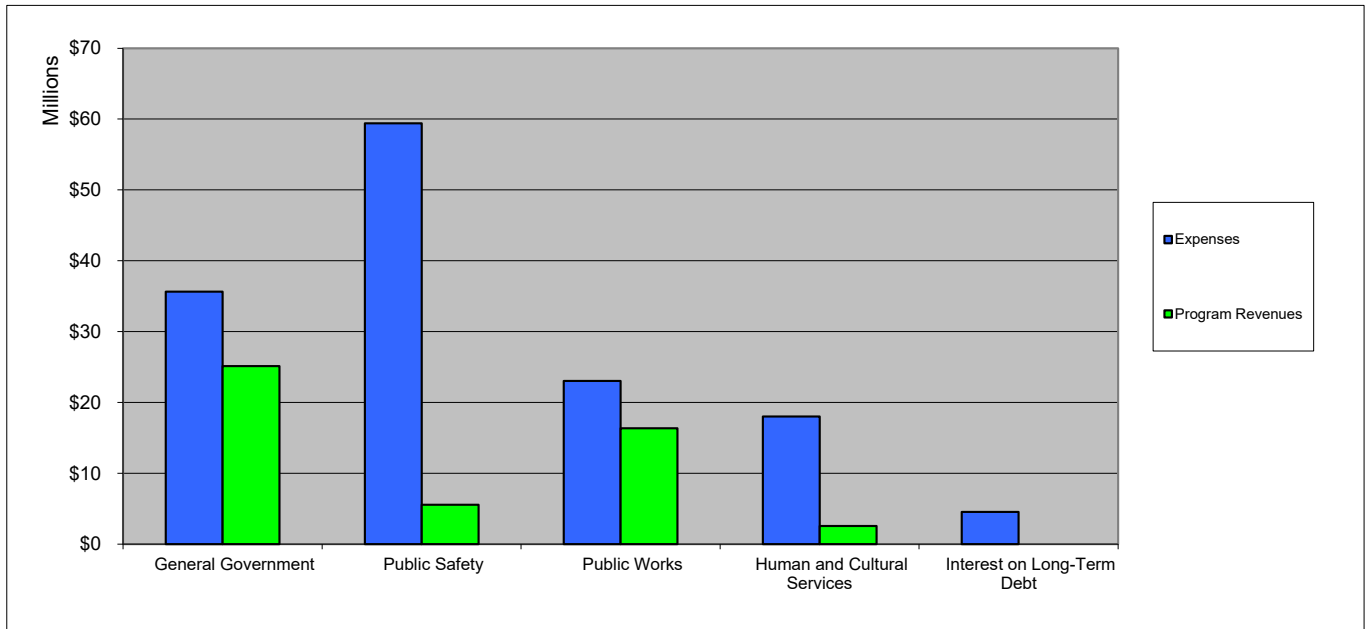
Governmental activities. Governmental activities increased the City of Jackson's net position by \$34 million primarily as a result of capital grants received for infrastructure projects.

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

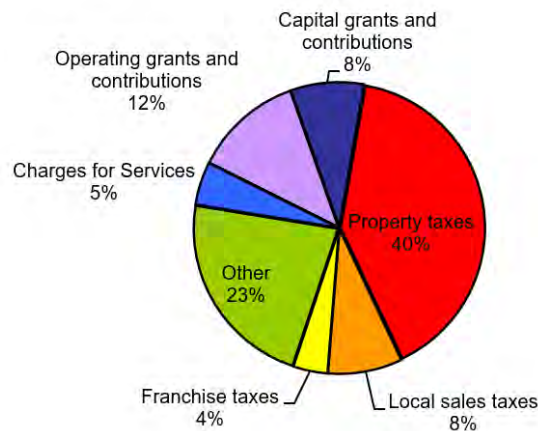
CITY OF JACKSON, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenues – Governmental Activities



Revenues by source – Governmental Activities



Financial Analysis of the Government's Funds

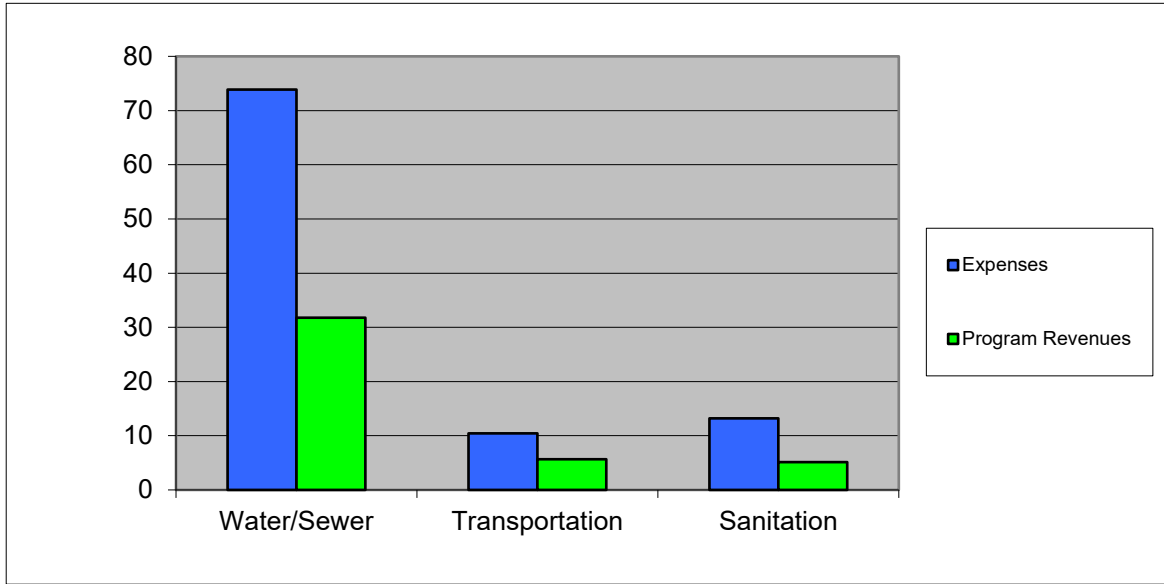
As noted earlier, the City of Jackson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

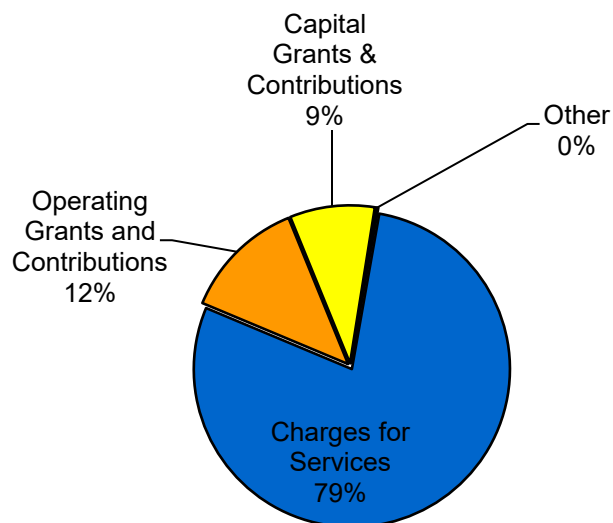
CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities. Business-type activities decreased the City of Jackson's net position by \$36 million. This decrease is primarily in the Water/Sewage Disposal Fund and is the result of increasing infrastructure repair costs and continuing problems with customer billing and collection systems.

Expenses and Program Revenues – Business-Type Activities



Revenues by Source – Business-Type Activities



CITY OF JACKSON, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of the end of the current fiscal year, the City of Jackson's governmental funds reported combined ending fund balances of \$104.5 million, and an increase of \$3.2 million. 26% of this total fund balances amount is \$27.2 million which is available for spending at the government's discretion (*unassigned*). Of the remaining fund balance, \$0.9 million is *nonspendable* and is not in spendable form, \$64.8 million is *restricted* and has limitations imposed on its use by external parties, \$10.8 million is *committed* for specific purposes imposed by the City Council, and \$0.8 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 \$27 million, while total fund balance reached \$39 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 \$6 million; which is due primarily to increases in property tax and sales tax revenues. The Federal Grants Special Revenue Fund is a major governmental fund. Its fund balance increased by \$900 thousand. The fund balance of the Debt Service Fund increased because of increased intergovernmental revenues.

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 a negative \$19.2 million. The decrease in net position for the Water/Sewage Disposal System Fund was \$28.9 million and resulted from increased costs for infrastructure repairs and continuing problems with customer billing and collection systems.

The fund balance of the Sanitation Fund decreased by \$3.1 million as a result of increased operating costs and continuing problems with customer billing and collection systems.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget expenditures were a \$2 million increase and can be briefly summarized as follows:

- \$1.5 million decrease in personnel services
- \$0.3 million increase in supplies
- \$1.7 million increase in other services and charges
- \$2.2 million increase in capital outlay
- \$0.1 million decrease in debt service
- \$0.9 million decrease in grants and contributions
- \$0.3 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 were \$7.0 million less than the final budget.
- Actual supplies for all city departments were \$1.0 million less than the final budget.
- Actual other services and charges throughout all city departments were \$3.4 million less than the final budget.
- Actual capital outlay for all city departments was \$3.7 million less than the final budget.
- Actual debt service for all city departments was \$2.2 million more than the final budget.
- Actual grants and contributions for all city departments were \$1.1 million more than the final budget.
- Actual transfers for all city departments were \$2.6 million more 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, 2022, amounts to \$883 million (net of accumulated depreciation). These capital assets include land, buildings, water/sewer systems, improvements, machinery and equipment, park facilities, roads, and bridges. The total increase in the City of Jackson's capital assets for the current fiscal year was 6.8% (a 3.9% increase for governmental activities and a 9.4% increase in business-type activities).

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

- The increase in infrastructure capital assets of governmental activities and business-type activities was the result of continued expenditures for expansion and replacement of water, sewage and streets infrastructure.
- The increase in right-of-use lease assets resulted from the City's implementation of GASB statement No. 87, Leases, for the current year, as discussed in Note 8 to the financial statements.

City of Jackson's Capital Assets (net of depreciation) (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 13,721	\$ 13,721	\$ 1,838	\$ 1,838	\$ 15,559	\$ 15,559
Buildings	68,256	66,939	9,437	9,726	77,693	76,665
Automotive and equipment	14,825	16,236	8,096	9,367	22,921	25,603
Infrastructure	280,002	242,031	452,902	392,776	732,904	634,807
Construction in progress	24,032	48,839	7,871	25,258	31,903	74,097
Right-of-use lease assets	2,092	-	275	-	2,367	-
Total	\$ 402,928	\$ 387,766	\$ 480,419	\$ 438,965	\$ 883,347	\$ 826,731

Additional information on the City of Jackson's capital assets can be found in Note 4 on pages 53-56 of this report.

Long-term debt. At the end of the current fiscal year, the City of Jackson had total bonded debt outstanding of \$270 million. Of this amount, \$92 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 91,705	\$ 98,410	\$ -	\$ -	\$ 91,705	\$ 98,410
Revenue bonds	-	-	171,060	180,465	171,060	180,465
Tax increment bonds	7,241	8,026	-	-	7,241	8,026
Loans, notes and leases	47,241	52,148	114,767	68,170	162,008	120,318
Premium (discount)	10,324	10,984	9,454	10,079	19,778	21,063
Total	\$ 156,511	\$ 169,568	\$ 295,281	\$ 258,714	\$ 451,792	\$ 428,282

The City of Jackson's total debt increased by \$23.5 million during the current fiscal year as a result of infrastructure projects financed with debt.

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>
Revenue	Ba2
General Obligation Bonds	Baa3
Urban Renewal Revenue Bonds	Ba1

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 \$98 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 59-71 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 2023 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased \$10 million.

Requests for Information

This financial report is designed to provide a general overview of the City of Jackson's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Administration, Office of the Director, P.O. Box 17, Jackson, MS, 39205-0017.

BASIC FINANCIAL STATEMENTS

City of Jackson
Statement of Net Position
As of September 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Jackson Municipal Airport Authority
ASSETS					
Cash and cash equivalents	\$ 141,007,388	\$ 6,380,917	\$ 147,388,305	\$ 5,032,876	\$ 14,040,740
Receivables	98,570,404	24,392,945	122,963,349	2,304,238	8,942,039
Inventories	881,237	1,668,301	2,549,538	-	-
Prepaid expenses	1,110,582	-	1,110,582	16,954	328,097
Restricted assets:					
Cash and cash equivalents	-	18,056,787	18,056,787	28,048	34,249,952
Capital assets:					
Capital assets not being depreciated	37,752,658	9,708,843	47,461,501	11,267,388	12,349,821
Other capital assets, net of depreciation	365,175,270	470,709,697	835,884,967	18,356,252	106,143,637
Total assets	644,497,539	530,917,490	1,175,415,029	37,005,756	176,054,286
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - debt refunding	-	-	-	-	217,051
Deferred outflows - pensions	19,953,417	2,139,714	22,093,131	-	3,497,702
Deferred outflows - other post-employment benefits	9,030,092	1,531,148	10,561,240	-	-
Total deferred outflows of resources	28,983,509	3,670,862	32,654,371	-	3,714,753
LIABILITIES					
Accounts payable	21,025,567	16,836,031	37,861,598	121,446	2,169,635
Accrued interest payable	1,336,240	2,317,699	3,653,939	67,291	-
Unearned revenue	32,935,925	3,000,000	35,935,925	-	408,623
Other liabilities	4,474,811	8,487,411	12,962,222	-	1,752,689
Compensated absences:					
Due within one year	441,560	51,895	493,455	-	-
Due in more than one year	3,106,870	361,991	3,468,861	-	-
Claims liabilities:					
Due within one year	3,388,125	-	3,388,125	-	-
Due in more than one year	3,544,791	-	3,544,791	-	825,000
Long term debt:					
Due within one year	14,824,043	14,944,647	29,768,690	635,000	1,995,000
Due in more than one year	141,686,698	280,336,528	422,023,226	3,678,540	22,215,000
Other post-employment benefits:					
Due within one year	1,027,399	129,871	1,157,270	-	-
Due in more than one year	33,688,999	4,258,594	37,947,593	-	-
Net pension liability:					
Due in more than one year	190,796,248	17,957,001	208,753,249	-	18,918,217
Total liabilities	452,277,276	348,681,668	800,958,944	4,502,277	48,284,164
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - property taxes levied for subsequent year	77,474,981	-	77,474,981	-	-
Deferred inflows - pensions	8,877,840	1,610,565	10,488,405	-	632,443
Deferred inflows - other post-employment benefits	30,063,192	5,108,957	35,172,149	-	-
Deferred inflows - leases	-	-	-	-	4,717,924
Total deferred inflows of resources	116,416,013	6,719,522	123,135,535	-	5,350,367
NET POSITION					
Net investment in capital assets	325,705,631	197,714,676	523,420,307	25,560,100	93,028,651
Restricted, expendable for:					
Public Safety	1,911,564	-	1,911,564	-	40,704
Human and Cultural Services	2,394,990	-	2,394,990	-	-
Debt Service	12,970,244	-	12,970,244	28,048	6,456,747
Capital Projects: restricted by enabling legislation	21,005,043	-	21,005,043	-	-
Capital Projects: other	3,716,784	642,650	4,359,434	-	28,329,288
Unemployment Claims	202,475	-	202,475	-	-
Employee Benefits	636	-	636	-	-
Unrestricted	(263,119,608)	(19,170,164)	(282,289,772)	6,915,331	(1,720,882)
Total net position	\$ 104,787,759	\$ 179,187,162	\$ 283,974,921	\$ 32,503,479	\$ 126,134,508

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, 2022

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 35,677,936	\$ 6,496,798	\$ 19,250,738
Public safety	60,704,510	2,077,414	2,328,590
Public works	22,778,959	33,848	25,823
Human and cultural services	17,161,582	912,353	2,430,892
Interest and fees on long term debt	4,320,371	-	-
Total governmental activities	<u>140,643,358</u>	<u>9,520,413</u>	<u>24,036,043</u>
Business-type activities:			
Water/ Sewage Disposal System	78,398,253	28,179,810	-
Transportation	10,458,970	332,235	5,316,003
Madison-Ridgeland Sewage	61,836	50,736	-
Sanitation	13,177,425	5,109,588	30,818
Total business-type activities	<u>102,096,484</u>	<u>33,672,369</u>	<u>5,346,821</u>
Total primary government	<u>\$ 242,739,842</u>	<u>\$ 43,192,782</u>	<u>\$ 29,382,864</u>
Component Units:			
Jackson Redevelopment Authority	\$ 2,487,843	\$ 982,350	\$ 577,290
Jackson Municipal Airport Authority	29,142,988	24,529,507	3,191,733
Total component units	<u>\$ 31,630,831</u>	<u>\$ 25,511,857</u>	<u>\$ 3,769,023</u>

General revenues:

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

Transfers

- Total general revenues and transfers
- Change in net position
- Net position - beginning of year as previously reported
- Prior period adjustment
- Net position - beginning of year as restated
- Net position - ending

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

Net (Expense) Revenue and Changes in Net Position					
Capital Grants and Contributions	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Jackson Municipal Airport Authority
\$ -	\$ (9,930,400)	\$ -	\$ (9,930,400)	\$ -	\$ -
-	(56,298,506)	-	(56,298,506)	-	-
16,303,967	(6,415,321)	-	(6,415,321)	-	-
149,141	(13,669,196)	-	(13,669,196)	-	-
-	(4,320,371)	-	(4,320,371)	-	-
16,453,108	(90,633,794)	-	(90,633,794)	-	-
3,704,307	-	(46,514,136)	(46,514,136)	-	-
-	-	(4,810,732)	(4,810,732)	-	-
-	-	(11,100)	(11,100)	-	-
-	-	(8,037,019)	(8,037,019)	-	-
3,704,307	-	(59,372,987)	(59,372,987)	-	-
\$ 20,157,415	(90,633,794)	(59,372,987)	(150,006,781)	-	-
\$ 1,088,019	-	-	-	159,816	-
2,938,819	-	-	-	-	1,517,071
\$ 4,026,838	-	-	-	159,816	1,517,071
Specific programs	79,945,593	-	79,945,593	-	-
	16,335,635	-	16,335,635	-	-
	7,527,673	-	7,527,673	-	-
	43,731,531	-	43,731,531	-	-
	642,377	111,437	753,814	8,158	129,620
	631,590	152	631,742	-	-
	(23,725,670)	23,725,670	-	-	-
	125,088,729	23,837,259	148,925,988	8,158	129,620
	34,454,935	(35,535,728)	(1,080,793)	167,974	1,646,691
	70,425,787	214,825,443	285,251,230	32,357,573	124,446,223
	(92,963)	(102,553)	(195,516)	(22,068)	41,594
	70,332,824	214,722,890	285,055,714	32,335,505	124,487,817
\$	\$ 104,787,759	\$ 179,187,162	\$ 283,974,921	\$ 32,503,479	\$ 126,134,508

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

City of Jackson
Balance Sheet
Governmental Funds
As of September 30, 2022

	General Fund	Debt Service	Federal Grants Special Revenue Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 41,306,599	\$ 12,882,440	\$ 27,344,697	\$ 58,540,147	\$ 140,073,883
Receivables, net of allowance for uncollectibles	70,191,329	6,489,935	7,436,419	13,446,615	97,564,298
Due from other funds	202,552	-	-	-	202,552
Inventories	881,237	-	-	-	881,237
Total assets	<u>\$ 112,581,717</u>	<u>\$ 19,372,375</u>	<u>\$ 34,781,116</u>	<u>\$ 71,986,762</u>	<u>\$ 238,721,970</u>
LIABILITIES					
Accounts payable	\$ 7,061,757	\$ -	\$ 3,088,067	\$ 8,936,132	\$ 19,085,956
Due to other funds	-	-	-	202,552	202,552
Unearned grant revenue	-	-	30,439,790	2,496,135	32,935,925
Other liabilities	4,356,909	-	46,320	71,582	4,474,811
Total liabilities	<u>11,418,666</u>	<u>-</u>	<u>33,574,177</u>	<u>11,706,401</u>	<u>56,699,244</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-long-term receivables	-	-	22,829	-	22,829
Unavailable revenue-property taxes levied for subsequent year	61,923,434	6,402,131	-	9,149,416	77,474,981
Total deferred inflows of resources	<u>61,923,434</u>	<u>6,402,131</u>	<u>22,829</u>	<u>9,149,416</u>	<u>77,497,810</u>
FUND BALANCES					
Nonspendable	881,237	-	-	-	881,237
Restricted	4,539,518	12,970,244	1,184,110	46,147,236	64,841,108
Committed	5,805,053	-	-	4,983,709	10,788,762
Assigned	833,587	-	-	-	833,587
Unassigned	27,180,222	-	-	-	27,180,222
Total fund balances	<u>39,239,617</u>	<u>12,970,244</u>	<u>1,184,110</u>	<u>51,130,945</u>	<u>104,524,916</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 112,581,717</u>	<u>\$ 19,372,375</u>	<u>\$ 34,781,116</u>	<u>\$ 71,986,762</u>	<u>\$ 238,721,970</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, 2022

Total fund balances - governmental funds	\$ 104,524,916
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.	402,927,928
Prepaid expenses are not financial resources and are not reflected in the funds.	1,110,582
Long-term receivables are not available to pay for current period expenditures and are recorded as deferred inflows in the fund statements.	22,829
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	9,030,092
Deferred outflows of resources related to pensions	\$19,953,417
Deferred inflows of resources related to other post-employment benefits	(30,063,192)
Deferred inflows of resources related to pensions	(8,877,840)
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	(156,510,742)
Accrued interest on long-term debt	(1,336,240)
Compensated absences	(3,548,430)
Claims payable	(6,932,916)
Other post-employment benefits	(34,716,398)
Net pension liability	(190,796,248)
Net position of governmental activities	\$ <u><u>104,787,759</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, 2022

	General Fund	Debt Service	Federal Grants Special Revenue Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 62,434,687	\$ 6,996,681	\$ -	\$ 10,514,223	\$ 79,945,591
Franchise taxes	7,527,673	-	-	-	7,527,673
Licenses and permits	1,305,236	-	-	-	1,305,236
Intergovernmental	39,097,169	5,197,828	24,380,082	26,851,572	95,526,651
Fines and forfeitures	1,767,323	-	-	-	1,767,323
Admissions, fees, rentals and concessions	5,600,694	-	387,205	401,642	6,389,541
Interest	244,190	51,202	2,863	344,121	642,376
Other	179,390	-	-	642,891	822,281
Total revenues	<u>118,156,362</u>	<u>12,245,711</u>	<u>24,770,150</u>	<u>38,754,449</u>	<u>193,926,672</u>
EXPENDITURES					
Current:					
General government	28,446,398	-	5,207,332	527,248	34,180,978
Public safety	52,185,049	-	2,315,090	5,237,336	59,737,475
Public works	9,791,685	-	-	1,410,394	11,202,079
Human and cultural services	2,580,416	-	2,059,611	10,395,980	15,036,007
Debt service:					
Principal retirement	4,732,815	10,174,581	3,820	318,233	15,229,449
Interest and service charges	465,098	5,858,515	284	28,212	6,352,109
Capital outlay:					
General government	140,449	-	100,678	-	241,127
Public works	24,687	-	3,636,198	17,834,953	21,495,838
Public safety	2,756,236	-	1,745,480	225,000	4,726,716
Human and cultural services	87,510	-	-	771,994	859,504
Total expenditures	<u>101,210,343</u>	<u>16,033,096</u>	<u>15,068,493</u>	<u>36,749,350</u>	<u>169,061,282</u>
Excess (deficiency) of revenues over expenditures	<u>16,946,019</u>	<u>(3,787,385)</u>	<u>9,701,657</u>	<u>2,005,099</u>	<u>24,865,390</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	507,980	4,163,157	1,204,842	4,948,511	10,824,490
Transfers Out	(13,309,518)	(546)	(10,011,646)	(11,228,450)	(34,550,160)
Issuance of long-term debt	1,090,221	-	-	319,430	1,409,651
Sale of capital assets	631,590	-	-	-	631,590
Total other financing sources (uses)	<u>(11,079,727)</u>	<u>4,162,611</u>	<u>(8,806,804)</u>	<u>(5,960,509)</u>	<u>(21,684,429)</u>
Net change in fund balances	<u>5,866,292</u>	<u>375,226</u>	<u>894,853</u>	<u>(3,955,410)</u>	<u>3,180,961</u>
Fund balances - beginning	<u>33,373,325</u>	<u>12,595,018</u>	<u>289,257</u>	<u>55,086,355</u>	<u>101,343,955</u>
Fund balances - ending	<u>\$ 39,239,617</u>	<u>\$ 12,970,244</u>	<u>\$ 1,184,110</u>	<u>\$ 51,130,945</u>	<u>\$ 104,524,916</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, 2022

Net change in fund balances – total governmental funds	\$ 3,180,961
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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 undepriciated cost upon disposal in the current period.	9,560,338
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Contributions of capital assets received are not reported in the governmental funds because they do not involve current financial resources.	4,272,192
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The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	15,835,342
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The statement of activities reports pension expense and other activity related to net pension liability and the related deferred inflows/outflows of resources.	2,489,137
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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.	(1,192,300)
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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.	169,929
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Prepaid expenses are reported as expenditures in the governmental funds when paid since they require the use of current financial resources.	145,833
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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.	(6,497)
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Change in the net position of governmental activities	<u><u>\$ 34,454,935</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, 2022

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 5,007,777	\$ 1,373,140	\$ 6,380,917	\$ 933,505
Accounts receivable, less allowances	15,729,268	2,166,557	-	17,895,825	1,006,106
Intergovernmental receivables	5,949,804	-	547,316	6,497,120	-
Inventories	1,668,301	-	-	1,668,301	-
Restricted cash and cash equivalents	15,378,908	-	-	15,378,908	-
Total current assets	38,726,281	7,174,334	1,920,456	47,821,071	1,939,611
Non-current Assets:					
Restricted Assets:					
Cash and cash equivalents	2,677,879	-	-	2,677,879	-
Capital Assets:					
Property, plant and equipment, at cost					
Land	1,780,576	-	450,000	2,230,576	-
Buildings	3,256,474	57,301	8,664,594	11,978,369	-
Water plant, distribution system and equipment	829,296,983	-	1,333,198	830,630,181	-
Automotive and other equipment	16,114,872	3,293,879	16,320,586	35,729,337	-
	850,448,905	3,351,180	26,768,378	880,568,463	-
Less: accumulated depreciation	(392,701,725)	(2,998,628)	(12,320,414)	(408,020,767)	-
	457,747,180	352,552	14,447,964	472,547,696	-
Construction in Progress	7,870,844	-	-	7,870,844	-
Net property, plant and equipment	465,618,024	352,552	14,447,964	480,418,540	-
Total Non-current assets	468,295,903	352,552	14,447,964	483,096,419	-
Total Assets	507,022,184	7,526,886	16,368,420	530,917,490	1,939,611
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources- other post- emploment benefits	1,220,684	161,011	149,453	1,531,148	-
Deferred outflows of resources - pension	1,870,081	156,028	113,605	2,139,714	-
Total deferred outflows of resources	3,090,765	317,039	263,058	3,670,862	-

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, 2022

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	11,303,901	5,017,365	729,885	17,051,151	1,939,611
Unearned grant revenue	3,000,000	-	-	3,000,000	-
Other Post Employments Benefits liability	113,327	11,581	4,963	129,871	-
Compensated absences	46,077	1,834	3,984	51,895	-
Current portion of Long-Term Debt:					
Lease obligations	10,947	-	5,369	16,316	-
Notes payable and financed purchases	5,036,823	71,508	-	5,108,331	-
Total Current Liabilities Payable from Unrestricted Assets	19,511,075	5,102,288	744,201	25,357,564	1,939,611
Current Liabilities Payable from Restricted Assets:					
Customer deposits	8,272,291	-	-	8,272,291	-
Revenue bonds	9,820,000	-	-	9,820,000	-
Accrued interest payable	2,317,699	-	-	2,317,699	-
Total Current Liabilities Payable from Restricted Assets	20,409,990	-	-	20,409,990	-
Total Current Liabilities	39,921,065	5,102,288	744,201	45,767,554	1,939,611
Noncurrent liabilities:					
Net pension liability	15,934,590	1,225,441	796,970	17,957,001	-
Other Post Employment Benefits liability	3,716,098	379,747	162,749	4,258,594	-
Compensated absences	313,972	32,618	15,401	361,991	-
Revenue bonds	170,695,029	-	-	170,695,029	-
Lease obligations	361,559	-	3,316	364,875	-
Notes payable and financed purchases	109,276,624	-	-	109,276,624	-
Total noncurrent liabilities	300,297,872	1,637,806	978,436	302,914,114	-
Total liabilities	340,218,937	6,740,094	1,722,637	348,681,668	1,939,611
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources- other post-employment benefits	4,318,115	539,551	251,291	5,108,957	-
Deferred inflows of resources- pension	1,118,383	283,236	208,946	1,610,565	-
Total deferred inflows of resources	5,436,498	822,787	460,237	6,719,522	-
NET POSITION					
Net investment in capital assets	182,994,353	281,044	14,439,279	197,714,676	-
Restricted, expendable for capital improvements	642,650	-	-	642,650	-
Unrestricted	(19,179,489)	-	9,325	(19,170,164)	-
Total net position	\$ 164,457,514	\$ 281,044	\$ 14,448,604	\$ 179,187,162	\$ -

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, 2022

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
OPERATING REVENUES					
Sales to customers	\$ 28,168,684	\$ 5,105,885	\$ 382,971	\$ 33,657,540	\$ -
Contributions - Participants	-	-	-	-	2,360,669
Contributions - City	-	-	-	-	13,485,273
Other revenues	11,126	3,703	-	14,829	-
Total operating revenues	<u>28,179,810</u>	<u>5,109,588</u>	<u>382,971</u>	<u>33,672,369</u>	<u>15,845,942</u>
OPERATING EXPENSES					
Personnel services	7,924,881	729,857	365,179	9,019,917	-
Supplies	5,348,285	165,775	630,944	6,145,004	-
Other services and charges	35,803,771	12,123,828	7,988,061	55,915,660	15,845,942
Depreciation	18,324,162	155,864	1,535,799	20,015,825	-
Total operating expenses	<u>67,401,099</u>	<u>13,175,324</u>	<u>10,519,983</u>	<u>91,096,406</u>	<u>15,845,942</u>
Operating loss	<u>(39,221,289)</u>	<u>(8,065,736)</u>	<u>(10,137,012)</u>	<u>(57,424,037)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)					
Capital contributions and grants	3,704,307	-	-	3,704,307	-
Noncapital grants	-	30,818	5,316,003	5,346,821	-
Interest revenue	101,803	170	9,464	111,437	-
Interest and service charges on long-term debt	(10,997,154)	(2,101)	(823)	(11,000,078)	-
Gain on sale of capital assets	-	-	152	152	-
Total nonoperating revenues (expenses)	<u>(7,191,044)</u>	<u>28,887</u>	<u>5,324,796</u>	<u>(1,837,361)</u>	<u>-</u>
Income (loss) before transfers	<u>(46,412,333)</u>	<u>(8,036,849)</u>	<u>(4,812,216)</u>	<u>(59,261,398)</u>	<u>-</u>
Transfers In	<u>17,471,334</u>	<u>4,935,676</u>	<u>1,318,660</u>	<u>23,725,670</u>	<u>-</u>
Change in net position	<u>(28,940,999)</u>	<u>(3,101,173)</u>	<u>(3,493,556)</u>	<u>(35,535,728)</u>	<u>-</u>
Total net position - beginning, as restated	<u>193,398,513</u>	<u>3,382,217</u>	<u>17,942,160</u>	<u>214,722,890</u>	<u>-</u>
Total net position - ending	<u>\$ 164,457,514</u>	<u>\$ 281,044</u>	<u>\$ 14,448,604</u>	<u>\$ 179,187,162</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, 2022

	Water/ Sewage Disposal System	Sanitation	Nonmajor Enterprise Funds	Enterprise Funds Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 50,553,837	\$ 8,636,520	\$ 382,971	\$ 59,573,328	\$ 15,845,942
Receipts from other revenue	11,126	3,703	-	14,829	-
Payments to suppliers	(33,952,117)	(8,024,927)	(9,047,394)	(51,024,438)	(16,035,628)
Payments to employees	(6,957,754)	(536,381)	(328,188)	(7,822,323)	-
Payments to internal service fund	(1,373,574)	(148,762)	(65,650)	(1,587,986)	-
Net cash provided by (used for) operating activities	<u>8,281,518</u>	<u>(69,847)</u>	<u>(9,058,261)</u>	<u>(846,590)</u>	<u>(189,686)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	30,818	5,943,421	5,974,239	-
Transfers from other funds	6,489,605	4,935,676	1,318,660	12,743,941	-
Net cash provided by (used for) noncapital financing activities	<u>6,489,605</u>	<u>4,966,494</u>	<u>7,262,081</u>	<u>18,718,180</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(23,088,620)	(27,603)	(833,681)	(23,949,904)	-
Transfers from other funds for capital purposes	10,981,729	-	-	10,981,729	-
Capital grants	3,365,851	-	-	3,365,851	-
Proceeds from capital debt	10,879,507	-	-	10,879,507	-
Principal paid on capital debt	(12,871,882)	(70,314)	(4,997)	(12,947,193)	-
Proceeds from capital asset sales	-	-	152	152	-
Interest paid on capital debt	(11,116,938)	(2,101)	(823)	(11,119,862)	-
Net cash provided by (used for) capital and related financing activities	<u>(21,850,353)</u>	<u>(100,018)</u>	<u>(839,349)</u>	<u>(22,789,720)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	101,803	170	9,464	111,437	-
Net cash provided by (used for) investing activities	<u>101,803</u>	<u>170</u>	<u>9,464</u>	<u>111,437</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(6,977,427)	4,796,799	(2,626,065)	(4,806,693)	(189,686)
Cash and cash equivalents at beginning of year	25,034,214	210,978	3,999,205	29,244,397	1,123,191
Cash and cash equivalents at end of year	<u>\$ 18,056,787</u>	<u>\$ 5,007,777</u>	<u>\$ 1,373,140</u>	<u>\$ 24,437,704</u>	<u>\$ 933,505</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, 2022

	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	\$ (39,221,289)	\$ (8,065,736)	\$ (10,137,012)	\$ (57,424,037)	\$ -
Adjustments:					
Depreciation expenses	18,324,162	155,864	1,535,799	20,015,825	-
Non-cash financing of expenses through long-term debt issuance	4,308,207	-	-	4,308,207	-
(Increase) decrease in accounts receivable	21,849,151	3,530,635	-	25,379,786	(380,091)
(Increase) decrease in inventories	(26,288)	-	-	(26,288)	-
Increase (decrease) in accounts payable and accrued expenses	2,929,586	4,262,152	(426,861)	6,764,877	190,405
Increase (decrease) in compensated absences	941	2,116	(2,549)	508	-
Increase (decrease) in customer deposits	536,002	-	-	536,002	-
Increase (decrease) in pension liability and deferred inflows (outflows)	(454,248)	45,301	(35,467)	(444,414)	-
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	35,294	(179)	7,829	42,944	-
Total adjustments	47,502,807	7,995,889	1,078,751	56,577,447	(189,686)
Net cash provided by (used for) operating activities	\$ 8,281,518	\$ (69,847)	\$ (9,058,261)	\$ (846,590)	\$ (189,686)
NON-CASH NONCAPITAL FINANCING ACTIVITIES:					
Non-cash financing of expenses through long-term debt issuance	\$ 4,308,207	\$ -	\$ -	\$ 4,308,207	\$ -
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Non-cash capital asset acquisition through long-term debt issuance	\$ 32,080,505	\$ -	\$ -	\$ 32,080,505	\$ -
Non-cash capital asset acquisition through capital grants	\$ 2,613,058	\$ -	\$ -	\$ 2,613,058	\$ -
Non-cash interest added to long-term debt principal	\$ 606,243	\$ -	\$ -	\$ 606,243	\$ -
Accounts payable for capital assets at year end	\$ 5,364,813	\$ -	\$ -	\$ 5,364,813	\$ -
Capital debt proceeds receivable at year end	\$ 5,224,406	\$ -	\$ -	\$ 5,224,406	\$ -
Capital grant proceeds receivable at year end	\$ 725,398	\$ -	\$ -	\$ 725,398	\$ -
SUMMARY OF CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents	\$ -	\$ 5,007,777	\$ 1,373,140	\$ 6,380,917	\$ 933,505
Restricted cash and cash equivalents					
Current	15,378,908	-	-	15,378,908	-
Noncurrent	2,677,879	-	-	2,677,879	-
	\$ 18,056,787	\$ 5,007,777	\$ 1,373,140	\$ 24,437,704	\$ 933,505

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

**CITY OF JACKSON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2022**

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,569
Investment at fair value:		
Certificate of deposit	32,869	-
Taxes receivable	<u>-</u>	<u>554,207</u>
 Total assets	 <u>32,869</u>	 <u>556,776</u>
 LIABILITIES		
Payable to other governments	<u>-</u>	<u>556,776</u>
 Total liabilities	 <u>-</u>	 <u>556,776</u>
 NET POSITION		
Restricted for individuals and organizations	<u>32,869</u>	\$ <u>-</u>
 Total net position	 <u>\$ 32,869</u>	 <u>-</u>

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

CITY OF JACKSON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions:		
Interest	\$ 25	\$ -
Sales tax collected for other governments	-	3,573,415
Property tax collected for other governments	<u>-</u>	<u>16,423,868</u>
Total additions	<u>25</u>	<u>19,997,283</u>
Deductions:		
Sales tax distributed to other governments	-	3,573,415
Property tax distributed to other governments	<u>-</u>	<u>16,423,868</u>
Total deductions	<u>-</u>	<u>19,997,283</u>
Change in Net Position	25	-
Net position - beginning of year	<u>32,844</u>	<u>-</u>
Net position - end of year	\$ <u><u>32,869</u></u>	\$ <u><u>-</u></u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

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

Note 1 – Summary of Significant Accounting Policies

A. REPORTING ENTITY

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

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

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

Discretely Presented Component Units

Using the criteria above, management has determined that the Jackson Redevelopment Authority (JRA), the Jackson Municipal Airport Authority, and the Capital City Convention Center Commission (1) 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. The Capital City Convention Center Commission's financial statements were not available for inclusion in the City's annual comprehensive financial report.

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

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

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

A. REPORTING ENTITY (Continued):

obtained at P.O. Box 3563, Jackson, Mississippi 39207. However, financial statements for the year ended September 30, 2022, were not available.

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

Related Organizations

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

Jackson Housing Authority
2747 Livingston Road
Jackson, MS 39213

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

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

Joint Ventures

The Jackson/Hinds Library System (the System) operates under a joint agreement between the City and Hinds County and is funded equally by the City and the County. The joint agreement was effective October 1, 1986. All buildings used by the System within the City of Jackson are owned or leased and maintained by the City and, as such, have been included in the capital assets of the City's governmental activities. However, the System itself is not included as a component unit or equity interest of the City. The Jackson/Hinds Library System's financial statements may be obtained by writing to 605 E. Northside Drive, Clinton, MS 39056.

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, 2022

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

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

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

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

The City reports the following major government funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

Fiduciary Funds:

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

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

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

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, 2022

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. Right-to-use Lease Assets

Right-to-use lease assets are intangible assets where the lessee recognizes a lease liability for the right to use another entity's nonfinancial assets, the underlying assets, as specified in the contract, for a period of time in an exchange or exchange-like transaction.

The lease liabilities are reported at the net present value of the fixed payments and amortized using the effective interest rate method over the term of the lease. Right-to use lease assets are measured as the sum of the initial lease liability plus payments made at the commencement of the lease term plus initial direct costs that are ancillary charges necessary to place the lease in service. The right-to-use lease assets are reflected as part of capital assets and are depreciated over the shorter of the lease term and the leased assets' useful lives.

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

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

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

8. Compensated Absences

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

9. Bond Discounts, Bond Premiums and Issuance Costs

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

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

10. 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.

11. 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.

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

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

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

12. 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.

13. 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.

14. 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.

15. 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.

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

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

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

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.

16. 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 2022 is \$8,721,150, and the actual amount is \$27,180,222 at September 30, 2022.

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

The total required reserve funds for the Water & Sewer Operation & Maintenance Fund, Debt Service Fund, and Contingent Fund was \$10,682,489 and the actual total amount at September 30, 2022, was below the required amount by approximately \$3.6 million.

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.

17. 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.

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

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

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

18. 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.

19. 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, deferred inflows, deferred outflows, and disclosures. Actual results could differ from those estimates.

20. Deferred Outflows/Inflows of Resources

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

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

21. New Accounting Pronouncements

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 account 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 right-of-use lease asset and a lease liability, and a lessor 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 were implemented for the year ended September 30, 2022, and beginning balances were restated as summarized in Note 8.

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

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for

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

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

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

SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The City is evaluating the impact of the implementation on its financial statements, and the effects are expected to be significant.

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

In April 2022, GASB issues Statement No.99, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset

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

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

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

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The City is evaluating the impact of the implementation on its financial statements.

In June 2022, GASB issues Statement No.100, Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

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

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

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

In June 2022, GASB issued Statement No. 101 on Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The City is evaluating the impact of the implementation on its financial statements.

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

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	\$ 27,323,185
Depreciation Expense	<u>(17,762,847)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of government activities</i>	\$ <u><u>9,560,338</u></u>

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

Principal repayments on long-term debt	\$ 15,229,449
Long-term debt issued	(1,409,651)
Amortization of debt premiums and discounts	<u>2,015,544</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>15,835,342</u></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	\$ (41,232,628)
Pension deferred inflows of resources change	37,606,349
Pension deferred outflows of resources change	<u>6,115,416</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>2,489,137</u></u>

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

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	\$ 6,488,766
Other postemployment benefits deferred inflows of resources change	(6,553,556)
Other postemployment benefits deferred outflows of resources change	<u>(1,127,510)</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>(1,192,300)</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	\$ 19,584
Claims and judgments liability change	134,150
Accrued interest payable change	<u>16,195</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>169,929</u></u>

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

Note 3 – Stewardship, Compliance and Accountability

A. BUDGETARY INFORMATION

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

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

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

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

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

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

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

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

A. BUDGETARY INFORMATION (Continued):

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

8. Budgeted expenditure or expense amounts as originally adopted were amended by the City Council in September, 2022, as provided by law, as follows (in thousands):

	Originally Adopted Budget	Budget as Amended	Increase (Decrease)
General Fund	\$ 131,692	\$ 133,678	\$ 1,986
Special Revenue Funds	82,209	89,691	7,482
Debt Service Fund	24,020	24,494	474
Capital Projects Funds	58,374	73,177	14,803
Enterprise Funds	193,079	310,017	116,938
Internal Service Fund	16,947	17,014	67
	<u>\$ 506,321</u>	<u>\$ 648,071</u>	<u>\$ 141,750</u>

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

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

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, 2022, 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, except for approximately \$439,000 that was uninsured and uncollateralized.

Restricted cash and cash equivalents in the Water & Sewage Disposal System Fund consisted of the following at September 30, 2022:

Revenue bond reserve funds:	
Debt service fund	\$ 1,615,134
Contingent fund	2,469,031
Operation & maintenance fund	<u>3,022,452</u>
	7,106,617
Customer deposits	8,272,291
Unspent debt proceeds	2,035,229
Capital improvement fund under U.S. EPA consent decree	<u>642,650</u>
Total restricted cash and cash equivalents	<u>\$ 18,056,787</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, 2022:

Investment Type	Quality Ratings	Maturities (in years)	Total Fair Value	Level 1 Fair Value
Money market mutual funds	Aaa/AAA	Less than 1	\$14,391,454	\$14,391,454

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, 2022, 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, 2022

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, 2022, all of the component units' cash deposits in excess of the amounts covered by the FDIC were covered under the collateral pool administered by the State Treasurer.

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

Investments are reflected at cost, which approximates fair value, and are uninsured, unregistered, and held by the counterparty brokerage firm. At September 30, 2022, the component units did not have any investments.

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

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

B. RECEIVABLES AND PAYABLES

Receivables at September 30, 2022, for the primary government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes	\$ 62,902	\$ 6,490	\$ -	\$ -	\$ -	\$ 9,258	\$ 78,650
Sales taxes	5,554	-	-	-	-	3,314	8,868
Franchise Fees	1,683	-	-	-	-	-	1,683
Federal and state assistance	25	-	7,392	5,950	-	1,976	15,343
Water, sewer, and sanitation user charges	-	-	-	136,341	22,545	-	158,886
Other	27	-	361	-	-	1,006	1,394
Gross receivables	70,191	6,490	7,753	142,291	22,545	15,554	264,824
Allowance for uncollectible	-	-	(317)	(120,612)	(20,378)	-	(141,307)
Net receivables	<u>\$ 70,191</u>	<u>\$ 6,490</u>	<u>\$ 7,436</u>	<u>\$ 21,679</u>	<u>\$ 2,167</u>	<u>\$ 15,554</u>	<u>\$ 123,517</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 \$36,768,213 and \$6,128,843, respectively, for the year ended September 30, 2022.

Deferred inflows of resources related to the receivables consisted of the following at September 30, 2022 (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Property taxes levied for the subsequent year	\$ 61,923	\$ 6,402	\$ -	\$ -	\$ -	\$ 9,149	\$ 77,474
Long-term receivables unavailable for current use	-	-	23	-	-	-	23
	<u>\$ 61,923</u>	<u>\$ 6,402</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,149</u>	<u>\$ 77,497</u>

Amounts reflected as accounts payable and other liabilities at September 30, 2022, for the primary government's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, are as follows (in thousands):

	General Fund	Debt Service Fund	Federal Grants Fund	Water and Sewage Disposal Fund	Sanitation Fund	Non-Major and Other Funds	Total
Accounts payable	\$ 7,062	\$ -	\$ 3,088	\$ 11,104	\$ 5,008	\$ 9,660	\$ 35,922
Payroll and benefits	993	-	46	131	9	78	1,257
Seized and forfeited cash	2,655	-	-	-	-	-	2,655
Health claims	-	-	-	-	-	1,939	1,939
Other	709	-	-	69	-	557	1,335
	<u>\$ 11,419</u>	<u>\$ -</u>	<u>\$ 3,134</u>	<u>\$ 11,304</u>	<u>\$ 5,017</u>	<u>\$ 12,234</u>	<u>\$ 43,108</u>

The component units' receivables at September 30, 2022, consisted of the following (in thousands):

	Jackson Redevelopment Authority	Jackson Municipal Airport Authority
Accounts receivable	\$ 51	\$ 791
Sales taxes	-	-
Government grants	-	2,765
Leases - current portion	420	515
Leases - long-term	-	4,294
Facility charges - restricted	-	577
Notes - current portion	36	-
Notes - long-term	1,702	-
Other	95	-
	<u>\$ 2,304</u>	<u>\$ 8,942</u>

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

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

B. RECEIVABLES AND PAYABLES (Continued):

1. Property taxes

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

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

Tax millage levies for 2022 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	50.06	General	None
Parks and Recreation Fund	2.00	Recreation	2.00 mills
Debt Service Fund	5.45	Debt retirement	None
Disability and Relief Fund	<u>3.79</u>	Retirement	None
Total City of Jackson	<u>61.30</u>		
Jackson/Hinds Library System	<u>1.73</u>	Public library	None
Jackson Municipal Separate School District:			
District Supplement Levy	65.91	Public schools	None
Special Debt Retirement Bond	5.48	Public schools	None
Special Debt Retirement Bond	10.85	Public schools	None
Special Debt Retirement Notes	0.22	Public schools	None
Special Debt Retirement Bond	<u>4.34</u>	Public schools	None
	<u>86.80</u>		
Total mills	<u>149.83</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, 2022

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

C. CHANGES IN CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2022, was as follows (in thousands):

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,721	\$ -	\$ -	\$ 13,721
Construction in progress	48,839	28,019	(52,826)	24,032
Total capital assets not being depreciated	62,560	28,019	(52,826)	37,753
Capital assets being depreciated:				
Buildings	109,292	3,309	-	112,601
Infrastructure	395,795	49,517	-	445,312
Automotive and equipment	87,818	2,166	-	89,984
Right-of-use lease assets:				
Automotive and equipment	1,009	1,090	-	2,099
Buildings	1,370	320	-	1,690
Land	315	-	-	315
Total capital assets being depreciated	595,599	56,402	-	652,001
Less accumulated depreciation for:				
Buildings	(42,353)	(1,992)	-	(44,345)
Infrastructure	(153,764)	(11,546)	-	(165,310)
Automotive and equipment	(71,582)	(3,577)	-	(75,159)
Right-of-use lease assets:				
Automotive and equipment	(370)	(428)	-	(798)
Buildings	(763)	(203)	-	(966)
Land	(232)	(16)	-	(248)
Total accumulated depreciation	(269,064)	(17,762)	-	(286,826)
Total capital assets being depreciated, net	326,535	38,640	-	365,175
Total governmental activities capital assets, net	\$ 389,095	\$ 66,659	\$ (52,826)	\$ 402,928

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

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

C. CHANGES IN CAPITAL ASSETS (Continued):

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,838	\$ -	\$ -	\$ 1,838
Construction in progress	25,258	19,375	(36,762)	7,871
Total capital assets not being depreciated	27,096	19,375	(36,762)	9,709
Capital assets being depreciated:				
Buildings	11,978	-	-	11,978
Infrastructure	752,892	77,738	-	830,630
Automotive and equipment	34,837	822	-	35,659
Right-of-use lease assets:				
Automotive and equipment	70	-	-	70
Land	393	-	-	393
Total capital assets being depreciated	800,170	78,560	-	878,730
Less accumulated depreciation for:				
Buildings	(2,252)	(289)	-	(2,541)
Infrastructure	(360,116)	(17,612)	-	(377,728)
Automotive and equipment	(25,470)	(2,093)	-	(27,563)
Right-of-use lease assets:				
Automotive and equipment	(31)	(18)	-	(49)
Land	(135)	(4)	-	(139)
Total accumulated depreciation	(388,004)	(20,016)	-	(408,020)
Total capital assets being depreciated, net	412,166	58,544	-	470,710
Total business-type activities capital assets, net	\$ 439,262	\$ 77,919	\$ (36,762)	\$ 480,419

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

Governmental Activities:

General government	\$ 1,426
Public Works	11,478
Human & Cultural	1,875
Public Safety	2,983
Total Depreciation Expense – Governmental Activities	\$ 17,762

Business-Type Activities:

Water/Sewage Disposal	\$ 18,324
Sanitation	156
Madison-Ridgeland Sewage	11
Transportation	1,525
Total Depreciation Expense – Business-type Activities	\$ 20,016

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

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

C. CHANGES IN CAPITAL ASSETS (Continued)

3. Construction work in progress at September 30, 2022 for the governmental activities of the primary government is composed of the following (in thousands):

	SPENT-TO-DATE	REMAINING COMMITMENT
	FY22	FY22
Community Development Block Grant	\$ -	\$ 207
2020 Infrastructure Bond	10,305	11,607
2003 G O Public Improvement Construction Bond	-	189
Russel C Davis Planetarium	651	89
Capital Street 2-Way Project	-	12
Museum to Market Trail	-	-
Economic Development Initiative		
Traffic - Repair and Replacement	208	10
Resurfacing - Repair and Replacement	2,015	1,613
Drainage - Repair and Replacement	-	5
1% Infrastructure Tax	7,737	1,533
Hail Damage March 2013	-	-
Tiger Grant	-	
Fire Protection	-	475
Flood of 2020	-	82
Capital City Revenue	-	24
Department of Transportation projects	3,116	3,069
Total	\$ 24,032	\$ 18,915

4. Construction work in progress at September 30, 2022 for primary government enterprise funds is composed of the following (in thousands):

<u>Project</u>	<u>Spent-To-Date</u> <u>FY22</u>	<u>Remaining Commitment</u> <u>FY22</u>
Water/Sewer Construction Fund	\$ 7,871	\$ 3,241
Total	\$ 7,871	\$ 3,241

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

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

C. CHANGES IN CAPITAL ASSETS (Continued)

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

Activity for the Jackson Redevelopment Authority for the year ended September 30, 2022 was as follows (in thousands):

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 5,268	\$ -	\$ -	\$ 5,268
Property held for development	5,999	-	-	5,999
Total capital assets not being depreciated	<u>11,267</u>	<u>-</u>	<u>-</u>	<u>11,267</u>
Other capital assets:				
Land improvements	76	-	-	76
Buildings	50,635	-	-	50,635
Equipment and furniture	1,535	-	-	1,535
Total other capital assets	<u>52,246</u>	<u>-</u>	<u>-</u>	<u>52,246</u>
Less accumulated depreciation for:				
Land improvements	(57)	-	-	(57)
Buildings	(31,408)	(947)	-	(32,355)
Equipment and furniture	(1,477)	-	-	(1,477)
Total accumulated depreciation	<u>(35,942)</u>	<u>(947)</u>	<u>-</u>	<u>(33,889)</u>
Total other capital assets, net	<u>19,304</u>	<u>(947)</u>	<u>-</u>	<u>18,357</u>
Total capital assets, net	<u>\$ 30,571</u>	<u>\$ (947)</u>	<u>\$ -</u>	<u>\$ 29,624</u>

Activity for the Jackson Municipal Airport Authority for the year ended September 30, 2022, was as follows (in thousands):

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Business-Type Activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 4,622	\$ -	\$ -	\$ 4,622
Construction in progress	4,197	3,531	-	7,728
Total capital assets not being depreciated	<u>8,819</u>	<u>3,531</u>	<u>-</u>	<u>12,350</u>
Capital assets being depreciated:				
Land improvements	153,681	-	-	153,681
Building and improvements	122,222	186	-	122,408
Utility systems	9,485	-	-	9,485
Furniture, fixtures, and equipment	33,282	506	-	33,788
Total other capital assets	<u>318,670</u>	<u>692</u>	<u>-</u>	<u>319,362</u>
Less accumulated depreciation	<u>(202,648)</u>	<u>(10,570)</u>	<u>-</u>	<u>(213,218)</u>
Other capital assets, net	<u>116,022</u>	<u>(9,878)</u>	<u>-</u>	<u>106,144</u>
Total capital assets, net	<u>\$ 124,841</u>	<u>\$ (6,347)</u>	<u>\$ (-)</u>	<u>\$ 118,494</u>

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

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

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A summary of transfers between funds within the primary government is as follows (in thousands):

	Transfer In	Transfer Out
General Fund	\$ 508	\$ 13,310
Debt Service	4,163	-
Federal Grants Special Revenue Fund	1,205	10,012
Water/Sewage Disposal System Fund	17,471	-
Sanitation Fund	4,936	-
Nonmajor Governmental Funds	4,948	11,228
Nonmajor Proprietary Funds	1,319	-
Total	<u>\$ 34,550</u>	<u>\$ 34,550</u>

Interfund transfers at September 30, 2022 consist of the following (in thousands):

\$ 166	From the General Fund to the Federal Grants Special Revenue Fund to subsidize grant programs.
1,941	From the General Fund to the Water/Sewage Disposal System Fund to subsidize operations.
4,936	From the General Fund to the Sanitation Fund to subsidize operations.
4,948	From the General Fund to Nonmajor Special Revenue Funds to subsidize operations.
1,319	From the General Fund to a Nonmajor Proprietary Fund to subsidize operations.
9,748	From the Federal Grants Special Revenue Fund to the Water/Sewage Disposal System Fund for maintenance projects.
1,039	From the Nonmajor Capital Project Fund to the Federal Grants Special Revenue Fund for capital projects.
4,163	From the Nonmajor Capital Project Fund to the Debt Service Fund for debt service.
264	From the Federal Grants Special Revenue Fund to the General Fund to closeout inactive accounts.
162	From a Nonmajor Special Revenue Fund to the General Fund to closeout inactive accounts.
82	From Nonmajor Capital Project Funds to the General Fund for capital projects.
<u>5,782</u>	From Nonmajor Capital Project Funds to the Water/Sewage Disposal System Fund for infrastructure projects.
<u>\$ 34,550</u>	Total

Individual fund interfund receivable and payable balances as of September 30, 2022 follow (in thousands):

	Due from Other Funds	Due to Other Funds
General Fund	\$ 203	\$ -
Nonmajor Capital Project Fund	-	203
Total	<u>\$ 203</u>	<u>\$ 203</u>

The General Fund interfund receivable from a Nonmajor Capital Project Fund was to provide temporary cash flow for a capital project.

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

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

E. FINANCED PURCHASES:

The City has financed through agreements the acquisition of various equipment and a building. These financed purchase agreements are treated as long-term debt for accounting purposes and, therefore, have been recorded at the present value of future payments as of the date of their inception. Future payments for the financed purchase agreements are disclosed in Note 4.G.8.

F. LEASE LIABILITIES:

The City is obligated under certain noncancellable leases for land, buildings and equipment with terms of more than one year. The right to use the assets under these lease agreements is reflected in the City's capital assets. Future minimum lease payments required under the leases is disclosed in Note 4.G.8.

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

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, 2022

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

G. LONG-TERM DEBT (Continued):

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

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

General obligation bonds are direct obligations and pledge the full faith and credit of the city. These bonds generally are issued as serial bonds in denominations of \$5,000 with principal maturing annually and interest due at various semi-annual dates. General obligation bonds currently outstanding at September 30, 2022, 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	\$ 1,530
General Obligation Refunding, Series 2010A	09/01/10	3.00 – 5.00%	09/01/24	16,655	-
General Obligation Refunding, Series 2010B	09/01/10	4.37%	09/01/24	7,010	2,545
General Obligation Refunding, Series 2013	02/21/13	3.00 – 5.00%	03/01/36	64,940	55,290
General Obligation Refunding, Series 2015A	12/18/15	3.00 – 5.00%	05/01/36	17,465	17,095
General Obligation Refunding, Series 2016	08/30/16	3.00 – 4.00%	01/01/24	12,384	-
General Obligation Refunding Series 2021	2/25/21	5.00%	03/01/30	16,920	15,245
Total General Obligation Bonds				\$	<u>91,705</u>

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

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, 2022, were as follows (in thousands):

Revenue Bonds:	Date of Obligation	Interest Rate	Final Maturity Date	Issued	Outstanding
Enterprise Funds:					
Water/Sewer Revenue Refunding 2011A	09/01/11	2.50 - 5.00%	09/01/34	\$ 46,720	\$ 28,300
Water/Sewer Revenue Refunding 2011B	09/01/11	4.07 - 5.40%	09/01/34	2,565	1,710
Water/Sewer Revenue Refunding 2012A	09/01/12	3.50 - 5.00%	09/01/34	63,045	57,145
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	79,090
Water/Sewer Revenue Refunding 2016	08/24/16	3.00 - 4.000%	09/01/24	17,135	4,815
Total Revenue Bonds					<u>\$ 171,060</u>

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

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

G. LONG-TERM DEBT (Continued):

3. Tax Increment Limited Obligation Bonds

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

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

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

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

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

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

Limited obligation bonds outstanding at September 30, 2022, 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, 2009	04/23/09	4.20%	04/01/24	\$ 407	\$ 72
Tax Increment Financing Bonds, 2009	06/19/09	4.75%	07/01/22	1,600	-
Tax Increment Financing Bonds, 2010A/B	12/30/10	4.75-5.50%	03/01/30	2,800	1,040
Tax Increment Financing Bonds, 2018	08/24/18	3.83%	07/01/33	4,447	3,476
Tax Increment Financing Bonds, 2018	10/15/18	3.50%	03/15/29	1,750	1,156
Tax Increment Financing Bonds, 2019	04/02/19	4.49%	03/01/34	1,762	1,497
Total Limited Obligation Bonds					<u>\$ 7,241</u>

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

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

G. LONG-TERM DEBT (Continued):

4. Section 108 Loan

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

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

As required by the Guaranty Agreement, the City also entered into an agreement with Regions Bank to serve as custodian of original loan and security documents for the loan to TCI. As of September 30, 2022, \$4,150,000 was outstanding under the Section 108 loan.

5. Component Units

Jackson Redevelopment Authority

Urban renewal bonds issued to provide funds for various rehabilitation projects at September 30, 2022, were as follows (in thousands):

<u>Urban Renewal Bonds:</u>	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Urban Renewal Bond, Series 2011A	06/01/11	3.25% - 4.50%	06/01/31	\$ 7,165	\$ 4,200
Urban Renewal Bond, Series 2011B	06/01/11	5.15%	06/01/23	2,745	250
Total Urban Renewal Bonds					<u>\$ 4,450</u>

Jackson Municipal Airport Authority

Jackson Municipal Airport Authority revenue bonds outstanding at September 30, 2022, were as follows (in thousands):

<u>Revenue Bonds:</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Outstanding</u>
Revenue Bonds, Series 2015A	1.21% - 3.09%	10/2031	\$10,805
Revenue Bonds, Series 2015B	3.12% - 3.27%	10/2035	7,855
Revenue Bonds, Series 2017A	2.60%	10/2026	2,510
Revenue Bonds, Series 2017B	2.75%	10/2027	3,040
Total Revenue Bonds			<u>\$24,210</u>

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

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

G. LONG-TERM DEBT (Continued):

6. A summary of long-term liabilities transactions for the primary government and for the component units for the year ended September 30, 2022, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 98,410	\$ -	\$ 6,705	\$ 91,705	\$ 6,935
Limited obligation bonds	8,026	-	785	7,241	543
State revolving loans (MDA)	615	-	136	479	95
Miss. Development Bank Loan	414	-	294	120	87
Mississippi Development Bank Note	29,595	-	2,685	26,910	2,820
Section 108 Loan	4,800	-	650	4,150	650
Financed purchases	16,725	-	3,417	13,308	3,040
Lease liabilities	1,422	1,410	558	2,274	654
Issuance discount	(270)	-	(22)	(248)	-
Issuance premium	12,609	-	2,037	10,572	-
Total Long-Term Debt Payable	172,346	1,410	17,245	156,511	14,824
Net pension liability	149,564	41,232	-	190,796	-
Other post-employment benefits	41,205	-	6,489	34,716	1027
Claims and judgments	5,573	117	-	5,690	2,424
Workers' Compensation Claims	1,494	-	251	1,243	964
Compensated absences	3,568	422	442	3,548	442
	201,404	41,771	7,182	235,993	4,857
Total Governmental Activities	\$ 373,750	\$ 43,181	\$ 24,427	\$ 392,504	\$ 19,681
Business-Type Activities					
Bonds and loans payable:					
General Obligation Note	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -
Revenue bonds	180,465	-	9,405	171,060	9,820
State revolving loan (DEQ)	45,051	5,288	2,035	48,304	2,851
State revolving loan (DOH)	13,080	8,063	406	20,737	456
State revolving loan (MDA)	1,162	-	853	309	196
Financed purchases	1,877	36,389	230	38,036	1,606
Lease liabilities	400	-	19	381	16
Issuance discount	(602)	-	(45)	(557)	-
Issuance premiums	10,681	-	670	10,011	-
Total Long-Term Debt Payable	259,114	49,740	13,573	295,281	14,945
Net pension liability	13,514	4,443	-	17,957	-
Other post-employment benefits	4,966	-	578	4,388	130
Compensated absences	413	53	52	414	52
	18,893	4,496	630	22,759	182
Total Business-type activities	\$ 278,007	\$ 54,236	\$ 14,203	\$ 318,040	\$ 15,127
Jackson Redevelopment Authority:					
Urban Renewal bonds	\$ 5,538	\$ -	\$ 1,088	\$ 4,450	\$ 635
Issuance discount	(136)	-	-	(136)	-
Total Jackson Redevelopment Authority	\$ 5,402	\$ -	\$ 1,088	\$ 4,314	\$ 635

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

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

G. LONG-TERM DEBT (Continued):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Jackson Municipal Airport Authority:					
Revenue bonds	\$ 26,160	\$ -	\$ 1,950	\$ 24,210	\$ 1,995
Net pension liability	12,177	6,741	-	18,918	-
Claims liability	1,650	-	825	825	-
Total	\$ 39,987	\$ 6,741	\$ 2,775	\$ 43,953	\$ 1,995

7. The City's legal debt margin for the issuance of general obligation bonds was \$97,647,000 at September 30, 2022.

8. Annual Maturities Requirements

The annual requirements to amortize all long-term debt outstanding of September 30, 2022, including interest, by source of retirement are as follows (in thousands):

Debt Service Fund (Special Tax Levy)

	<u>General Obligation Bonds</u>		
Fiscal Year	Interest	Principal	Total
2023	3,668	6,935	10,603
2024	3,333	6,870	10,203
2025	3,023	6,780	9,803
2026	2,699	6,705	9,404
2027	2,399	6,605	9,004
2028 – 2032	8,657	30,320	38,977
2033 – 2036	2,549	27,490	30,039
Total	\$ 26,328	\$ 91,705	\$ 118,033

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

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

G. LONG-TERM DEBT (Continued):

State Revolving Loans - Mississippi Development Authority

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 6	\$ 95	\$ 101
2024	5	96	101
2025	4	97	101
2026	3	98	101
2027	1	46	47
2028 – 2032	-	47	47
Total	\$ <u>19</u>	\$ <u>479</u>	\$ <u>498</u>

MS Development Bank Loans

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 9	\$ 87	\$ 96
2024	5	33	38
Total	\$ <u>14</u>	\$ <u>120</u>	\$ <u>134</u>

Limited Obligation Bonds

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 463	\$ 543	\$ 1,006
2024	444	566	1,010
2025	404	569	973
2026	226	752	978
2027	194	785	979
2028 – 2032	498	3,340	3,838
2033 – 2037	29	686	715
Total	\$ <u>2,258</u>	\$ <u>7,241</u>	\$ <u>9,499</u>

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

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

G. LONG-TERM DEBT (Continued):

1% Infrastructure Tax Special Revenue Fund

Fiscal Year	Mississippi Development Bank Note		
	Interest	Principal	Total
2023	\$ 1,346	\$ 2,820	\$ 4,166
2024	1,205	2,960	4,165
2025	1,056	3,105	4,161
2026	901	3,265	4,166
2027	738	3,425	4,163
2028 – 2032	1,152	11,335	12,487
Total	\$ <u>6,398</u>	\$ <u>26,910</u>	\$ <u>33,308</u>

General Fund (General Fund Revenues)

Fiscal Year	Financed Purchase Agreements		
	Interest	Principal	Total
2023	\$ 232	\$ 3,040	\$ 3,272
2024	176	2,664	2,840
2025	125	2,369	2,494
2026	34	2,412	2,446
2027	70	1,129	1,199
2028 – 2032	24	1,694	1,718
Total	\$ <u>661</u>	\$ <u>13,308</u>	\$ <u>13,969</u>

Fiscal Year	HUD Section 108		
	Interest	Principal	Total
2023	\$ 116	\$ 650	\$ 766
2024	99	650	749
2025	82	650	732
2026	64	650	714
2027	46	650	696
2028 – 2032	26	900	926
Total	\$ <u>433</u>	\$ <u>4,150</u>	\$ <u>4,583</u>

Fiscal Year	Lease Liabilities		
	Interest	Principal	Total
2023	\$ 71	\$ 654	\$ 725
2024	49	628	677
2025	29	587	616
2026	11	405	416
Total	\$ <u>160</u>	\$ <u>2,274</u>	\$ <u>2,434</u>

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

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

G. LONG-TERM DEBT (Continued):

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

Fiscal Year	Revenue Bonds		Total
	Interest	Principal	
2023	\$ 9,333	\$ 9,820	\$ 19,153
2024	8,849	10,300	19,149
2025	8,331	8,565	16,896
2026	7,867	9,035	16,902
2027	7,367	9,535	16,902
2028 – 2032	28,443	56,050	84,493
2033 – 2037	14,208	41,785	55,993
2038 – 2042	3,724	25,970	29,694
Total	\$ 88,122	\$ 171,060	\$ 259,182

Fiscal Year	Financed Purchase Agreements		Total
	Interest	Principal	
2023	\$ 1,275	\$ 1,606	\$ 2,881
2024	1,160	1,156	2,316
2025	1,122	1,193	2,315
2026	1,083	1,232	2,315
2027	1,042	1,272	2,314
2028 – 2032	4,577	6,912	11,489
2033 – 2037	3,449	7,191	10,640
2038 – 2042	2,181	8,459	10,640
2043 – 2047	698	9,015	9,713
Total	\$ 16,587	\$ 38,036	\$ 54,623

Fiscal Year	General Obligation Note		Total
	Interest	Principal	
2023	\$ 228	\$ -	\$ 228
2024	228	-	228
2025	228	7,000	7,228
Total	\$ 684	\$ 7,000	\$ 7,684

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

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

G. LONG-TERM DEBT (Continued):

Fiscal Year	Lease Liabilities		Total
	Interest	Principal	
2023	\$ 33	\$ 11	\$ 44
2024	32	3	35
2025	32	-	32
2026	32	-	32
2027	32	-	32
2028 – 2032	161	1	162
2033 – 2037	160	2	162
2038 – 2042	159	3	162
2043 – 2047	158	4	162
2048 – 2052	155	7	162
2053 – 2057	152	10	162
2058 – 2062	146	16	162
2063 – 2067	138	25	163
2068 – 2072	124	38	162
2073 – 2077	104	58	162
2078 – 2082	73	89	162
2083 – 2087	25	105	130
Total	\$ 1,716	\$ 372	\$ 2,088

Fiscal Year	State Revolving Loans		Total
	Interest	Principal	
2023	\$ 1,172	\$ 3,503	\$ 4,675
2024	1,140	3,750	4,890
2025	1,104	3,779	4,883
2026	1,032	3,851	4,883
2027	959	3,924	4,883
2028 - 2032	3,741	19,356	23,097
2033 - 2037	1,985	18,137	20,122
2038 – 2042	587	12,617	13,204
2043 – 2047	4	433	437
Total	\$ 11,724	\$ 69,350	\$ 81,074

Enterprise Funds – Transportation Fund

Fiscal Year	Lease Liabilities		Total
	Interest	Principal	
2023	\$ -	\$ 5	\$ 5
2024	-	4	4
Total	\$ -	\$ 9	\$ 9

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

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

G. LONG-TERM DEBT (Continued):

Jackson Redevelopment Authority (Urban Renewal Project Revenues)

Jackson Redevelopment Authority Urban Renewal Revenue Bonds					
<u>Fiscal Year</u>	<u>Interest</u>		<u>Principal</u>		<u>Total</u>
2023	\$	202	\$	635	\$ 837
2024		172		410	582
2025		153		425	578
2026		134		445	579
2027		114		460	574
2028 – 2032		239		2,075	2,314
Total	\$	<u>1,014</u>	\$	<u>4,450</u>	\$ <u>5,464</u>

Jackson Municipal Airport Authority

Revenue Bonds					
<u>Fiscal Year</u>	<u>Interest</u>		<u>Principal</u>		<u>Total</u>
2023	\$	539	\$	1,995	\$ 2,534
2024		513		2,050	2,563
2025		485		2,100	2,585
2026		455		2,160	2,615
2027		423		2,225	2,648
2028 – 2032		1,581		6,920	8,501
2033 – 2036		444		6,760	7,204
Total	\$	<u>4,440</u>	\$	<u>24,210</u>	\$ <u>28,650</u>

The City has unconditionally and irrevocably agreed to grant and contribute to the Jackson Redevelopment Authority from the General Fund of the City sums sufficient to pay the principal of and interest on the bonds issued by the Jackson Redevelopment Authority for urban renewal purposes, as the same shall mature and become due. In addition, the city has agreed to contribute to the Jackson Redevelopment Authority \$200,000 annually in June of the years 2023 through 2027. Principal and interest maturities for 2022 were paid by contributions from the General Fund of \$1,328,067.

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 below the required amounts at September 30, 2022, by approximately \$3.6 million.

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, 2022

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

G. LONG-TERM DEBT (Continued):

9. Annual Maturities Requirements

The annual requirements to amortize all debt outstanding for the City and the component units as of September 30, 2022, including interest are as follows (in thousands):

Fiscal Year	City of Jackson	Jackson Redevelopment Authority	Jackson Municipal Airport Authority
2023	\$ 47,721	\$ 837	\$ 2,534
2024	46,405	582	2,563
2025	50,234	578	2,585
2026	42,357	579	2,615
2027	40,219	574	2,648
2028 – 2032	177,234	2,314	8,501
2033 – 2037	117,671	-	7,204
2038 – 2042	53,700	-	-
2043 – 2047	10,312	-	-
2048 – 2052	162	-	-
2053 – 2057	162	-	-
2058 – 2062	162	-	-
2063 – 2067	163	-	-
2068 – 2072	162	-	-
2073 – 2077	162	-	-
2078 – 2082	162	-	-
2083 – 2087	130	-	-
Total	<u>\$ 587,118</u>	<u>\$ 5,464</u>	<u>\$ 28,650</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 \$31,416,312 for the current year and made principal and interest payments on the notes payable to the state totaling \$4,275,138 during the current year. As of September 30, 2022, the future principal and interest requirements for the notes payable totaled \$81.7 million, and the maturity dates of the notes payable extend through October, 2043.

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 \$16,335,635 for the current year and made principal or interest payments totaling \$4,164,750 on the note payable during the current year. As September 30, 2022, the future principal and interest requirements for the note payable totaled \$33.3 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, \$1,104,044, and the City also received \$328,265 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 \$1,135,201 during the current year. As of September 30, 2022, the future principal and interest requirements on the bonds totaled \$9.5 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 \$39,221,289 in the current year, and the principal and interest payments made by the City on revenue bonds totaled \$19,155,095 during the current year. As of September 30, 2022, the future principal and interest requirements for revenue bonds totaled \$259 million, and the maturity dates extend through December, 2040.

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

Note 5 – Fund Balance Presentation – Classification Total

The fund balances of the governmental funds at September 30, 2022, are classified by specific purpose as follows:

	<u>General Fund</u>	<u>Debt Services</u>	<u>Federal Grants Special Revenue Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Non Spendable:					
Public Works Supplies Inventory	\$ 881,237	\$ -	\$ -	\$ -	\$ 881,237
	<u>881,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,237</u>
Restricted For:					
Public Safety	1,881,164	-	30,400	-	1,911,564
Public Works Projects	-	-	673,890	44,540,602	45,214,492
Human and Cultural Services	417,091	-	479,820	1,498,079	2,394,990
Capital Outlay - equipment	2,038,152	-	-	108,555	2,146,707
Debt Service	-	12,970,244	-	-	12,970,244
Employee Benefits	203,111	-	-	-	203,111
	<u>4,539,518</u>	<u>12,970,244</u>	<u>1,184,110</u>	<u>46,147,236</u>	<u>64,841,108</u>
Committed To:					
Public Works Projects	175,000	-	-	4,473,402	4,648,402
Human and Cultural Services	-	-	-	443,829	443,829
Employee Benefits	-	-	-	66,478	66,478
Tort Claims	5,630,053	-	-	-	5,630,053
Other purposes	-	-	-	-	-
	<u>5,805,053</u>	<u>-</u>	<u>-</u>	<u>4,983,709</u>	<u>10,788,762</u>
Assigned To:					
Public Works Projects	814,639	-	-	-	814,639
Various Other Specific Purposes	18,948	-	-	-	18,948
	<u>833,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833,587</u>
Unassigned	27,180,222	-	-	-	27,180,222
Total Fund Balances	<u>\$ 39,239,617</u>	<u>\$ 12,970,244</u>	<u>\$ 1,184,110</u>	<u>\$ 51,130,945</u>	<u>\$ 104,524,916</u>

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

Note 6 – Other Information

A. RISK MANAGEMENT

1. Workers Compensation Benefits

The City maintains a self-funded workers' compensation plan accounted for in the General Fund for claims incurred. Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments and case reserves development. Liabilities are based on the ultimate costs of settling claims, including inflation and other factors, and include provisions for estimated claims adjustment expenses. Benefits paid to employees during fiscal year 2022 were \$513,647.

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

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

2. Unemployment Benefits

The City also maintains an unemployment compensation revolving fund (part of the General Fund, established pursuant to state law). In addition to funding all valid claims, the City is required to maintain the balance in the fund at not less than 2% of the first \$6,000 paid each employee during the preceding year and the General Fund typically provides the necessary funding. As of September 30, 2022, the required amounts were funded. Claims totaled \$102,855 during fiscal year 2022. 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 \$15,845,942 and employee benefit costs were \$15,845,942, net of \$1,019,581 stop-loss insurance proceeds, during fiscal year 2022. Claims incurred but not reported at September 30, 2022, 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, 2022 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, 2022

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 2022 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, 2022 and 2021:

	Employees' Group Benefit Fund	Tort Claims	Unemployment Benefits	Workers' Compensation Benefits
2022:				
Beginning Balance	\$ 1,749,206	\$ 5,572,587	\$ -	\$ 1,494,479
Current Year Claims/Changes in Estimates	15,845,942	1,068,796	102,855	262,618
Payments of Claims and Related Expenses	15,655,537	951,917	102,855	513,647
Ending Balance	<u>\$ 1,939,611</u>	<u>\$ 5,689,466</u>	<u>\$ -</u>	<u>\$ 1,243,450</u>
2021:				
Beginning Balance	\$ 1,956,434	\$ 6,431,883	\$ -	\$ 1,979,205
Current Year Claims/Changes in Estimates	17,125,895	(442,742)	180,691	231,679
Payments of Claims and Related Expenses	17,333,123	416,554	180,691	716,405
Ending Balance	<u>\$ 1,749,206</u>	<u>\$ 5,572,587</u>	<u>\$ -</u>	<u>\$ 1,494,479</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, 2022

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, 2022, the balance in the Water and Sewer Contingent Fund was below the required reserve by approximately \$3.6 million.

D. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 15, 2024, which represents the date the comprehensive annual financial report was available to be issued.

In November, 2020, the City entered into an agreement under which a company will replace the City's customer water meters, and the City will pay monthly for the new installed meters. The meter agreement was subsequently revised to also include upgrades to the customer meter and billing information systems, and the charges per meter were adjusted to include the additional components. The agreement is cancellable by the City with a 30-day notice, and upon cancellation the City would be required to purchase the installed meters at their designated cost less depreciation based on a 25 year useful life. The total estimated project costs to be financed under the agreement is \$93 million, and estimated project costs of \$36,388,712 had been incurred through September 30, 2022.

In September, 2021, the City received a Drinking Water System Improvement revolving fund loan from the Mississippi Department of Health for OB Curtis & JH Fewell Water Treatment facility improvements. The maximum loan amount is \$28 million to be financed over 20 years at 1.95%, and will be secured by sales tax revenue. Proceeds of \$5,224,406 had been received or requested through September 30, 2022.

In November, 2021, the City authorized the issuance of \$3,300,000 of tax increment financing bonds to provide funding for a residential and commercial development project to be financed over 15 years. The bonds will be secured by the incremental ad valorem and sales tax revenues generated by the development project. These bonds have not yet been issued because of project delays.

In December, 2022, the City issued \$7,500,000 of general obligation bonds to provide funding for renovations to the planetarium and arts center to be financed over 15 years. Payments began in June 2023. In December 2023, the City refinanced the \$7,500,000 general obligation bonds to increase the funds to \$9,500,000 through the issuance of new general obligation bonds. Payments began in March, 2024.

In December, 2022, the City entered a lease agreement for golf carts and utility vehicles with monthly payments of \$5,837 for five years.

In April, 2023, the City issued \$1,000,000 of tax increment financing bonds to provide funding for a hotel development project to be financed over 15 years. The bonds are secured by the incremental ad valorem and sales tax revenues generated by the development project. Payments began in September, 2023.

In July, 2023, the City terminated a lease-purchase agreement under which it was acquiring a building. The building was reflected in the City's capital assets of the governmental activities and Water/Sewage Disposal System Proprietary Fund (business-type activities) at \$4.2 million and \$2.3 million, respectively, as of September 30, 2022. The lease-purchase debt was reflected in the City's long-term debt of the governmental activities and Water/Sewage Disposal System Proprietary Fund (business-type activities) at \$2.7 million and \$1.6 million, respectively, as of September 30, 2022.

In September, 2023, the City financed the \$794,501 purchase of public safety vehicles for 3 years at 5.02%.

In September, 2023, the City financed the purchase of \$1,140,952 of police cameras for 3 years at 4.28%.

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

Note 6 – Other Information (Continued):

D. SUBSEQUENT EVENTS (Continued):

In November, 2023, the City entered into an agreement for the purchase and installation of parking meters and related equipment with an estimated cost of \$1.2 million to be financed over 5 years.

In December, 2023, the City approved the transfer of a City library building to the State of Mississippi for demolition and conversion to a green space. The building was reflected in the capital assets of the governmental activities at \$829 thousand as of September 30, 2022.

In February, 2024, the City authorized the issuance of a \$40 million loan from the Mississippi Development Bank for infrastructure projects, and the City's revenue from the Infrastructure Modernization Tax is pledged for repayment of the loan over the 15 year term.

In April, 2024, the City's Sanitation Fund paid a \$375,000 penalty assessed by the Mississippi Department of Environmental Quality for the City's failure to provide garbage collection services in April, 2023. An additional penalty of \$525,000 is being held in abeyance for two years pending the City's compliance with the solid waste management plan.

In April, 2024, the City received a \$10.2 million insurance claim settlement related to City property damage from a 2013 hail storm, and legal fees of \$304 thousand were incurred in relation to the settlement.

Litigation

The City is defendant in a number of legal actions and claims seeking actual and punitive damages. Contingencies totaling \$5,689,466 for which it is probable a loss has been incurred and which are subject to reasonable estimation, are recognized as liabilities in the financial statements. The City is vigorously defending all matters of litigation and believes there will be no material adverse financial effect.

E. CONTINGENCIES:

Water/Sewage Disposal System Fund and Sanitation Fund

The Water/Sewage Disposal System Fund and the Sanitation Fund had both an operating loss and negative cash flows during the year ended September 30, 2022. These conditions resulted primarily from complications experienced in the installation and operation of water meters and a water, sewer, and garbage customer billing system, which caused customer billing delays and inaccuracies and extended delays in collection of revenues from customers. The City has established customer payment plans and collection procedures to facilitate the collection of the past due balances from customers. To provide cash for operations and debt service while the City works to collect the past due customer balances, the General Fund made transfers to the Water/Sewage Disposal System Fund and the Sanitation Fund. The City has begun the process of replacing the water meters and billing system to resolve these issues.

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

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

The City is subject to a September, 2023, stipulated order by the EPA regarding the City's sewer system. Under the 2023 order, the EPA appointed the interim third-party manager to operate and maintain the City's sewer system and implement a capital improvement plan. The estimated cost of the necessary capital improvements under the 2023 order has not yet been determined.

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

Note 6 – Other Information (Continued):

E. CONTINGENCIES (Continued):

Jackson Municipal Airport Authority

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

In October, 2020, a former concessionaire filed a complaint related to the termination of their lease and concession agreement with the Jackson Municipal Airport Authority. The concessionaire sought damages related to the termination and reimbursement for certain leasehold improvements. The Jackson Municipal Airport Authority subsequently agreed to a settlement of \$1,650,000, which was recorded in the claims liability in the statement of net position at September 30, 2021, and has a balance of \$825,000 at September 30, 2022. The remaining liability was paid in November, 2022.

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, 2022 (in thousands):

<u>Jackson/Hinds Library System</u>	
Total assets	<u>\$ 2,073</u>
Total liabilities	\$ 236
Total fund balances	<u>1,837</u>
Total liabilities and fund balances	<u>\$ 2,073</u>
Total revenues	\$ 4,150
Total expenditures	<u>3,356</u>
Net increase in fund balances	<u>\$ 794</u>

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

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

Note 6 – Other Information (Continued):

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 \$11,981,386 for the year ended September 30, 2022.

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, 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.

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

Note 6 – Other Information (Continued):

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 for the year ended September 30, 2022, was 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, 2022, were \$9,710,379, which was equal to the required contributions for the year, and includes \$1,082,009 payable at September 30, 2022.

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

At September 30, 2022, the City reported a liability of \$168,287,098 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, using standard roll-forward techniques. 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, 2022, the City's proportion was 0.817577 percent, which was a decrease of 0.044919 percent from its 0.862496 percent proportion for the year ended June 30, 2021.

For the year ended September 30, 2022, the City recognized PERS pension expense of \$9,933,638. At September 30, 2022, 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	\$ 2,128,507	\$ -
Net Difference between projected and actual earnings on pension plan investments	7,896,097	-
Changes of assumptions	5,199,360	-
Changes in the City's proportion	-	8,877,840
City contributions subsequent to the measurement date	2,418,738	-
Total	\$ 17,642,702	\$ 8,877,840

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is an increase of \$8,764,862 at September 30, 2022.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

B. Business-Type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 254,327	\$ -
Net Difference between projected and actual earnings on pension plan investments	943,147	-
Changes of assumptions	621,036	-
Changes in the City's proportion	32,283	1,610,565
City contributions subsequent to the measurement date	288,921	-
Total	\$ <u>2,139,714</u>	\$ <u>1,610,565</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on business-type activities' net position is an increase of \$529,149 at September 30, 2022.

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, 2022, \$2,707,659 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2023	\$ 473,704
2024	(92,837)
2025	(2,926,229)
2026	<u>9,131,714</u>
Total	\$ <u>6,586,352</u>

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

4. Actuarial Assumptions

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25%	4.60%
International Equity	20	4.50
Global Equity	12	4.85
Fixed Income	18	1.40
Real Estate	10	3.65
Private Equity	10	6.00
Private Infrastructure	2	4.00
Private Credit	2	4.00
Cash Equivalents	1	(0.10)
<i>Total</i>	<u>100%</u>	

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
City's proportionate share of net pension liability	\$ 219,631,850	\$ 168,287,098	\$ 125,955,962

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 OF JACKSON
Notes to Financial Statements
For the Year Ended September 30, 2022

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

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, 2022, the date of the most recent actuarial valuation, there were 474 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	<u>474</u>
Total Participants	<u>474</u>

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

2. Description of Funding Policy

Under the funding policy adopted in 2011, the employer contribution rate, expressed as a millage rate tax applied to assessed property values, is established that will generate an ultimate asset reserve level equal to a reasonable percentage (initially 100% - 150%) of the next year's projected benefit payments. At that point, employer contributions are set equal to the fiscal year's projected benefit payments and adjusted as necessary to maintain the assets at the established reserve level. This calculation is performed using projected cash flow analysis using the current market value of assets as of the valuation date, a 6.05% assumption on investment earnings, and an assumption that assessed property values will remain level over time. During the year ended September 30, 2022, the City of Jackson contributed the avails of a 3.79% 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.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued)

The City of Jackson's contributions to MRS for the year ended September 30, 2022, were \$4,748,049, which was equal to the required contributions for the year, and includes \$500,878 payable at September 30, 2022. In addition, the State of Mississippi contributed fire insurance premium taxes of \$330,088, including \$53,326 payable at September 30, 2022, to MRS on behalf of the City for the year ended September 30, 2022.

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, 2022 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, 2022</u>
Total Pension Liability	\$ 84,607,867
Fiduciary Net Pension	44,141,716
Net Pension Liability	<u>\$ 40,466,151</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.

The change in Net Pension Liability, for the Disability and Relief municipal pension plan, for the fiscal year ended September 30, 2022 is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Change in Net Pension Liability:			
Interest on the total pension liability	\$ 6,366,162	\$ -	\$ 6,366,162
Difference between expected and actual experience	(781,983)	-	(781,983)
Employer's contributions	-	5,108,609	(5,108,609)
Pension plan net investment income	-	(4,291,697)	4,291,697
Benefit payments, including refunds of employee contributions	(10,592,672)	(10,592,672)	-
Administrative expense	-	(102,172)	102,172
Net Changes	(5,008,493)	(9,877,932)	4,869,439
Net Pension Liability, Beginning of Year	89,616,360	54,019,648	35,596,712
Net Pension Liability, End of Year	<u>\$ 84,607,867</u>	<u>\$ 44,141,716</u>	<u>\$ 40,466,151</u>

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

5. Pension Expense

For the year ended September 30, 2022, the City recognized MRS pension expense of \$2,047,748. Pension expense (income) recognized by the plan is as follows:

	Pension Expense
Interest on the total pension liability	\$ 6,366,162
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(781,983)
Projected earnings on plan investments	(3,867,603)
Expensed portion of current-period difference between actual and projected earnings on plan investments	1,631,860
Administrative expense	102,172
Recognition of beginning deferred inflows of resources as pension expense	(1,402,860)
Pension Expense for MRS	<u>\$ 2,047,748</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, 2022 for the Disability and Relief municipal plan are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 737,054	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,573,661</u>	<u>-</u>
Total	<u>\$ 2,310,715</u>	<u>\$ -</u>

At September 30, 2022, \$737,054 was reported as deferred outflows of resources related to pensions resulting from city MRS contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2022 will be recognized in pension expense (income) as follows:

Year Ended September 30	Amount
2023	\$ 251,469
2024	76,001
2025	(385,669)
2026	1,631,860
Total	<u>\$ 1,573,661</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on the governmental activities' net position is an increase of \$2,310,715 at September 30, 2022.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

7. Actuarial Assumptions

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate 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 7.55%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability	\$ 46,148,026	\$ 40,466,151	\$ 35,440,889

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

8. Schedule of Assumptions

Schedule of Assumptions	Disability and Relief Municipal Pension
Valuation date	June 30, 2022
Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.55% net of pension plan investment expense, including inflation at 2.40%

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

The PubT.H-2010 Disabled Retiree Table was used for disabled retirees with the following adjustments: 134% of male rates at all ages and 121% of female rates at all ages. Projection scale MP-2020 was used to project future improvements in life expectancy generationally.

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

Note 6 – Other Information (Continued):

G. EMPLOYEES' RETIREMENT SYSTEM (Continued):

The actuarial assumptions used in the June 30, 2022 valuation are based on the results of the experience investigation for the four-year period ended June 30, 2020 and adopted by the MRS Board in August, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected normal return, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25%	4.60%
International Equity	20	4.50
Global Equity	12	4.85
Fixed Income	18	1.40
Real Estate	10	3.65
Private Equity	10	6.00
Private Infrastructure	2	4.00
Private Credit	2	4.00
Cash Equivalents	1	(0.10)
<i>Total</i>	<u>100%</u>	

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

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, 2022. 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, 2022, the following employees were covered by benefit terms:

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

Total OPEB Liability

The City's total OPEB liability of \$39,104,863 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2020, rolled forward to September 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability as of September 30, 2022, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

A discount rate of 4.77% 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, 2022, measurements were based on the results of an actuarial experience study for the year ended September 30, 2020.

Since the prior measurement date, the discount rate was increase from 2.43% per annum to 4.77% per annum.

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

Changes in the total OPEB liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at September 30, 2021	\$ <u>46,171,156</u>
Changes for the year:	
Service cost	2,235,616
Interest	2,281,724
Changes in assumptions or other inputs	(10,426,362)
Benefit payments and refunds	<u>(1,157,271)</u>
Net changes	<u>(7,066,293)</u>
Balance at September 30, 2022	\$ <u><u>39,104,863</u></u>

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

	1.0% Decrease (3.77%)	Discount Rate (4.77%)	1.0% Increase (5.77%)
Total OPEB liability	\$ <u>43,284,005</u>	\$ <u>39,104,863</u>	\$ <u>35,424,827</u>

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 rate

	1.0% Decrease (7% decreasing to 4%)	Healthcare Cost Trend Rates (8% decreasing to 5%)	1.0% Increase (9% decreasing to 6%)
Total OPEB liability	\$ <u>31,964,101</u>	\$ <u>39,104,863</u>	\$ <u>47,610,952</u>

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$1,235,243 as follows:

Service cost	\$ 2,235,616
Interest	2,281,724
Difference between expected and actual experience	(2,302,385)
Benefit payments and refunds	(1,157,271)
Assumption changes	<u>177,559</u>
OPEB expense	<u>\$ 1,235,243</u>

At September 30, 2022, 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	\$	-	\$ 21,342,694
Changes of assumptions		7,947,876	8,454,178
Changes in proportion		<u>1,082,216</u>	<u>266,320</u>
Total	\$	<u>9,030,092</u>	<u>\$ 30,063,192</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on governmental activities' net position is a decrease of \$21,033,100 at September 30, 2022.

B. Business-Type Activities:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 2,697,908
Changes of assumptions		1,004,683	1,068,685
Changes in proportion		<u>526,465</u>	<u>1,342,364</u>
Total	\$	<u>1,531,148</u>	<u>\$ 5,108,957</u>

The net effect of these deferred outflows of resources and deferred inflows of resources on business-type activities' net position is a decrease of \$3,577,809 at September 30, 2022.

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.

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

Note 6 – Other Information (Continued):

H. OTHER POSTEMPLOYMENT BENEFITS (Continued):

At September 30, 2022, 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>
2023	\$ (2,124,825)
2024	(2,124,825)
2025	(2,124,825)
2026	(2,124,825)
2027	(2,124,825)
Thereafter	<u>(13,986,784)</u>
Total	\$ <u>(24,610,909)</u>

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

Note 7 – Transactions between Primary Government and Component Units:

Following is a summary of the transactions between the primary government and the discretely presented component units for the year ended September 30, 2022:

Jackson Redevelopment Authority:

Contributions from the primary government for:	
Debt service	\$ 1,330,317
Operations	465,771

Following is a summary of the transactions for the year ended September 30, 2022, between the primary government and the Capital City Convention Center Commission, which is a component unit of the City but financial statements were not available for inclusion as a discretely presented component unit in the City's financial statements:

Capital City Convention Center Commission:

Contributions from the primary government for:	
Operations	\$ 500,000
Contributions to the primary government for:	
Debt service	4,677,634

Note 8 – Implementation of New Accounting Standard:

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented by the City for the year ended September 30, 2022. As a result, the beginning balances in the current year financial statements have been restated from the amounts previously reported in the prior year financial statements in order to record liabilities under lease agreements, the right to use the leased assets, lease receivables, and deferred inflows related to lease receivables as follows:

	As Previously Reported	Restatement Amount	As Restated
Government-Wide Governmental Activities			
Other capital assets, net of depreciation	325,206,409	1,329,390	326,535,799
Long-term debt	170,923,731	1,422,353	172,346,084
Net position	70,425,787	(92,963)	70,332,824
Government-Wide Business-Type Activities			
Other capital assets, net of depreciation	411,868,933	297,342	412,166,275
Long-term debt	258,713,677	399,895	259,113,572
Net position	214,825,443	(102,553)	214,722,890
Water/Sewage Disposal System Enterprise Fund			
Net property, plant and equipment	423,347,324	283,857	423,631,181
Long-term debt – lease liabilities	-	386,213	386,213
Net position	193,500,869	(102,356)	193,398,513
Nonmajor Enterprise Funds			
Net property, plant and equipment	15,136,597	13,485	15,150,082
Long-term debt – lease liabilities	-	13,682	13,682
Net position	17,942,357	(197)	17,942,160
Jackson Municipal Airport Authority			
Receivables	2,817,142	3,101,871	5,919,013
Other liabilities	1,097,361	420,039	1,517,400
Unearned revenue	-	561,578	561,578
Deferred inflows – unearned revenues	981,617	(981,617)	-
Deferred inflows – leases	-	3,060,277	3,060,277
Net position	124,446,223	41,594	124,487,817

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:					
Service Cost	\$ 2,235,616	\$ 3,590,451	\$ 4,374,997	\$ 3,266,727	\$ 2,978,551
Interest	2,281,724	1,698,246	1,226,679	1,898,654	1,778,335
Differences between expected and actual experience	-	(27,892,353)	-	(909,245)	-
Changes of assumptions and other inputs	(10,426,362)	2,997,864	8,895,842	68,876	-
Benefit payments	<u>(1,157,271)</u>	<u>(1,032,349)</u>	<u>(1,262,683)</u>	<u>(1,028,674)</u>	<u>(705,951)</u>
Net change in total OPEB liability	\$ (7,066,293)	\$ (20,638,141)	13,234,835	3,296,338	4,050,995
Total OPEB liability, beginning	<u>46,171,156</u>	<u>66,809,297</u>	<u>53,574,462</u>	<u>50,278,124</u>	<u>46,227,169</u>
Total OPEB liability, ending	<u>39,104,863</u>	<u>46,171,156</u>	<u>\$ 66,809,297</u>	<u>\$ 53,574,462</u>	<u>\$ 50,278,124</u>
Covered-employee payroll	55,806,795	58,863,471	\$ 54,458,536	\$ 54,458,536	\$ 48,212,278
Total OPEB liability as a percentage of covered-employee payroll	70.07%	78.44%	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, 2022

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:

2022:

Since the prior measurement date, the discount rate was increased from 2.43% per annum to 4.77% per annum.

2021:

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

2020:

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

2019:

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportionate share of the net pension liability	\$ 168,287,098	127,480,678	175,713,009	162,902,901	154,248,183	157,007,624	165,975,320	134,815,609
City's proportion of the net pension liability	0.817577%	0.862496%	0.907663%	0.926007%	0.927364%	0.944498%	1.073716%	1.110675%
City's covered payroll for the measurement years ended June 30th	\$ 56,284,591	57,347,213	60,439,126	60,308,457	59,221,035	60,590,070	68,688,190	69,388,616
City's proportionate share of the net pension liability as a percentage of its covered payroll for the measurement years ended June 30th	298.99%	222.30%	290.73%	270.12%	260.46%	259.13%	241.64%	194.29%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required Contributions for the fiscal years ended September 30th	\$ 9,710,382	10,242,244	10,685,195	10,102,426	9,392,492	9,523,772	10,201,773	11,504,087
Actual Contributions for the fiscal years ended September 30th	9,710,382	10,242,244	10,685,195	10,102,426	9,392,492	9,523,772	10,201,773	11,504,087
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-
City's covered payroll for fiscal years ended September 30th	\$ 55,806,795	58,863,471	61,409,165	60,885,622	59,634,873	60,468,391	64,753,114	73,041,822
Contributions as a percentage of covered payroll for the fiscal years ended September 30th	17.40%	17.40%	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, 2022

Changes of pension assumptions:

2022: None

2021:

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

2020: None

CITY OF JACKSON
Notes to Required Supplementary Information-PERS (Continued)
For the Year Ended September 30, 2022

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.
 - 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, 2022

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 Eight Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 5,078,137	\$ 5,136,732	\$ 4,836,683	\$ 5,538,892	\$ 5,464,210	\$ 5,247,946	\$ 5,099,714	\$ 5,544,877
Annual Contributions	<u>5,078,137</u>	<u>5,136,732</u>	<u>4,836,683</u>	<u>5,538,892</u>	<u>5,464,210</u>	<u>5,247,946</u>	<u>5,099,714</u>	<u>5,544,877</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

The accompanying notes to the required supplementary information are an integral part of 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 Eight Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Interest	\$ 6,366,162	\$ 6,995,159	\$ 7,290,938	\$ 7,577,988	\$ 7,998,928	\$ 8,297,602	\$ 8,619,793	\$ 8,901,563
Differences between expected and actual experience	(781,983)	(973,772)	35,465	676,814	(1,617,123)	(305,474)	(462,872)	(91,754)
Changes of assumptions	-	(1,190,024)	-	(438,615)	-	213,769	-	3,676,246
Benefit payments, including refunds of employee contributions	(10,592,672)	(10,950,231)	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Net change in total pension liability	(5,008,493)	(6,118,868)	(4,009,184)	(3,888,345)	(5,540,240)	(3,991,575)	(4,274,032)	(147,914)
Total pension liability - beginning	89,616,360	95,735,228	99,744,412	103,632,757	109,172,997	113,164,572	117,438,604	117,585,518
Total pension liability - ending (a)	\$ 84,607,867	\$ 89,616,360	\$ 95,735,228	\$ 99,744,412	\$ 103,632,757	\$ 109,172,997	\$ 113,164,572	\$ 117,438,604
Plan fiduciary net position								
Contributions - employer	\$ 5,108,609	\$ 5,197,189	\$ 5,114,519	\$ 5,569,716	\$ 5,541,778	\$ 5,247,946	\$ 5,099,714	\$ 5,544,877
Contributions - member	-	-	-	-	-	2,363	6,022	4,750
Net investment income	(4,291,697)	13,458,124	1,423,772	3,578,675	4,220,438	7,314,024	306,774	2,166,108
Benefit payments, including refunds of employee contributions	(10,592,672)	(10,950,231)	(11,335,587)	(11,704,532)	(11,922,045)	(12,197,472)	(12,430,953)	(12,633,969)
Administrative Expense	(102,172)	(103,944)	(102,290)	(111,394)	(110,837)	(104,958)	(101,994)	(114,673)
Other	-	-	-	6,370	(3,408)	(29,110)	175,260	-
Net change in plan fiduciary net position	(9,877,932)	7,601,138	(4,899,586)	(2,661,165)	(2,274,074)	232,793	(6,945,177)	(5,032,907)
Plan net position - beginning	54,019,648	46,418,510	51,318,096	53,979,261	56,253,335	56,020,542	62,965,719	67,998,626
Plan net position - ending (b)	\$ 44,141,716	\$ 54,019,648	\$ 46,418,510	\$ 51,318,096	\$ 53,979,261	\$ 56,253,335	\$ 56,020,542	\$ 62,965,719
Net pension liability - ending (a) - (b)	\$ 40,466,151	\$ 35,596,712	\$ 49,316,718	\$ 48,426,316	\$ 49,653,496	\$ 52,919,662	\$ 57,144,030	\$ 54,472,885
Plan fiduciary net position as a percentage of the total pension liability	52.17%	60.28%	48.49%	51.45%	52.09%	51.53%	49.50%	53.62%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

CITY OF JACKSON
Notes to Required Supplementary Information-MRS
For the Year Ended September 30, 2022

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, 2022 were based on the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Ultimate Asset Reserve
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	Market Value of Assets
Inflation	2.75%
Salary increases	3.0% - 4.5%, including inflation
Investment rate of return	6.25%, net of pension plan investment expenses, including inflation

The following changes in actuarial assumptions or methods were made:

2022: None

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

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

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

2020: None

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

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

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

Changes were made to the Mortality Table for both healthy and 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

CITY OF JACKSON
Notes to Required Supplementary Information-MRS
For the Year Ended September 30, 2022

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
GENERAL FUND (001,002,003,004,010,011,01R,078,079,124,167,189,233,300,301,302,303,305,370,371,375)				

REVENUES

Licenses and Permits:

Privilege Licenses-Misc	\$ 100	\$ 100	\$ 508	\$ 408
Privilege Licenses	355,000	355,000	287,676	(67,324)
Building Permits	685,309	685,309	635,877	(49,432)
Air Conditioning & Duct Permit	43,085	43,085	18,190	(24,895)
Plumbing Permits	32,000	32,000	21,358	(10,642)
Electric Permits	156,509	156,509	121,543	(34,966)
Gas Permits	32,144	32,144	30,941	(1,203)
Maintenance Fees	3,470	3,470	625	(2,845)
Landscape Permits	350	350	90	(260)
Historic Preservation Applic.	1,390	1,390	1,915	525
Dance Hall & Other Recr Fees	2,000	2,000	450	(1,550)
Transit Merchants-Peddlers Lic	1,250	1,250	250	(1,000)
Aircraft Registration	12,710	12,710	7,973	(4,737)
Adult Entertn-Licenses & Fees	3,000	3,000	1,844	(1,156)
Special Event Fee	3,000	3,000	12,755	9,755
Signs-Misc.	7,527	7,527	1,800	(5,727)
Sign Permits	35,850	35,850	27,195	(8,655)
Sign Registration	9,260	9,260	8,980	(280)
Signs Temporary	2,570	2,570	1,600	(970)
Fire Inspection Permit	30,000	30,000	80,355	50,355
Commercial Burn Permit	401	401	1,400	999
Combust & Flamm Liquid Permit	7,400	7,400	6,600	(800)
Fireworks Display Permit	900	900	1,350	450
Zoning Permits	38,834	38,834	41,775	2,941
Taxicab License Fees	500	500	160	(340)
Total Licenses & Permits	1,464,559	1,464,559	1,313,210	(151,349)

Fines and Forfeitures:

Misdemeanor Fines	200,000	200,000	117,629	(82,371)
Vehicle Parking Fines	50,000	50,000	48,751	(1,249)
Moving Traffic Violations	711,704	711,704	780,229	68,525
City Court Costs	6,425	6,425	3,022	(3,403)
Warrant Fee	69,439	69,439	53,663	(15,776)
Animal Control Citations	1,387	1,387	200	(1,187)
Municipal Court Computer	9,766	9,766	9,010	(756)
Drug Court	-	-	2,750	2,750
Municipal Ct Drivers Impr Fees	35	35	-	(35)
Administrative Fee + Del Cases	184,683	184,683	159,743	(24,940)
Contempt Fee + Municipal Court	51,674	51,674	32,986	(18,688)
Computerzd Crime Preven+Police	11,115	11,115	9,772	(1,343)
Municipl Court Enhancement Fee	85,000	85,000	91,333	6,333
Jackson Enhancement Fee	49,976	49,976	45,671	(4,305)
Bad Check Fees	1,153	1,153	430	(723)
Daily Storage Fee+Vehicle	60,000	60,000	75,025	15,025
Wrecker Fees	60,000	60,000	63,450	3,450
Expungement Fee + Municipal Ct	8,650	8,650	1,800	(6,850)
Jackson Collection Fee (15%)	30,000	30,000	65,148	35,148
Docket Fee + Municipal Court	70,535	70,535	47,109	(23,426)
Dropped Charge Fee + Mun Crt	900	900	2,800	1,900
Cash Bond Clearing Account +Mc	5,091	5,091	7,752	2,661
Rearraignment Fee + Mun Court	9,833	9,833	9,900	67
Total Fines and Forfeitures	1,677,366	1,677,366	1,628,173	(49,193)

REVENUES

INTERGOVERNMENTAL REVENUE

FEDERAL

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
Police Overtime - FBI/DEA Grant	59,325	59,325	37,520	(21,805)
DEA - Ms Gulf Coast (HIDTA)	26,806	26,806	7,050	(19,756)
DEA - Assest & Forfeiture	31,000	31,000	9,381	(21,619)
Total Intergovernmental - Federal	117,131	117,131	53,951	(63,180)
STATE				
Alcohol Permits + Abc	330,649	330,649	324,163	(6,486)
Gasoline Tax	569,395	569,395	610,574	41,179
Municipal Revolving Fund	133,412	133,412	86,387	(47,025)
State Fire Protection	1,024,101	-	1,942,644	1,942,644
Pro+rata State Sales Tax	30,301,072	30,301,072	28,529,830	(1,771,242)
Sewer Grant Repayment-Sales Tax	-	-	2,979,041	2,979,041
Homestead Exemption	1,808,881	1,808,881	1,743,567	(65,314)
Homestead Exemption Chargeback	20,423	20,423	11,393	(9,030)
Bus & Truck Privilege Tax	431,879	431,879	503,217	71,338
Mdot+Litter Pickup+JPD	12,660	12,660	-	(12,660)
Ms-Nation	-	-	15,000	15,000
Total Intergovernmental- State	34,632,472	33,608,371	36,745,816	3,137,445
LOCAL				
Pro-Rata County Road Tax	594,357	594,357	709,569	115,212
Smith Robertson Museum	3,300	3,300	6,516	3,216
Total Intergovernmental - Local	597,657	597,657	716,085	118,428
ADMISSIONS, FEES, RENTALS				
Parking Meters	100,000	100,000	29,731	(70,269)
Local Records Fee	3,669	3,669	3,165	(504)
MS GOV Crash Reports	37,750	37,750	92,850	55,100
Mun Aud+Thalia Mara Hall Rents	131,625	131,625	188,437	56,812
Smith Robtsn Museum+Donations	600	600	32	(568)
Sm Robtsn Mus+Admission Rental	4,000	4,000	3,147	(853)
Smith Robtsn Mus + Room Rent	5,425	5,425	1,434	(3,991)
Senior Centers Reservation Fee	1,200	1,200	-	(1,200)
Smith Robertson+Gift Shop Sale	80	80	915	835
Arts Ctr+Rent on Community Rm	4,100	4,100	-	(4,100)
Carnival Inspection Fee	50	50	700	650
Daycare Fire Inspection+Afterc	5,880	5,880	7,300	1,420
Fire Water Flow Test Fee	2,800	2,800	3,400	600
Fire Reports	17,200	17,200	15,625	(1,575)
Accident Report Fee	124,171	124,171	44,275	(79,896)
Background Check Fee	10,530	10,530	2,380	(8,150)
Fingerprinting	24,115	24,115	28,065	3,950
Verification of Records	17,789	17,789	22,040	4,251
Bail Bondsman Applicant Photo	150	150	-	(150)
Telecomm. Franchise Agreement	547,756	547,756	324,041	(223,715)
Rents And Royalties	11,100	11,100	78,600	67,500
Tower Rentals	4,396,931	4,396,931	4,204,485	(192,446)
Pistol Range Rent	2,323	2,323	422	(1,901)
Sprinkler+Hydro Static+Pump	720	720	1,425	705
Fire Alarm Acceptance Test	1,000	1,000	2,300	1,300
Fire Re+Inspection	5,000	5,000	3,575	(1,425)
Fire Suppresion System Test	600	600	750	150
Fire Knox	25	25	-	(25)
Fire Truck on Site	3,600	3,600	600	(3,000)
Outdoor Advertising Leases	11,970	11,970	11,970	-
Rental Fee + Fire Museum	260	260	-	(260)
School TOURS Fee+ Fire Museum	1,476	1,476	-	(1,476)
Land Rental	10,000	10,000	12,012	2,012
Passport Fee	6,058	6,058	74,129	68,071
TSA Pre-check Services	23,395	23,395	56,580	33,185
Zoo Gift Shop	-	1	1	-
Ad Val Applications	100	100	-	(100)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
Small Cell Application Fees	3,500	3,500	1,000	(2,500)
Total Admissions, Fees and Rentals	5,516,948	5,516,949	5,215,386	(301,563)
Interest Revenues:				
Interest Earned on Investments	11,399	11,399	329	(11,070)
Interest Earned on Repos	382,338	382,338	220,910	(161,428)
Total Interest Earned	393,737	393,737	221,239	(172,498)
Revenues				
Miscellaneous Income:				
Miscellaneous	-	-	517	517
JSU Reimbursement Police	-	-	45,959	45,959
JPS Reimbursement Overtime	-	-	19,416	19,416
Election Reimbursement	-	-	5,011	5,011
CC OverPayment	-	-	520	520
Public Utility Franchise Fee	4,752,792	4,752,792	5,003,953	251,161
Franchise Cable Television	1,200,000	1,200,000	1,115,777	(84,223)
Nuclear Power Plant	1,602,421	1,602,421	1,583,311	(19,110)
In+Lieu+of Property Tax	61,027	1,010,652	70,733	(939,919)
Water/Sewer Franchise Fee	972,534	972,534	972,534	-
Sale of Land	60,167	60,167	2,070	(58,097)
Sale of Fixed Assets	329,208	383,547	629,520	245,973
Small Animal Control	1,200	1,200	40	(1,160)
Police Training Reimb Other Ag	-	32,400	39,600	7,200
Police+Misc	65,348	65,348	1,923	(63,425)
Police + Sale Of Weapons	15	15	7	(8)
Public Safety Comm Trng Reim	-	-	89,893	89,893
Union Station Tenants/Jra	102,379	102,379	92,600	(9,779)
Proceeds of Forfeitures	80,644	139,150	139,150	-
Grants & Donations	200,166	200,166	121,999	(78,167)
Indirect Cost	2,680,223	2,680,223	2,357,913	(322,310)
Other Departments	65,148	65,148	30,519	(34,629)
I.d. Badge Fee+City Employees	180	180	15	(165)
Parking Fee+City Employees	6,730	6,730	3,647	(3,083)
Admin. Fee+Payroll Deductions	15,725	15,725	13,481	(2,244)
MS Valley Refund	800	800	278	(522)
Entergy Refund	1,000	1,000	9	(991)
SCB Refund	220	220	-	(220)
Building & Permit+Misc.	110,957	110,957	90,467	(20,490)
Plumbing Exam	200	200	11,275	11,075
Electrical Exam	100	100	10,000	9,900
Penalty on Demo/Grass/Weeds	12,000	12,000	237,684	225,684
Site Plan Review	16,157	16,157	16,485	328
Sale of Maps Plan Specs	158	158	79	(79)
Smith Robertson + Nissan Grant	20,115	20,115	-	(20,115)
Traffic	170	170	470	300
Abstract Fees MCS	6,961	6,961	6,765	(196)
Finance - Misc.	10	10	-	(10)
Cellular Rebate	30,707	30,707	35,705	4,998
City Clerk	15,271	15,271	19,589	4,318
Performance Contract-Rebate	-	20,000	23,300	3,300
Inkind Peg Fees	38,810	38,810	23,715	(15,095)
Publications + Misc	7,089	7,089	-	(7,089)
Mary Jones Daycare	220	220	6,377	6,157
Cafeteria Plan+Flexible Spend	150,000	150,000	-	(150,000)
Settlement of Insurance Claim Prop	75,000	75,000	2,056	(72,944)
Fire Department	-	-	-	-
Proceeds of Long Term Debt	375,850	375,850	1,466,071	1,090,221
Fees for Lost Fuelman Cards	181	181	395	214
Total Miscellaneous Income	13,057,883	14,172,753	14,290,828	118,075
Operating Transfers In:				
Transfer In/From General Fund	271,089	271,089	1,706,535	1,435,446
Transfer In/From Water/Sewer	351,320	351,320	-	(351,320)

**City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022**

	Original Budget	Final Budget	Actual Amount	Variance
Transfer In/From Other Funds	1,446,000	1,546,000	507,980	(1,038,020)
Total Operating Transfers In	2,068,409	2,168,409	2,214,515	46,106
Beginning Fund Balance	3,294,833	5,087,407	19,083,267	13,995,860
Total Revenue from Sources other than Taxation and Beginning Fund Balance	62,820,995	64,804,339	81,482,470	16,678,131
Taxes:				
Current Realty Taxes	35,612,518	35,612,518	35,810,357	197,839
Current Personal Taxes	16,200,330	16,200,330	17,837,109	1,636,779
Delinquent Realty Taxes	927,952	927,952	452,898	(475,054)
Delinquent Personal Taxes	218,093	218,093	110,839	(107,254)
Ad Valorem Tax on Automobiles	7,510,223	7,510,223	6,712,924	(797,299)
Motor Vehicle Rental Tax DISTR	784,544	784,544	811,566	27,022
Interest on Delinquent Taxes	801,265	801,265	426,349	(374,916)
Damages on Delinquent Taxes	614,406	614,406	521,693	(92,713)
Vehicle Tag Penalty	-	-	-	-
Hazardous Waste Tax	-	-	131	131
Rail Car Taxes	64,473	64,473	63,090	(1,383)
Tax Forfeited Land	100,000	100,000	140,624	40,624
MISC Fees Community Improvement	100,000	100,000	29,031	(70,969)
Total Taxes	62,933,804	62,933,804	62,916,611	(17,193)
Total Revenue from all Sources and Beginning Fund Balance	\$ 125,754,799	\$ 127,738,143	\$ 144,399,081	\$ 16,660,938

POLICE

EXPENDITURES

Personnel Services	\$ 28,083,921	\$ 27,105,543	\$ 23,071,912	\$ (4,033,631)
Supplies	2,431,084	2,716,067	2,532,130	(183,937)
Other Services & Charges	1,511,059	2,206,337	2,126,096	(80,241)
Capital Outlay	1,230,660	1,335,660	1,244,638	(91,022)
Grants, Contributions	1,298,566	1,331,166	1,322,225	(8,941)
Transfer to other funds	-	-	272,472	272,472
Debt Services	40,796	40,796	796,326	755,530
Total Expenditures	\$ 34,596,086	\$ 34,735,569	\$ 31,365,799	\$ (3,369,770)

FIRE

EXPENDITURES

Personnel Services	\$ 21,332,798	\$ 21,332,798	\$ 21,023,167	\$ (309,631)
Supplies	855,703	1,155,703	1,195,782	40,079
Other Services & Charges	1,013,938	993,340	913,738	(79,602)
Capital Outlay	755,264	2,594,365	1,511,598	(1,082,767)
Grants, Contributions	69	69	-	(69)
Debt Services	151,982	62,498	682,438	619,940
Total Expenditures	\$ 24,109,754	\$ 26,138,773	\$ 25,326,723	\$ (812,050)

PUBLIC WORKS

EXPENDITURES

Personnel Services	\$ 7,288,426	\$ 7,123,426	\$ 5,902,044	\$ (1,221,382)
Supplies	2,004,368	1,651,556	1,353,065	(298,491)
Other Services & Charges	2,843,195	3,664,807.00	2,506,575	(1,158,232)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
Capital Outlay	687,981	733,375	24,687	(708,688)
Grants, Contributions	792,807	236,753	30,000	(206,753)
Transfer to other funds	-	-	1,074,499	1,074,499
Debt Services	151,534	151,534	718,268	566,734
Total Expenditures	\$ 13,768,311	\$ 13,561,451	\$ 11,609,138	\$ (1,952,313)

PLANNING & DEVELOPMENT

EXPENDITURES

Personnel Services	\$ 2,684,984	\$ 2,402,882	\$ 2,200,069	\$ (202,813)
Supplies	92,377	107,377	72,688	(34,689)
Other Services & Charges	4,664,634	4,740,996	4,451,989	(289,007)
Capital Outlay	17,815	209,855	132,258	(77,597)
Grants, Contributions	137,445	71,675	71,660	(15)
Transfer to other funds	1,318,660	1,318,660	1,318,660	-
Debt Service	1,025	1,025	24,921	23,896
Total Expenditures	\$ 8,916,940	\$ 8,852,470	\$ 8,272,245	\$ (580,225)

HUMAN & CULTURAL SERVICES

EXPENDITURES

Personnel Services	\$ 1,584,277	\$ 1,626,698	\$ 1,580,996	\$ (45,702)
Supplies	117,338	155,757	96,386	(59,371)
Other Services & Charges	559,531	697,396	624,800	(72,596)
Capital Outlay	530,357	573,534	87,510	(486,024)
Grants, Contributions	468,623	290,000	278,233	(11,767)
Transfer to other funds	429,821	473,518	132,455	(341,063)
Debt Service	48,776	48,776	451,266	402,490
Total Expenditures	\$ 3,738,723	\$ 3,865,679	\$ 3,251,646	\$ (614,033)

PERSONNEL

EXPENDITURES

Personnel Services	\$ 903,233	\$ 903,233	\$ 867,570	\$ (35,663)
Supplies	15,687	15,687	9,277	(6,410)
Other Services & Charges	596,315	201,409	112,518	(88,891)
Capital Outlay	61,036	61,036	-	(61,036)
Grants, Contributions	40,612	1,337	1,309	(28)
Debt Services	11,541	11,541	48,818	37,277
Total Expenditures	\$ 1,628,424	\$ 1,194,243	\$ 1,039,492	\$ (154,751)

ADMINISTRATION

EXPENDITURES

Personnel Services	\$ 6,588,914	\$ 3,858,404	\$ 3,082,396	\$ (776,008)
Supplies	823,073	54,819	33,168	(21,651)
Other Services & Charges	3,937,689	1,398,253	987,658	(410,595)
Capital Outlay	1,078,765	19,747	8,191	(11,556)
Grants, Contributions	10,100	13,500	3,395	(10,105)
Transfer to other funds	1,446,000	-	-	-
Debt Service	103,208	-	21,637	21,637
Total Expenditures	\$ 13,987,749	\$ 5,344,723	\$ 4,136,445	\$ (1,208,278)

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
GENERAL GOVERNMENT				
EXPENDITURES				
Personnel Services	\$ 5,203,164	\$ 5,165,664	\$ 4,967,477	\$ (198,187)
Supplies	261,652	255,853	79,549	(176,304)
Other Services & Charges	5,580,411	5,780,329	4,870,889	(909,440)
Capital Outlay	82,259	81,259	-	(81,259)
Grants, Contributions	510,648	410,648	1,793,041	1,382,393
Transfer to other funds	10,005,874	10,269,874	12,061,856	1,791,982
Debt Service	2,614,942	2,614,942	1,149,001	(1,465,941)
Total Expenditures	\$ 24,258,950	\$ 24,578,569	\$ 24,921,813	\$ 343,244
MUNICIPAL CLERK				
EXPENDITURES				
Personnel Services	\$ 573,834	\$ 522,414	\$ 462,693	\$ (59,721)
Supplies	19,958	41,378	22,633	(18,745)
Other Services & Charges	156,025	186,025	81,337	(104,688)
Capital Outlay	45	45	-	(45)
Debt Service	-	-	158,886	158,886
Total Expenditures	\$ 749,862	\$ 749,862	\$ 725,549	\$ (24,313)
INFORMATION TECHNOLOGY				
EXPENDITURES				
Personnel Services	\$ -	\$ 2,651,010	\$ 2,568,005	\$ (83,005)
Supplies	-	751,242	553,478	(197,764)
Other Services & Charges	-	2,689,426	2,447,507	(241,919)
Capital Outlay	-	1,075,918	-	(1,075,918)
Transfer to other funds	-	1,446,000	1,205,000	(241,000)
Debt Service	-	103,208	1,146,353	1,043,145
Total Expenditures	\$ -	\$ 8,716,804	\$ 7,920,343	\$ (796,461)
Ending Fund Balance	\$ -	\$ -	\$ 25,829,888	\$ 25,829,888
Total General Fund Expenditures and Ending Fund Balance	\$ 125,754,799	\$ 127,738,143	\$ 144,399,081	\$ 16,660,938
STATE TORT CLAIMS FUND (018)				
REVENUES				
Interest Earned on Investments	\$ -	\$ 50	\$ 19,875	\$ 19,825
Interest Earned on Repos	-	1,728	3,076	1,348
Transfers from General Fund	945,172	945,172	945,172	-
Beginning Fund Balance	4,843,523	4,843,473	5,614,697	771,224
Total Revenues and Beginning Fund Balance	\$ 5,788,695	\$ 5,790,423	\$ 6,582,820	\$ 792,397
EXPENDITURES				
Other Services and Charges	\$ 5,723	\$ 7,451	\$ 952,767	\$ 945,316
Grants, contributions	5,782,972	5,782,972	-	(5,782,972)
Ending Fund Balance	-	-	5,630,053	5,630,053
Total Expenditures and Ending Fund Balance	\$ 5,788,695	\$ 5,790,423	\$ 6,582,820	\$ 792,397

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
UNEMPLOYMENT COMPENSATION FUND (115)				
REVENUES				
Interest Earned on Investments	\$ -	\$ 360	-	\$ (360)
Transfers from General Fund	-	-	103,718	103,718
Beginning Fund Balance	148,653	148,653	209,992	61,339
Total Revenues and Beginning Fund Balance	\$ 148,653	\$ 149,013	\$ 313,710	\$ 164,697
EXPENDITURES				
Other Services and Charges	\$ 8,020	\$ 8,380	\$ 111,235	\$ 102,855
Grants, contributions	140,633	140,633	-	(140,633)
	-	-	202,475	202,475
Total Expenditures and Ending Fund Balance	\$ 148,653	\$ 149,013	\$ 313,710	\$ 164,697

City of Jackson
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Reconciliation of Budgetary Information to GAAP
For the Year Ended September 30, 2022

GENERAL FUND

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

	General Fund	State Tort Claims Fund	Unemployment Compensation Fund	Eliminations	Combined General Fund
REVENUES					
General property taxes	\$ 62,434,687	\$ -	\$ -	\$ -	\$ 62,434,687
Franchise taxes	7,527,673	-	-	-	7,527,673
Licenses and permits	1,305,236	-	-	-	1,305,236
Intergovernmental	39,097,169	-	-	-	39,097,169
Fines and forfeitures	1,767,323	-	-	-	1,767,323
Admissions, fees, rentals and concessions	5,600,694	-	-	-	5,600,694
Interest	221,239	22,951	-	-	244,190
Other	179,390	-	-	-	179,390
Total revenues	118,133,411	22,951	-	-	118,156,362
EXPENDITURES					
Current:					
General government	27,382,396	952,767	111,235	-	28,446,398
Public safety	52,185,049	-	-	-	52,185,049
Public works	9,791,685	-	-	-	9,791,685
Human and Cultural services	2,580,416	-	-	-	2,580,416
Debt Service:					
Principal	4,732,815	-	-	-	4,732,815
Interest and service charges	465,098	-	-	-	465,098
Capital outlay:					
General government	140,449	-	-	-	140,449
Public works	24,687	-	-	-	24,687
Public safety	2,756,236	-	-	-	2,756,236
Human and Cultural services	87,510	-	-	-	87,510
Total expenditures	100,146,341	952,767	111,235	-	101,210,343
Excess (deficiency) of revenues over (under) expenditures	17,987,070	(929,816)	(111,235)	-	16,946,019
OTHER FINANCING SOURCES (USES)					
Transfers in	507,980	945,172	103,718	(1,048,890)	507,980
Transfers out	(14,358,408)	-	-	1,048,890	(13,309,518)
Proceeds from long-term debt	1,090,221	-	-	-	1,090,221
Sale of capital assets	631,590	-	-	-	631,590
Total other financing sources (uses)	(12,128,617)	945,172	103,718	-	(11,079,727)
Net change in fund balances	5,858,453	15,356	(7,517)	-	5,866,292
Fund balances at beginning of year	27,548,636	5,614,697	209,992	-	33,373,325
Fund balances at end of year - GAAP basis	33,407,089	5,630,053	202,475	-	39,239,617
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	(7,577,201)	-	-	-	(7,577,201)
Fund balances at end of year - budgetary basis	\$ 25,829,888	\$ 5,630,053	\$ 202,475	\$ -	\$ 31,662,416

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
SENIOR AIDES FUND (012)				
REVENUES				
NCSC Senior Aides	\$ 473,364	\$ 473,364	\$ 472,875	\$ (489)
Transfer In/From General Fund	86,215	89,963	74,969	(14,994)
Beginning Fund Balance	-	-	(138,726)	(138,726)
Total Revenues and Beginning Fund Balance	<u>\$ 559,579</u>	<u>\$ 563,327</u>	<u>\$ 409,118</u>	<u>\$ (154,209)</u>
EXPENDITURES				
Personnel Services	\$ 543,451	\$ 547,199	\$ 603,334	\$ 56,135
Supplies	9,013	9,013	3,888	(5,125)
Other Services and Charges	7,115	7,115	1,296	(5,819)
Ending Fund Balance	-	-	(199,400)	(199,400)
Total Expenditures and Ending Fund Balance	<u>\$ 559,579</u>	<u>\$ 563,327</u>	<u>\$ 409,118</u>	<u>\$ (154,209)</u>
FEDERAL GRANT FUND (019, 063, 069, 083, 084, 087,090, 103, 106, 117, 119, 139, 420)				
REVENUES				
Interest Income	\$ -	\$ -	\$ 2,194	\$ 2,194
Beginning Fund Balance	-	-	830,091	830,091
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 832,285</u>	<u>\$ 832,285</u>
EXPENDITURES				
Capital Outlay	\$ -	\$ -	\$ 3,115,557	3,115,557
Transfers To/From	-	-	138,144	138,144
Ending Fund Balance	-	-	(2,421,416)	(2,421,416)
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 832,285</u>	<u>\$ 832,285</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
EARLY CHILDHOOD FUND (081)				
REVENUES				
USDA Food Revenue (Daycare)	\$ 155,017	\$ 155,017	\$ 92,516	\$ (62,501)
Mary Jones Daycare	110,000	110,000	210,503	100,503
Westside Daycare	153,000	153,000	148,241	(4,759)
Daycare Program	4,000	4,000	-	(4,000)
Operating Transfers In/From General Fund	321,276	356,227	34,713	(321,514)
Beginning Fund Balance	787,979	787,979	(37,739)	(825,718)
Total Revenues and Beginning Fund Balance	<u>\$ 1,531,272</u>	<u>\$ 1,566,223</u>	<u>\$ 448,234</u>	<u>\$ (1,117,989)</u>
EXPENDITURES				
Personal Services	\$ 1,327,383	\$ 1,362,334	\$ 394,109	\$ (968,225)
Supplies & Materials	138,826	138,826	44,465	(94,361)
Other Services and Charges	64,671	64,671	20,932	(43,739)
Capital Outlay	392	392	-	(392)
Ending Fund Balance	-	-	(11,272)	(11,272)
Total Expenditures and Ending Fund Balance	<u>\$ 1,531,272</u>	<u>\$ 1,566,223</u>	<u>\$ 448,234</u>	<u>\$ (1,117,989)</u>
CDBG FUND (085, 382)				
REVENUES				
CDBG-Housing & Comm Developmt	\$ 4,793,924	\$ 7,638,016	\$ 821,545	\$ (6,816,471)
City Matching Funds	429,809	429,809	1,378,167	948,358
Interest Earned On Repos	8,928	8,928	554	(8,374)
Lead-Based Hazard Grant	1,032,503	882,554	227,296	(655,258)
Program Income - Mincap	1,242	1,242	7,267	6,025
Transfers In/From General Fund	40,194	40,194	33,495	(6,699)
Beginning Fund Balance	887,691	464,445	(1,337,665)	(1,802,110)
Total Revenues and Beginning Fund Balance	<u>\$ 7,194,291</u>	<u>\$ 9,465,188</u>	<u>\$ 1,130,659</u>	<u>\$ (8,334,529)</u>
EXPENDITURES				
Personal Services	\$ 343,477	\$ 439,027	\$ 581,613	\$ 142,586
Supplies & Materials	71,141	360,289	309,181	(51,108)
Other Services and Charges	2,524,574	2,025,973	179,492	(1,846,481)
Capital Outlay	2,689,259	2,427,816	1,730,855	(696,961)
Grants, Contribution	1,565,840	4,212,083	535,775	(3,676,308)
Debt Service	-	-	4,104	4,104
Ending Fund Balance	-	-	(2,210,361)	(2,210,361)
Total Expenditures and Ending Fund Balance	<u>\$ 7,194,291</u>	<u>\$ 9,465,188</u>	<u>\$ 1,130,659</u>	<u>\$ (8,334,529)</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
EMERGENCY SHELTER GRANT (086)				
REVENUES				
Emergency Shelter Grant	\$ 348,967	\$ 348,967	\$ 11,677	\$ (337,290)
Beginning Fund Balance	-	-	(11,677)	(11,677)
Total Revenues and Beginning Fund Balance	<u>\$ 348,967</u>	<u>\$ 348,967</u>	<u>\$ -</u>	<u>\$ (348,967)</u>
EXPENDITURES				
Personal Services	\$ 46,451	\$ 46,451	\$ 11,973	\$ (34,478)
Grants, Contribution	302,516	302,516	153,553	(148,963)
Ending Fund Balance	-	-	(165,526)	(165,526)
Total Expenditures and Ending Fund Balance	<u>\$ 348,967</u>	<u>\$ 348,967</u>	<u>\$ -</u>	<u>\$ (348,967)</u>
METRO MEDICAL RESPONSE SYSTEM (093)				
REVENUES				
MMRS Grant-Metro Med Response	\$ 25,198	\$ 25,198	\$ -	\$ (25,198)
Interest on Investment	200	200	115	(85)
Beginning Fund Balance	-	-	1,457	1,457
Total Revenues and Beginning Fund Balance	<u>\$ 25,398</u>	<u>\$ 25,398</u>	<u>\$ 1,572</u>	<u>\$ (23,826)</u>
EXPENDITURES				
Supplies & Materials	\$ 305	\$ 305	\$ -	\$ (305)
Grants and Contributions	24,445	24,445	-	(24,445)
Capital Outlay	648	648	-	(648)
Ending Fund Balance	-	-	1,572	1,572
Total Expenditures and Ending Fund Balance	<u>\$ 25,398</u>	<u>\$ 25,398</u>	<u>\$ 1,572</u>	<u>\$ (23,826)</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
HOME PROGRAM (120)				
REVENUES				
Home Program	\$ 4,021,443	\$ 3,100,675	\$ 683,108	\$ (2,417,567)
Home Program- Revenue	-	-	24,309	24,309
Interest Earned	2,000	-	-	-
Other Revenue	1,284,199	2,000	-	(2,000)
Beginning Fund Balance	-	267,500	(541,107)	(808,607)
Total Revenues and Beginning Fund Balance	<u>\$ 5,307,642</u>	<u>\$ 3,370,175</u>	<u>\$ 166,310</u>	<u>\$ (3,203,865)</u>
EXPENDITURES				
Personnel Services	\$ 120,265	\$ 56,479	\$ 64,353	\$ 7,874
Supplies & Materials	11,402	7,851	119	(7,732)
Other Services and charges	26,418	16,132	7,204	(8,928)
Grants and Contributions	5,149,557	3,289,713	157,356	(3,132,357)
Ending Fund Balance	-	-	(62,722)	(62,722)
Total Expenditures and Ending Fund Balance	<u>\$ 5,307,642</u>	<u>\$ 3,370,175</u>	<u>\$ 166,310</u>	<u>\$ (3,203,865)</u>
HOPWA GRANT FUND (122)				
REVENUES				
HOPWA Grant-Dept. of HUD	\$ 2,256,236	\$ 2,256,236	\$ 719,999	\$ (1,536,237)
Beginning Fund Balance	1,408,181	875,908	(413,784)	(1,289,692)
Total Revenues and Beginning Fund Balance	<u>\$ 3,664,417</u>	<u>\$ 3,132,144</u>	<u>\$ 306,215</u>	<u>\$ (2,825,929)</u>
EXPENDITURES				
Personnel Services	\$ 107,432	\$ 107,432	\$ 30,086	\$ (77,346)
Supplies & Materials	4,000	2,000	-	(2,000)
Other Services and charges	29,460	16,268	12,873	(3,395)
Grants, Contributions	3,523,525	3,006,444	1,133,875	(1,872,569)
Ending Fund Balance	-	-	(870,619)	(870,619)
Total Expenditures and Ending Fund Balance	<u>\$ 3,664,417</u>	<u>\$ 3,132,144</u>	<u>\$ 306,215</u>	<u>\$ (2,825,929)</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, 2022

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

REVENUES

Title IIIB Outreach	\$ 31,579	\$ 31,579	\$ 34,502	\$ 2,923
Title IIIB Transportation	152,365	152,365	169,603	17,238
Title III Congregate Meals	160,441	160,441	162,441	2,000
SSBG Title XX Home Delivery	354,706	354,706	318,756	(35,950)
Interest Earned	9,370	9,370	-	(9,370)
Grants & Donations	10,935	10,935	-	(10,935)
Title III Congregate Donation	3,000	3,000	-	(3,000)
Title XX-Transportation Donation P.I.	1,000	1,000	-	(1,000)
Transfer In/From General Fund	22,330	27,328	22,773	(4,555)
Beginning Fund Balance	331,906	481,906	854,984	373,078
Total Revenues and Beginning Fund Balance	<u>\$ 1,077,632</u>	<u>\$ 1,232,630</u>	<u>\$ 1,563,059</u>	<u>\$ 330,429</u>

EXPENDITURES

Personnel Services	\$ 169,595	\$ 174,593	\$ 182,873	\$ 8,280
Supplies	580,832	730,832	495,046	(235,786)
Other Services and charges	325,205	325,205	313,669	(11,536)
Capital Outlay	2,000	2,000	-	(2,000)
Ending Fund Balance	-	-	571,471	571,471
Total Expenditures and Ending Fund Balance	<u>\$ 1,077,632</u>	<u>\$ 1,232,630</u>	<u>\$ 1,563,059</u>	<u>\$ 330,429</u>

AMERICORPS (134)

REVENUES

Beginning Fund Balance	\$ -	\$ -	\$ 96,019	\$ 96,019
Total Revenues and Beginning Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,019</u>	<u>\$ 96,019</u>

EXPENDITURES

Operating Transfers	\$ -	\$ -	\$ 96,019	\$ 96,019
Total Expenditures and Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,019</u>	<u>\$ 96,019</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
ED BYRNE MEMORIAL GRANT FUND 353, 356, 359, 361, 367, 378, 383)				
REVENUES				
Edward Byrne Mem Justice Grant	\$ 71,691	\$ 71,691	\$ 58,723	\$ (12,968)
2019 JAG	73,271	244,071	-	(244,071)
2020 JAG	213,553	213,553	-	(213,553)
Beginning Fund Balance	-	-	(58,723)	(58,723)
Total Revenues and Beginning Fund Balance	<u>\$ 358,515</u>	<u>\$ 529,315</u>	<u>\$ -</u>	<u>(529,315)</u>
EXPENDITURES				
Supplies & Materials	\$ 7,692	\$ 7,692	\$ -	\$ (7,692)
Other Services & Charges	12,963	12,963	-	(12,963)
Grants, Contributions	70,378	70,378	-	(70,378)
Capital Outlay	267,482	438,282	115,302	(322,980)
Ending Fund Balance	-	-	(115,302)	(115,302)
Total Expenditures and Ending Fund Balance	<u>\$ 358,515</u>	<u>\$ 529,315</u>	<u>\$ -</u>	<u>(529,315)</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				
Grants, Contribution	\$ 38,151	\$ 38,151	\$ -	\$ (38,151)
Operating Transfer	-	-	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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
TIGER GRANT (357)				
REVENUES				
Tiger Grant	\$ 5,738,434	\$ 5,738,434	\$ 324,824	\$ (5,413,610)
Operating Transfers	-	-	1,038,892	1,038,892
Beginning Fund Balance	-	-	(843,075)	(843,075)
Total Revenues and Beginning Fund Balance	\$ 5,738,434	\$ 5,738,434	\$ 520,641	\$ (5,217,793)
EXPENDITURES				
Other Services and Charges	\$ 5,738,434	\$ 5,044,245	\$ -	\$ (5,044,245)
Capital Outlay	-	694,189	520,641	(173,548)
Total Expenditures and Ending Fund Balance	\$ 5,738,434	\$ 5,738,434	\$ 520,641	\$ (5,217,793)
BLIGHT ELIMINATION GRANT (360)				
REVENUES				
Intergovernmental- Federal	\$ 1,149,060	\$ 811,628	\$ 987,270	\$ 175,642
Beginning Fund Balance	1,613,477	1,149,060	(798,730)	(1,947,790)
Total Revenues and Beginning Fund Balance	\$ 2,762,537	\$ 1,960,688	\$ 188,540	\$ (1,772,148)
EXPENDITURES				
Other Services and Charges	\$ 797	\$ 305	\$ 448	\$ 143
Grants and Contribution	2,761,740	1,960,383	188,092	(1,772,291)
Total Expenditures and Ending Fund Balance	\$ 2,762,537	\$ 1,960,688	\$ 188,540	\$ (1,772,148)
MEMA- FEMA (397)				
REVENUES				
FEMA	\$ -	\$ -	\$ 158,794	\$ 158,794
Beginning Fund Balance	-	-	542	542
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 159,336	\$ 159,336
EXPENDITURES				
Ending Fund Balance	\$ -	\$ -	\$ 159,336	\$ 159,336
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 159,336	\$ 159,336
ARPA FUND (391)				
REVENUES				
Coronavirus Recovery Funds	\$ 21,049,165	\$ 21,049,165	\$ 11,778,459	\$ (9,270,706)
Total Revenues and Beginning Fund Balance	\$ 21,049,165	\$ 21,049,165	\$ 11,778,459	\$ (9,270,706)
EXPENDITURES				
Personal Services	\$ 2,000,000	\$ 2,870,092	1,025,663	(1,844,429)
Other Services Charges	2,841,490	3,141,490	55,200	(3,086,290)
Capital Outlay	7,798,500	7,798,500	-	(7,798,500)
Transfer to Other Funds	2,200,000	2,200,000	9,747,595	7,547,595
Grants, Contribution	6,209,175	5,039,083	950,000	(4,089,083)
Total Expenditures and Ending Fund Balance	\$ 21,049,165	\$ 21,049,165	\$ 11,778,458	\$ (9,270,707)

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
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ESG CORONAVIRUS (0379)

REVENUES

ESG Covid	\$ 1,779,214	\$ 1,521,730	\$ 1,364,487	\$ (157,243)
Beginning Fund Balance	-	-	(260,430)	(260,430)
Total Revenues and Beginning Fund Balance	<u>\$ 1,779,214</u>	<u>\$ 1,521,730</u>	<u>\$ 1,104,057</u>	<u>\$ (417,673)</u>

EXPENDITURES

Personal Services	\$ 5,051	\$ 63,200	\$ 72,865	\$ 9,665
Supplies & Materials	-	922	-	(922)
Grants, Contribution	1,774,163	1,457,608	1,135,477	(322,131)
Ending Fund Balance	-	-	(104,285)	(104,285)
Total Expenditures and Ending Fund Balance	<u>\$ 1,779,214</u>	<u>\$ 1,521,730</u>	<u>\$ 1,104,057</u>	<u>\$ (417,673)</u>

DOJ CORONAVIRUS (0377)

REVENUES

Beginning Fund Balance	\$ 748,906	\$ 748,906	\$ -	\$ (748,906)
Total Revenues and Beginning Fund Balance	<u>\$ 748,906</u>	<u>\$ 748,906</u>	<u>\$ -</u>	<u>\$ (748,906)</u>

EXPENDITURES

Personnel Services	\$ 548,906	\$ 748,906	\$ 748,906	\$ -
Supplies & Materials	200,000	-	-	-
Ending Fund Balance	-	-	(748,906)	(748,906)
Total Expenditures and Ending Fund Balance	<u>\$ 748,906</u>	<u>\$ 748,906</u>	<u>\$ -</u>	<u>\$ (748,906)</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
JPD SAKI (0388)				
REVENUES				
2020 SAKI	\$ 710,211	\$ 631,697	\$ 116,268	\$ (515,429)
Total Revenues and Beginning Fund Balance	<u>\$ 710,211</u>	<u>\$ 631,697</u>	<u>\$ 116,268</u>	<u>\$ (515,429)</u>
EXPENDITURES				
Personnel Service	\$ 211,264	\$ 270,690	\$ 168,288	\$ (102,402)
Supplies & Materials	161,111	88,800	-	(88,800)
Other Services & Charges	3,732	272,207	30	(272,177)
Capital Outlay	334,104	-	-	-
Ending Fund Balance	-	-	(52,050)	(52,050)
Total Expenditures and Ending Fund Balance	<u>\$ 710,211</u>	<u>\$ 631,697</u>	<u>\$ 116,268</u>	<u>\$ (515,429)</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, 2022

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	(199,400)
Federal Grant Fund	(2,421,416)
Early Childhood Fund	(11,272)
CDBG Fund	(2,210,361)
Emergency Shelter Grant Fund	(165,526)
Metro Medical Response System Fund	1,572
Home Program Fund	(62,722)
HOPWA Grant Fund	(870,619)
Title III Aging Fund	571,471
Americorps Fund	-
Ed Byrne Memorial Grant Fund	(115,302)
Kaboom Grant- Playground Equipment Fund	-
TIGER Grant Fund	-
Blight Elimination Grant Fund	-
MEMA FEMA 4538-DR-MS Fund	159,336
ARPA Fund	-
ESG Coronavirus	(104,285)
DOJ Coronavirus	(748,906)
JPD SAKI	(52,050)
	<hr/>
	(6,229,480)

Amounts reported are different under GAAP basis because:

Revenues under the budgetary basis are recognized	
when cash is received	7,413,590
Ending GAAP basis fund balance	<hr/>
	\$ 1,184,110

OTHER SUPPLEMENTARY INFORMATION

**MAJOR GOVERNMENTAL
FUNDS**

City of Jackson
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
BOND AND INTEREST FUND				
REVENUES				
Current Realty Taxes	\$ 3,915,091	\$ 4,047,435	\$ 4,140,538	\$ 93,103
Current Personal Taxes	1,742,583	1,753,239	1,970,185	216,946
Delinquent Realty Taxes	-	29,449	61,921	32,472
Delinquent Personal Taxes	-	1,415	17,513	16,098
Ad Valorem Tax on Automotive	816,433	816,433	782,657	(33,776)
Aircraft Registration	-	434	868	434
Homestead Exemption	42,672	42,672	189,821	147,149
Homestead Exemption Chargeback	-	29	1,240	1,211
Interest Earnings	21	544	51,202	50,658
Capital City Convention Center	-	912,058	4,677,634	3,765,576
County Taxes	118,786	338,324	328,265	(10,059)
Transfer In/From Water Sewer	-	236,570	-	(236,570)
Transfer In From Other Funds	16,260,362	16,316,322	4,163,157	(12,153,165)
Beginning Fund Balance	1,123,995	-	12,449,472	12,449,472
Total Revenue and Beginning Fund Balance	\$ 24,019,943	\$ 24,494,924	\$ 28,834,473	\$ 4,339,549
EXPENDITURES				
Other Services & Charges	\$ 17,096	\$ 20,540	\$ -	\$ (20,540)
Debt Service	16,302,680	16,442,680	15,951,487	(491,193)
Grants and Contributions	61,368	61,447	-	(61,447)
Operating Transfers	7,638,799	7,970,257	546	(7,969,711)
Ending Fund Balance	-	-	12,882,440	12,882,440
Total Expenditures and Ending Fund Balance	\$ 24,019,943	\$ 24,494,924	\$ 28,834,473	\$ 4,339,549

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**NON-MAJOR
GOVERNMENTAL FUNDS**

Nonmajor Governmental Funds

Parks and Recreation Special Revenue Fund

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

Disability and Relief Special Revenue Fund

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

State Grant Special Revenue Fund

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

Improvement Special Revenue Fund

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

Library Special Revenue Fund

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

Nonmajor Governmental Funds (Cont.)

1998 General Obligation Bond Capital Project Fund

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

Capitol Street 2 – Way Capital Project Fund

To account for revenues restricted for improvements to Capitol Street.

2012 General Obligation Note Capital Project Fund

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

Thalia Mara Hall Renovation Capital Project Fund

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

1% Infrastructure Tax Capital Project Fund

To account for proceeds received for the improvement of infrastructure in the City. Financing is provided by special sales tax of 1%.

Infrastructure Bond 2020 Capital Project Fund

To account for proceeds of bonds issued to finance infrastructure projects.

Modernization Tax Capital Project Fund

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

Museum to Market Capital Project Fund

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

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City of Jackson
Combining Balance Sheet
Nonmajor Special revenue funds
As of September 30, 2022

	Special Revenue					
	Parks and Recreation	Disability and Relief	State Grants	Improvement Fund	Library	Total Special Revenue
ASSETS						
Cash and cash equivalents	\$ 1,110,946	\$ 512,421	\$ 3,938,651	\$ 4,765,414	\$ 260,138	\$ 10,587,570
Receivables	2,440,184	3,303,298	116,901	2,468,911	2,086,552	10,415,846
Total assets	<u>\$ 3,551,130</u>	<u>\$ 3,815,719</u>	<u>\$ 4,055,552</u>	<u>\$ 7,234,325</u>	<u>\$ 2,346,690</u>	<u>\$ 21,003,416</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 497,320	\$ 554,204	\$ 397,108	\$ 1,247,308	\$ -	\$ 2,695,940
Due to other funds	-	-	-	-	-	-
Unearned grant revenue	-	-	2,463,847	32,288	-	2,496,135
Other liabilities	70,725	-	857	-	-	71,582
Total liabilities	<u>568,045</u>	<u>554,204</u>	<u>2,861,812</u>	<u>1,279,596</u>	<u>-</u>	<u>5,263,657</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes levied for subsequent year	2,411,349	3,195,037	-	1,481,327	2,061,703	9,149,416
Total deferred inflow of resources	<u>2,411,349</u>	<u>3,195,037</u>	<u>-</u>	<u>1,481,327</u>	<u>2,061,703</u>	<u>9,149,416</u>
FUND BALANCES						
Restricted	127,907	-	1,193,740	-	284,987	1,606,634
Committed	443,829	66,478	-	4,473,402	-	4,983,709
Total fund balances	<u>571,736</u>	<u>66,478</u>	<u>1,193,740</u>	<u>4,473,402</u>	<u>284,987</u>	<u>6,590,343</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,551,130</u>	<u>\$ 3,815,719</u>	<u>\$ 4,055,552</u>	<u>\$ 7,234,325</u>	<u>\$ 2,346,690</u>	<u>\$ 21,003,416</u>

Capital Projects										Total Nonmajor Governmental Funds
1998 GO Bond	Capital Street 2-way	2012 GO Note	Thalia Mara Hall Renovation	1% Infrastructure Tax Capital Project Fund	Infrastructure Bond 2020 Capital Project Fund	Modernization Tax Capital Fund	Museum-to- Market Project	Total Capital Projects		
\$ -	\$ 409,367	\$ 776,591	\$ -	\$ 19,276,058	\$ 23,161,890	\$ 4,328,671	\$ -	\$ 47,952,577	\$ 58,540,147	
-	14,081	-	-	2,759,517	-	-	257,171	3,030,769	13,446,615	
<u>\$ -</u>	<u>\$ 423,448</u>	<u>\$ 776,591</u>	<u>\$ -</u>	<u>\$ 22,035,575</u>	<u>\$ 23,161,890</u>	<u>\$ 4,328,671</u>	<u>\$ 257,171</u>	<u>\$ 50,983,346</u>	<u>\$ 71,986,762</u>	
\$ -	\$ 2,171	\$ -	\$ -	\$ 1,030,532	\$ 2,669,225	\$ 2,483,645	\$ 54,619	\$ 6,240,192	\$ 8,936,132	
-	-	-	-	-	-	-	202,552	202,552	202,552	
-	-	-	-	-	-	-	-	-	2,496,135	
-	-	-	-	-	-	-	-	-	71,582	
-	2,171	-	-	1,030,532	2,669,225	2,483,645	257,171	6,442,744	11,706,401	
-	-	-	-	-	-	-	-	-	9,149,416	
-	-	-	-	-	-	-	-	-	9,149,416	
-	421,277	776,591	-	21,005,043	20,492,665	1,845,026	-	44,540,602	46,147,236	
-	-	-	-	-	-	-	-	-	4,983,709	
-	421,277	776,591	-	21,005,043	20,492,665	1,845,026	-	44,540,602	51,130,945	
\$ -	\$ 423,448	\$ 776,591	\$ -	\$ 22,035,575	\$ 23,161,890	\$ 4,328,671	\$ 257,171	\$ 50,983,346	\$ 71,986,762	

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue					
	Parks and Recreation	Disability and Relief	State Grants	Improvement Fund	Library	Total Special Revenue
REVENUES						
General property taxes	\$ 2,451,939	\$ 4,614,578	\$ -	\$ 1,340,253	\$ 2,107,453	\$ 10,514,223
Intergovernmental	70,480	463,558	1,006,576	1,427,430	60,877	3,028,921
Admissions, fees, rentals and concessions	401,642	-	-	-	-	401,642
Interest	6,617	1,646	6,390	14,832	-	29,485
Other grants and donations	86,715	-	556,176	-	-	642,891
Total revenues	<u>3,017,393</u>	<u>5,079,782</u>	<u>1,569,142</u>	<u>2,782,515</u>	<u>2,168,330</u>	<u>14,617,162</u>
EXPENDITURES						
Current:						
General government	-	-	527,248	-	-	527,248
Public safety	-	5,078,137	159,199	-	-	5,237,336
Public works	-	-	-	1,410,334	-	1,410,334
Human and cultural services	7,468,406	-	862,528	-	2,065,046	10,395,980
Debt service:						
Principal retirement	318,233	-	-	-	-	318,233
Interest and service charges	28,212	-	-	-	-	28,212
Capital outlay:						
Public works	-	-	-	3,236,657	-	3,236,657
Public safety	-	-	225,000	-	-	225,000
Human and cultural services	365,011	-	88,240	318,743	-	771,994
Total expenditures	<u>8,179,862</u>	<u>5,078,137</u>	<u>1,862,215</u>	<u>4,965,734</u>	<u>2,065,046</u>	<u>22,150,994</u>
Excess (deficiency) of revenues over expenditures	<u>(5,162,469)</u>	<u>1,645</u>	<u>(293,073)</u>	<u>(2,183,219)</u>	<u>103,284</u>	<u>(7,533,832)</u>
OTHER FINANCING SOURCES						
Transfers In	4,612,251	-	-	336,260	-	4,948,511
Transfers Out	(25,000)	-	(137,126)	(167)	-	(162,293)
Issuance of long-term debt	319,430	-	-	-	-	319,430
Total other financing sources	<u>4,906,681</u>	<u>-</u>	<u>(137,126)</u>	<u>336,093</u>	<u>-</u>	<u>5,105,648</u>
Net change in fund balances	(255,788)	1,645	(430,199)	(1,847,126)	103,284	(2,428,184)
Fund balances - beginning	827,524	64,833	1,623,939	6,320,528	181,703	9,018,527
Fund balances - ending	<u>\$ 571,736</u>	<u>\$ 66,478</u>	<u>\$ 1,193,740</u>	<u>\$ 4,473,402</u>	<u>\$ 284,987</u>	<u>\$ 6,590,343</u>

Capital Projects									
1998 GO Bond	Capital Street 2-way	2012 GO Note	Thalia Mara Hall Renovation	1% Infrastructure Tax Capital Project Fund	Infrastructure Bond 2020 Capital Project Fund	Modernization Tax Capital Fund	Museum-to-Market Project	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,514,223
-	14,081	-	-	16,335,635	-	7,273,675	199,260	23,822,651	26,851,572
-	-	-	-	-	-	-	-	-	401,642
-	-	-	-	74,249	227,249	13,138	-	314,636	344,121
-	-	-	-	-	-	-	-	-	642,891
-	14,081	-	-	16,409,884	227,249	7,286,813	199,260	24,137,287	38,754,449
-	-	-	-	-	-	-	-	-	527,248
-	-	-	-	-	-	-	-	-	5,237,336
-	-	-	-	-	60	-	-	60	1,410,394
-	-	-	-	-	-	-	-	-	10,395,980
-	-	-	-	-	-	-	-	-	318,233
-	-	-	-	-	-	-	-	-	28,212
-	29,807	-	-	5,910,084	8,222,314	249,298	186,793	14,598,296	17,834,953
-	-	-	-	-	-	-	-	-	225,000
-	-	-	-	-	-	-	-	-	771,994
-	29,807	-	-	5,910,084	8,222,374	249,298	186,793	14,598,356	36,749,350
-	(15,726)	-	-	10,499,800	(7,995,125)	7,037,515	12,467	9,538,931	2,005,099
-	-	-	-	-	-	-	-	-	4,948,511
(11,143)	-	-	(117)	(5,212,414)	-	(5,772,105)	(70,378)	(11,066,157)	(11,228,450)
-	-	-	-	-	-	-	-	-	319,430
(11,143)	-	-	(117)	(5,212,414)	-	(5,772,105)	(70,378)	(11,066,157)	(5,960,509)
(11,143)	(15,726)	-	(117)	5,287,386	(7,995,125)	1,265,410	(57,911)	(1,527,226)	(3,955,410)
11,143	437,003	776,591	117	15,717,657	28,487,790	579,616	57,911	46,067,828	55,086,355
\$ -	\$ 421,277	\$ 776,591	\$ -	\$ 21,005,043	\$ 20,492,665	\$ 1,845,026	\$ -	\$ 44,540,602	\$ 51,130,945

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
PARKS AND RECREATION (005,0390)				
REVENUES				
Aircraft Registration	\$ 500	\$ 500	\$ 319	\$ (181)
Homestead Exemption	65,000	65,000	69,659	4,659
Homestead Exemption Chargeback	1,000	1,000	502	(498)
Zoo Bond	-	-	-	-
Zoo Gift Shop	-	-	-	-
Zoo Admissions	-	-	-	-
Grove Park	10,000	10,000	-	(10,000)
Grove Park	3,500	3,500	-	(3,500)
Sonny Guy Green Fees	60,000	60,000	77,514	17,514
Sonny Guy Pk Elec Gif Cart Ren	35,000	35,000	51,677	16,677
Sonny Guy Pull Cart	3,000	-	-	-
Range Balls	-	3,000	15,645	12,645
Swimming Fees	10,000	10,000	1,922	(8,078)
Athletic Fees	17,500	17,500	26,366	8,866
Gym User Fees	15,000	15,000	14,722	(278)
Parks Building Rentals	12,500	12,500	11,301	(1,199)
Parks Field Rentals	10,000	10,000	1,410	(8,590)
Parks Concessions	100	100	-	(100)
Parks Programs Registration	7,000	7,000	4,048	(2,952)
Jones Center Rental	8,000	8,000	-	(8,000)
Dance Karate Aerobics	1,000	1,000	-	(1,000)
Parks-Other	2,000	2,000	-	(2,000)
Vendor Fees - Park Events	2,000	2,000	550	(1,450)
Admissions /Summer Festivals	100,000	100,000	1,645	(98,355)
Fitlot	-	-	-	-
Mynelle Garden-Photography	2,161	2,161	200	(1,961)
Mynelle Garden Admissions	5,000	5,000	2,532	(2,468)
Mynelle Garden Rental	499	499	-	(499)
Mynelle Garden Weddings	2,000	2,000	3,800	1,800
Mynelle Garden Gift Shop Sales	200	200	66	(134)
Mynelle Garden Grants	1,211	1,211	-	(1,211)
Donations-Summer Festivals	40,000	40,000	2,500	(37,500)
Rents and Royalties	22,000	22,000	25,010	3,010
Zoo Gift Shop	10,000	10,000	13,958	3,958
Zoo Admissions	150,000	150,000	126,482	(23,518)
Zoo Vendor	35,000	35,000	2,544	(32,456)
Interest Earned On Investments	13	13	50	37
Interest On Checking	5,000	5,000	6,567	1,567
Grants & Donations	30,884	101,180	16,500	(84,680)
Other Departments	1,000	1,000	7,420	6,420
Cemeteries Opening Clsg & Misc	25,000	25,000	20,250	(4,750)
Grants & Donations	-	-	60,296	60,296
Proceeds Of Long Term Debt	-	-	427,931	427,931
Transfers In/From General Fund	5,270,701	5,534,701	4,612,251	(922,450)
Beginning Fund Balance	2,330	125,455	698,342	572,887
Total Revenue from Sources other than Taxation	\$ 5,966,099	\$ 6,423,520	\$ 6,303,979	\$ (119,541)
Taxes				
Real Property	1,422,793	1,422,793	1,428,840	6,047
Personal Property	647,237	647,237	727,507	80,270
Delinquent Real	43,160	43,160	18,949	(24,211)
Delinquent Personal	1,595	1,595	4,661	3,066
Automotive	300,049	300,049	263,827	(36,222)
Total Taxes	2,414,834	2,414,834	2,443,784	28,950
Total Beginning Fund Balance and Anticipated Revenue from all Sources	\$ 8,380,933	\$ 8,838,354	\$ 8,747,763	\$ (90,591)
EXPENDITURES				
Personnel Services	\$ 5,853,691	\$ 5,601,742	\$ 4,984,398	\$ (617,344)
Supplies & Materials	766,435	844,345	811,155	(33,190)
Other Services and Charges	1,179,770	1,698,830	1,672,853	(25,977)
Capital Outlay	519,998	522,398	365,011	(157,387)
Operating Transfers	-	110,000	25,000	(85,000)
Debt Service	61,039	61,039	346,445	285,406
Ending Fund Balance	-	-	542,901	542,901
Total Expenditures and Ending Fund Balance	\$ 8,380,933	\$ 8,838,354	\$ 8,747,763	\$ (90,591)

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
DISABILITY AND RELIEF FUND (055)				
REVENUES				
Real Property	\$ 2,722,604	\$ 2,722,604	\$ 2,716,936	\$ (5,668)
Personal Property	1,211,814	1,211,814	1,335,877	124,063
Delinquent Realty	4,500	4,500	36,523	32,023
Delinquent Personal	7,000	7,000	9,123	2,123
Automotive	567,758	567,758	501,260	(66,498)
Aircraft Registration	450	450	604	154
Homestead Exemption	67,508	67,508	132,004	64,496
Homestead Exemption Chargeback	730	730	863	133
Fire Insurance Premium Tax	-	-	328,435	328,435
Interest Income	-	-	1,646	1,646
Beginning Fund Balance	-	-	(26,917)	(26,917)
Total Revenues and Beginning Fund Balance	\$ 4,582,364	\$ 4,582,364	\$ 5,036,354	\$ 453,990
EXPENDITURES				
Other Services and Charges	\$ 4,582,364	\$ -	\$ -	\$ -
Grants and Contributions	-	4,582,364	4,969,876	387,512
Ending Fund Balance	-	-	66,478	66,478
Total Expenditures and Ending Fund Balance	\$ 4,582,364	\$ 4,582,364	\$ 5,036,354	\$ 453,990

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
STATE GRANTS FUNDS (073, 076, 088, 107, 108, 109, 123, 132, 140, 179, 180, 340, 350, 385,396), 398, 401, 402, 403, 404, 405, 406, 407)				
REVENUES				
Intergovernmental Revenue-Public Safety	\$ 63,213	\$ 63,213	\$ -	\$ (63,213)
Kellogg Foundation	-	-	308,277	308,277
Project Safe Neighborhood	-	-	70,568	70,568
Jones Center-DHS-ARPA	-	520,000	520,654	654
Westside Center-DHS-ARPA	-	520,000	520,654	654
Public Safety Planning-Police Traffic	265,382	265,382	62,391	(202,991)
Mississippi Humanities Council	-	13,500	-	(13,500)
DFA Jackson Zoo Bond	-	86,387	-	(86,387)
DFA-SB2971-Livingston Park	-	100,000	-	(100,000)
DFA-Lake Hico and Northgate	-	150,000	6,420	(143,580)
DFA-SB2971-Tougaloo Center	-	150,000	-	(150,000)
DFA-SB2971-Pete Brown Golf	-	500,000	142,721	(357,279)
DFA-P/W-SB2948	-	3,000,000	-	(3,000,000)
DPS Coronavirus	-	-	10,000	10,000
Small Business Svog	-	207,189	192,768	(14,421)
Interest	10,812	10,812	6,390	(4,422)
Beginning Fund Balance	763,686	763,686	626,189	(137,497)
Total Revenues and Beginning Fund Balance	<u>\$ 1,103,093</u>	<u>\$ 6,350,169</u>	<u>\$ 2,467,032</u>	<u>\$ (3,883,137)</u>
EXPENDITURES				
Salaries	\$ 284,867	\$ 734,867	\$ 600,763	\$ (134,104)
Supplies & Materials	27,892	485,413	148,811	(336,602)
Other Services and Charges	746,334	1,429,716	495,238	(934,478)
Capital Outlay	44,000	3,700,173	88,240	(3,611,933)
Operating Transfers	-	-	137,127	137,127
Ending Fund Balance	-	-	996,853	996,853
Total Expenditures and Ending Fund Balance	<u>\$ 1,103,093</u>	<u>\$ 6,350,169</u>	<u>\$ 2,467,032</u>	<u>\$ (3,883,137)</u>

CAO GRANTS (373)

REVENUES				
RWJ Foundation Grant	\$ -	\$ 223,956	\$ 223,956	\$ -
Rand	-	10,000	10,000	-
Beginning Fund Balance	151,317	130,842	133,042	2,200
Total Revenues and Beginning Fund Balance	<u>\$ 151,317</u>	<u>\$ 364,798</u>	<u>\$ 366,998</u>	<u>\$ 2,200</u>
EXPENDITURES				
Supplies & Materials	\$ 20,552	\$ 20,552	\$ 1,317	\$ (19,235)
Other Services and Charges	130,765	344,246	302,846	(41,400)
Ending Fund Balance	-	-	62,835	62,835
Total Expenditures and Ending Fund Balance	<u>\$ 151,317</u>	<u>\$ 364,798</u>	<u>\$ 366,998</u>	<u>\$ 2,200</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, 2022

	Original	Final	Actual	
	Budget	Budget	Amount	Variance

PLANNING SBDC (0381)

REVENUES

COJ SBDC	\$ -	\$ -	\$ 3,943	\$ 3,943
NLC	-	-	10,000	10,000
Beginning Fund Balance	-	-	3,194	3,194
Total Revenues and Beginning Fund Balance	\$ -	\$ -	\$ 17,137	\$ 17,137

EXPENDITURES

Supplies & Materials	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	-	-	17,137	17,137
Total Expenditures and Ending Fund Balance	\$ -	\$ -	\$ 17,137	\$ 17,137

DFA JACKSON ZOO BOND (374)

REVENUES

Grants and Donations	\$ 725	\$ -	\$ -	\$ -
Intergovernmental - DFA Jackson Zoo Bond	-	86,387	-	(86,387)
Interest Earned	319	-	-	-
Beginning Fund Balance	-	-	14	14
Total Revenues and Beginning Fund Balance	\$ 1,044	\$ 86,387	\$ 14	\$ (86,373)

EXPENDITURES

Other Services and Charges	\$ 1,044	\$ 86,387	\$ -	\$ (86,387)
Ending Fund Balance	-	-	14	14
Total Expenditures and Ending Fund Balance	\$ 1,044	\$ 86,387	\$ 14	\$ (86,373)

DFA JACKSON FIRE BOND (389)

REVENUES

Intergovernmental - State - Fire SB2969	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	225,000	225,000	-
Total Revenues and Beginning Fund Balance	\$ -	\$ 225,000	\$ 225,000	\$ -

EXPENDITURES

Capital Outlay	\$ -	\$ 225,000	\$ 225,000	\$ -
Ending Fund Balance	-	-	-	-
Total Expenditures and Ending Fund Balance	\$ -	\$ 225,000	\$ 225,000	\$ -

City of Jackson
Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
NLC Municipal Reimagining Comm Grant (415)				
REVENUES				
NLC Municipal Reimagining Comm Grant	\$ -	\$ 475,000	\$ -	\$ (475,000)
Total Revenues and Beginning Fund Balance	\$ -	\$ 475,000	\$ -	\$ (475,000)
EXPENDITURES				
Personal Services	\$ -	\$ 221,887	\$ -	\$ (221,887)
Supplies & Materials	-	5,000	-	(5,000)
Other Services & Charges	-	73,113	-	(73,113)
Grants, Contribution	-	175,000	-	(175,000)
Total Expenditures and Ending Fund Balance	\$ -	\$ 475,000	\$ -	\$ (475,000)
BUSINESS IMPROVEMENT TAX ASSESSMENT (007)				
REVENUES				
Real Property Taxes	\$ 1,082,747	\$ 1,082,747	\$ 1,081,435	\$ (1,312)
Interest on Investment	-	-	360	360
Beginning Fund Balance	-	-	15,665	15,665
Total Revenues and Beginning Fund Balance	\$ 1,082,747	\$ 1,082,747	\$ 1,097,460	\$ 14,713
EXPENDITURES				
Grants Contribution	\$ 1,082,747	\$ 1,082,747	\$ 1,081,436	\$ (1,311)
Ending Fund Balance	-	-	16,024	16,024
Total Expenditures and Ending Fund Balance	\$ 1,082,747	\$ 1,082,747	\$ 1,097,460	\$ 14,713
CAPITAL IMPROVEMENT FUND (047, 141, 192, 212, 213, 214, 215, 216, 217, 223, 364, 365)				
REVENUES				
Interest Earned on Investments	\$ 4,319	\$ 4,319	\$ 14,472	\$ 10,153
Intergovernmental-DOT-Reimbursement	-	1,613,016	-	(1,613,016)
Current Realty Taxes	-	260,013	-	(260,013)
Intergovernmental-State - (MDOT)(TRAFFIC)	157,516	157,516	-	(157,516)
Intergovernmental -State- (MDOT) Lynch Street	-	-	605,191	605,191
Intergovernmental-State - (MDOT)STPD 7257-00 (001)	500,000	500,000	-	(500,000)
Intergovernmental-State- (MDOT)- Mill Street	1,649,667	1,649,667	-	(1,649,667)
Intergovernmental-State- Fondren Enhancement Proj	129,533	129,533	-	(129,533)
Intergovernmental-South Jackson Signals	-	-	64,410	64,410
Intergovernmental-CMPDD- North Jackson Signals	13,032	13,032	-	(13,032)
Intergovernmental-Mill, State, Fort Web, Woodrow Wilson	2,888,750	2,888,750	-	(2,888,750)
Intergovernmental-Fast Act	1,264,764	1,264,764	195,451	(1,069,313)
Intergovernmental-Local - (Street Resurfacing)	34,110	34,110	-	(34,110)
Intergovernmental - State Rehab	-	-	771,461	771,461
Intergovernmental-Barr Elementary	-	-	87,297	87,297
Grants and Donations	725	725	-	(725)
Settlement of Insurance	140,481	106,966	-	(106,966)
Proceeds of Long Term Debt	473,985	473,985	-	(473,985)
Operating Transfers	1,185,039	1,185,039	296,260	(888,779)
Beginning Fund Balance	1,022,565	893,232	2,940,956	2,047,724
Total Revenues and Beginning Fund Balance	\$ 9,464,486	\$ 11,174,667	\$ 4,975,498	\$ (6,199,169)
EXPENDITURES				
Supplies	\$ 45,204	\$ 45,204	\$ -	\$ (45,204)
Other Services and Charges	6,307,373	5,496,660	69,000	(5,427,660)
Grants, Contributions	1,265,983	262,142	-	(262,142)
Capital Outlay	1,845,926	5,370,661	3,555,400	(1,815,261)
Operating Transfer	-	-	167	167
Ending Fund Balance	-	-	1,350,931	1,350,931
Total Expenditures and Ending Fund Balance	\$ 9,464,486	\$ 11,174,667	\$ 4,975,498	\$ (6,199,169)

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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
FONDREN BUSINESS IMPROVEMENT FUND (192)				
REVENUES				
Current Realty Taxes	\$ 260,013	\$ 260,013	\$ 259,898	\$ (115)
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ 260,013</u>	<u>\$ 260,013</u>	<u>\$ 259,898</u>	<u>\$ (115)</u>
EXPENDITURES				
Grants, Contribution	\$ 260,013	\$ 260,013	\$ 259,898	\$ (115)
Ending Fund Balance	-	-	-	-
Total Expenditures and Ending Fund Balance	<u>\$ 260,013</u>	<u>\$ 260,013</u>	<u>\$ 259,898</u>	<u>\$ (115)</u>
GRAND GULF EMERGENCY PLANNING (365)				
REVENUES				
Interest	\$ 31	\$ 31	\$ -	\$ (31)
Nuclear Power Plant	-	-	-	-
Transfers In/From Other Funds	160,000	160,000	40,000	(120,000)
Beginning Fund Balance	2,078,862	2,078,862	2,078,862	-
Total Revenues and Beginning Fund Balance	<u>\$ 2,238,893</u>	<u>\$ 2,238,893</u>	<u>\$ 2,118,862</u>	<u>\$ (120,031)</u>
EXPENDITURES				
Other Services and Charges	\$ 31	\$ 31	\$ -	\$ (31)
Grants, Contribution	2,238,862	2,238,862	-	(2,238,862)
Ending Fund Balance	-	-	2,118,862	2,118,862
Total Expenditures and Ending Fund Balance	<u>\$ 2,238,893</u>	<u>\$ 2,238,893</u>	<u>\$ 2,118,862</u>	<u>\$ (120,031)</u>

City of Jackson
Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
LIBRARY FUND 399				
REVENUES				
Current Realty Tax	\$ 1,230,716	\$ 1,230,716	\$ 1,235,930	\$ 5,214
Current Personal	559,860	559,860	616,285	56,425
Delinquent Realty	-	10,496	16,346	5,850
Delinquent Personal	-	2,656	3,995	1,339
Ad Valorem Tax on Automobile	259,542	259,542	227,745	(31,797)
Aircraft	-	276	275	(1)
Homestead Exemption	-	27,005	60,255	33,250
Homestead Exemption Chargeback	-	282	347	65
Beginning Fund Balance	-	-	164,006	164,006
Total Revenues and Beginning Fund Balance	\$ 2,050,118	\$ 2,090,833	\$ 2,325,184	\$ 234,351
EXPENDITURES				
Other Services and Charges	\$ 116,262	\$ 116,262	\$ 118,038	\$ 1,776
Grants and Contributions	1,933,856	1,974,571	1,947,008	(27,563)
Ending Fund Balance	-	-	260,138	260,138
Total Expenditures and Ending Fund Balance	\$ 2,050,118	\$ 2,090,833	\$ 2,325,184	\$ 234,351

City of Jackson
1998 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

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

City of Jackson
2003 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
G.O.PUB IMPROVEMENT CONSTRUCTION BOND (148)				
REVENUES				
Intergovernmental- STATE (MDOT-LYNCH)	\$ 3,507,557	\$ 3,507,445	\$ -	\$ (3,507,445)
Total Revenues and Beginning Fund Balance	<u>\$ 3,507,557</u>	<u>\$ 3,507,445</u>	<u>\$ -</u>	<u>\$ (3,507,445)</u>
EXPENDITURES				
Other Services and Charges	\$ 3,282,881	\$ 3,310,830	\$ -	\$ (3,310,830)
Capital Outlay	-	188,877	-	(188,877)
Grants and Contributions & Conting	224,676	7,738	-	(7,738)
Total Expenditures and Ending Fund Balance	<u>\$ 3,507,557</u>	<u>\$ 3,507,445</u>	<u>\$ -</u>	<u>\$ (3,507,445)</u>

City of Jackson
2009 General Obligation Bond Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
G.O. BONDS 2009 STREET CONSTRUCTION FUND (168)				
REVENUES				
Beginning Fund Balance	\$ 1,735	\$ 1,735	\$ -	\$ (1,735)
Total Revenues and Beginning Fund Balance	\$ 1,735	\$ 1,735	\$ -	\$ (1,735)
EXPENDITURES				
Other Services and Charges	\$ 1,735	\$ 1,735	\$ -	\$ (1,735)
Total Expenditures and Ending Fund Balance	\$ 1,735	\$ 1,735	\$ -	\$ (1,735)

City of Jackson
 Capitol Street 2 - Way Capital Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
CAPITOL STREET 2-WAY PROJECT (171)				
REVENUES				
MDA-Cap	\$ -	\$ -	\$ 85,400	\$ 85,400
Beginning Fund Balance	22,321	100,000	351,603	251,603
Total Revenues and Beginning Fund Balance	\$ 22,321	\$ 100,000	\$ 437,003	\$ 337,003
EXPENDITURES				
Other Services and Charges	\$ 22,321	\$ 22,320	\$ -	\$ (22,320)
Capital Outlay	-	77,680	29,807	(47,873)
Ending Fund Balance	-	-	407,196	407,196
Total Expenditures and Ending Fund Balance	\$ 22,321	\$ 100,000	\$ 437,003	\$ 337,003

City of Jackson
2012 General Obligation Note Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
2012 G.O. NOTE-CAPITAL PROJECT FUND (190)				
REVENUES				
Beginning Fund Balance	\$ 752,253	\$ 752,253	\$ 776,591	\$ 24,338
Total Revenues and Beginning Fund Balance	<u>\$ 752,253</u>	<u>\$ 752,253</u>	<u>\$ 776,591</u>	<u>\$ 24,338</u>
EXPENDITURES				
Other Services and Charges	\$ 429,413	\$ 429,413	\$ -	\$ (429,413)
Capital Outlay	62,187	62,187	-	(62,187)
Grants and Contributions	260,653	260,653	-	(260,653)
Ending Fund Balance	-	-	776,591	776,591
Total Expenditures and Ending Fund Balance	<u>\$ 752,253</u>	<u>\$ 752,253</u>	<u>\$ 776,591</u>	<u>\$ 24,338</u>

City of Jackson
Thalia Mara Hall Renovation Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

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

City of Jackson
1% Infrastructure Tax - Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
1% INFRASTRUCTURE TAX (173)				
REVENUES				
General Property Taxes	\$9,182,409	\$10,747,324	\$16,224,916	\$5,477,592
Applied Fund Balance	-	1,512,706	13,068,859	11,556,153
PMTS from Other Funds	7,249,523	4,935,307	-	(4,935,307)
Interest	-	-	74,249.40	74,249.40
Total Revenues and Beginning Fund Balance	<u>\$ 16,431,932</u>	<u>\$ 17,195,337</u>	<u>\$ 29,368,024</u>	<u>\$ 12,172,687</u>
EXPENDITURES				
Other Services and Charges	\$ 6,086,892	\$ 7,725,813	\$ -	\$ (7,725,813)
Capital Outlay	119,569	5,302,462	5,910,084	607,622
Grants, Contribution	9,182,409	-	-	-
Transfers and Other Functions	1,043,062	4,167,062	5,212,414	1,045,352
Ending Fund Balance	-	-	18,245,526	18,245,526
Total Expenditures and Ending Fund Balance	<u>\$ 16,431,932</u>	<u>\$ 17,195,337</u>	<u>\$ 29,368,024</u>	<u>\$ 12,172,687</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, 2022

	Original Budget	Final Budget	Actual Amount	Variance
INFRASTRUCTURE BOND 2020 (157)				
REVENUES				
Interest Earned on Repos	\$ -	\$ 190,850	\$ 227,249	\$ 36,399
Beginning Fund Balance	34,989,814	43,338,802	28,487,790	(14,851,012)
Total Revenues and Beginning Fund Balance	<u>\$ 34,989,814</u>	<u>\$ 43,529,652</u>	<u>\$ 28,715,039</u>	<u>\$ (14,814,613)</u>
EXPENDITURES				
Other Services & Charges	\$ 3,225,472	\$ 9,870	\$ 60	\$ (9,810)
Capital Outlay	858,933	20,686,196	8,222,314	(12,463,882)
Grants, Contribution	30,233,677	22,833,586	-	(22,833,586)
Debt Service	671,732	-	-	-
Ending Fund Balance	-	-	20,492,665	20,492,665
Total Expenditures and Ending Fund Balance	<u>\$ 34,989,814</u>	<u>\$ 43,529,652</u>	<u>\$ 28,715,039</u>	<u>\$ (14,814,613)</u>

City of Jackson
Modernization Tax Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
MODERNIZATION TAX (372)				
REVENUES				
Modernization Tax	\$ 1,964,344	\$ 7,386,780	\$ 7,273,675	\$ (113,105)
Interest Earned	-	-	13,138	13,138
Beginning Fund Balance	566,476	566,476	579,616	13,140
Total Revenues and Beginning Fund Balance	<u>\$ 2,530,820</u>	<u>\$ 7,953,256</u>	<u>\$ 7,866,429</u>	<u>\$ (86,827)</u>
EXPENDITURES				
Other Services and Charges	\$ -	\$ 224,546	\$ -	\$ (224,546)
Capital Outlay	1,964,344	7,420,060	249,298	(7,170,762)
Grants and Contributions	566,476	308,650	-	(308,650)
Operating Transfers	-	-	5,772,105	5,772,105
Ending Fund Balance	-	-	1,845,026	1,845,026
Total Expenditures and Ending Fund Balance	<u>\$ 2,530,820</u>	<u>\$ 7,953,256</u>	<u>\$ 7,866,429</u>	<u>\$ (86,827)</u>

City of Jackson
Museum To Market Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance
MUSEUM TO MARKET PROJECT (351)				
REVENUES				
Intergovernmental-State	\$ 127,009	\$ 127,009	\$ -	\$ (127,009)
Beginning Fund Balance	-	-	-	-
Total Revenues and Beginning Fund Balance	<u>\$ 127,009</u>	<u>\$ 127,009</u>	<u>\$ -</u>	<u>\$ (127,009)</u>
EXPENDITURES				
Capital Outlay	\$ -	\$ -	\$ 186,793	\$ 186,793
Other Services and Charges	127,009	127,009	-	(127,009)
Transfers To/From Other Funds	-	-	70,378	70,378
Ending Fund Balance	-	-	(257,171)	(257,171)
Total Expenditures and Ending Fund Balance	<u>\$ 127,009</u>	<u>\$ 127,009</u>	<u>\$ -</u>	<u>\$ (127,009)</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, 2022

	Madison-Ridgeland Sewage	Transportation	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 1,373,140	\$ 1,373,140
Intergovernmental Receivables	-	547,316	547,316
Total Current Assets	-	1,920,456	1,920,456
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	745,380	1,333,198
Automotive and other equipment	5,278	16,315,308	16,320,586
	593,096	26,175,282	26,768,378
Less: accumulated depreciation	(354,849)	(11,965,565)	(12,320,414)
Net property, plant and equipment	238,247	14,209,717	14,447,964
Total Assets	238,247	16,130,173	16,368,420
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - other post employment benefits	-	149,453	149,453
Deferred outflows of resources - pension	-	113,605	113,605
Total deferred outflows of resources	-	263,058	263,058

City of Jackson
Combining Statement of Net Position
Proprietary Funds - Nonmajor Enterprise Funds
As of September 30, 2022

	Madison-Ridgeland Sewage	Transportation	Totals
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 729,885	\$ 729,885
Other Post Employment Benefits liability	-	4,963	4,963
Compensated absences	-	3,984	3,984
Lease obligations	-	5,369	5,369
Total Current Liabilities	-	744,201	744,201
Net pension liability	-	796,970	796,970
Other Post Employment Benefits liability	-	162,749	162,749
Compensated absences	-	15,401	15,401
Lease obligations	-	3,316	3,316
Total long-term liabilities	-	978,436	978,436
Total Liabilities	-	1,722,637	1,722,637
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - other post employment benefits	-	251,291	251,291
Deferred inflows of resources - pension	-	208,946	208,946
Total deferred inflows of resources	-	460,237	460,237
NET POSITION			
Net investment in capital assets	238,247	14,201,032	14,439,279
Unrestricted	-	9,325	9,325
Total Net Position	\$ 238,247	\$ 14,210,357	\$ 14,448,604

City of Jackson
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Madison-Ridgeland Sewage	Transportation	Totals
Operating Revenues:			
Sales to Customers	\$ 50,736	\$ 332,235	\$ 382,971
Total Operating Revenues	<u>50,736</u>	<u>332,235</u>	<u>382,971</u>
Operating Expenses:			
Personnel services	-	365,179	365,179
Supplies	-	630,944	630,944
Other services and charges	50,736	7,937,325	7,988,061
Depreciation	11,100	1,524,699	1,535,799
Total Operating Expenses	<u>61,836</u>	<u>10,458,147</u>	<u>10,519,983</u>
Operating Income (Loss)	<u>(11,100)</u>	<u>(10,125,912)</u>	<u>(10,137,012)</u>
Nonoperating Revenues (Expenses):			
Noncapital grants	-	5,316,003	5,316,003
Interest revenue	-	9,464	9,464
Interest and service charges on long-term debt	-	(823)	(823)
Gain on sale of capital assets	-	152	152
Total nonoperating revenues (expenses)	<u>-</u>	<u>5,324,796</u>	<u>5,324,796</u>
Income (loss) before transfers	<u>(11,100)</u>	<u>(4,801,116)</u>	<u>(4,812,216)</u>
Transfers In:			
General Fund	-	1,318,660	1,318,660
Change in Net Position	<u>(11,100)</u>	<u>(3,482,456)</u>	<u>(3,493,556)</u>
Total net position - beginning, as restated	<u>249,347</u>	<u>17,692,813</u>	<u>17,942,160</u>
Total net position - ending	<u><u>\$ 238,247</u></u>	<u><u>\$ 14,210,357</u></u>	<u><u>\$ 14,448,604</u></u>

City of Jackson
Combining Statement of Cash Flows
Proprietary Funds - Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Madison- Ridgeland Sewage	Transportation	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 50,736	\$ 332,235	\$ 382,971
Payments to suppliers	(50,736)	(8,996,658)	(9,047,394)
Payments to employees	-	(328,188)	(328,188)
Payments to internal service fund	-	(65,650)	(65,650)
Net cash provided (used) by operating activities	<u>-</u>	<u>(9,058,261)</u>	<u>(9,058,261)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants	-	5,943,421	5,943,421
Transfers from other funds	-	1,318,660	1,318,660
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>7,262,081</u>	<u>7,262,081</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(833,681)	(833,681)
Principal paid on capital debt	-	(4,997)	(4,997)
Proceeds from capital asset sales	-	152	152
Interest paid on capital debt	-	(823)	(823)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(839,349)</u>	<u>(839,349)</u>
Cash Flows from Investing Activities			
Interest on investments	-	9,464	9,464
Net cash provided (used) by investing activities	<u>-</u>	<u>9,464</u>	<u>9,464</u>
Net increase (decrease) in cash and cash equivalents	-	(2,626,065)	(2,626,065)
Cash and cash equivalents at beginning of year	-	3,999,205	3,999,205
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 1,373,140</u>	<u>\$ 1,373,140</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities			
Operating Income (Loss)	\$ (11,100)	\$ (10,125,912)	\$ (10,137,012)
Adjustments:			
Depreciation	11,100	1,524,699	1,535,799
Increase (decrease) in accounts payable and accrued expenses	-	(426,861)	(426,861)
Increase (decrease) in compensated absences	-	(2,549)	(2,549)
Increase (decrease) in pension liability and deferred inflows (outflows)	-	(35,467)	(35,467)
Increase (decrease) in other post-employment liabilities and deferred inflows (outflows)	-	7,829	7,829
Total adjustments	<u>11,100</u>	<u>1,067,651</u>	<u>1,078,751</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (9,058,261)</u>	<u>\$ (9,058,261)</u>

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Fiduciary Funds

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 and the Jackson Convention & Visitors Bureau.

CITY OF JACKSON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2022

	Mausoleum Trust Fund	Private-Purpose Trust Fund Total
	<u> </u>	<u> </u>
ASSETS		
Investment at fair value:		
Certificate of deposit	\$ <u>32,869</u>	\$ <u>32,869</u>
Total assets	<u>32,869</u>	<u>32,869</u>
 LIABILITIES		
Total liabilities	<u>-</u>	<u>-</u>
 NET POSITION		
Restricted for individuals and organizations	<u>32,869</u>	<u>32,869</u>
 Total net position	\$ <u><u>32,869</u></u>	\$ <u><u>32,869</u></u>

CITY OF JACKSON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Mausoleum Trust Fund	Private-Purpose Trust Fund Total
	<u> </u>	<u> </u>
Additions:		
Interest	\$ <u> 25 </u>	\$ <u> 25 </u>
Total additions	<u> 25 </u>	<u> 25 </u>
 Deductions:		
Maintenance	<u> - </u>	<u> - </u>
Total deductions	<u> - </u>	<u> - </u>
 Change in Net Position	25	25
 Net position - beginning of year	<u> 32,844 </u>	<u> 32,844 </u>
 Net position - end of year	\$ <u><u> 32,869 </u></u>	\$ <u><u> 32,869 </u></u>

**CITY OF JACKSON
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2022**

	Jackson Convention & Visitors Bureau Custodial Fund	Jackson Municipal Separate School District Custodial Fund	Custodial Funds Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,569	\$ -	\$ 2,569
Taxes receivable	<u>554,207</u>	<u>-</u>	<u>554,207</u>
Total assets	<u>556,776</u>	<u>-</u>	<u>556,776</u>
LIABILITIES			
Payable to other governments	<u>556,776</u>	<u>-</u>	<u>556,776</u>
Total liabilities	<u>556,776</u>	<u>-</u>	<u>556,776</u>
NET POSITION			
Restricted for other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JACKSON
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Jackson Convention & Visitors Bureau Custodial Fund</u>	<u>Jackson Municipal Separate School District Custodial Fund</u>	<u>Custodial Funds Total</u>
Additions:			
Sales tax collected for other governments	\$ 3,573,415	\$ -	\$ 3,573,415
Property tax collected for other governments	<u>-</u>	<u>16,423,868</u>	<u>16,423,868</u>
Total additions	<u>3,573,415</u>	<u>16,423,868</u>	<u>19,997,283</u>
Deductions:			
Sales tax distributed to other governments	3,573,415	-	3,573,415
Property tax distributed to other governments	<u>-</u>	<u>16,423,868</u>	<u>16,423,868</u>
Total deductions	<u>3,573,415</u>	<u>16,423,868</u>	<u>19,997,283</u>
Change in Net Position	-	-	-
Net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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CITY OF JACKSON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
COMPARATIVE SCHEDULES BY SOURCE (1)
SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Governmental activities capital assets:		
Land	\$ 13,720,748	\$ 13,720,748
Buildings	112,601,082	109,291,971
Automotive and equipment:	89,984,138	87,817,798
Infrastructure	445,312,504	395,795,286
Construction in progress	<u>24,031,910</u>	<u>48,838,852</u>
Total governmental activities capital assets	<u>\$ 685,650,382</u>	<u>\$ 655,464,655</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	132,636,650	123,559,110
Special Revenue Fund revenues	166,618,377	163,649,338
Special Assessment bonds	2,123,934	2,123,934
General Obligation bonds	276,900,766	268,359,709
Limited Obligation bonds	10,861,614	10,861,614
Debt Service Fund revenues	65,000	65,000
Federal grants	74,159,220	69,196,561
State grants	7,800,072	3,250,148
County grants	<u>764,001</u>	<u>678,493</u>
Total governmental activities capital assets	<u>\$ 685,650,382</u>	<u>\$ 655,464,655</u>

(1) This schedule presents only the capital asset balances (excluding right-of-use lease assets and 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, 2022

	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	-	2,784,033	658,952	1,112,809	-	4,555,794
Code Services	-	-	-	678,246	-	678,246
Telecommunication	-	5,907,442	39,036	157,799	-	6,104,277
Data Processing / Information System	-	42,257	999,402	13,199,867	-	14,241,526
Vehicle Pool Fund	-	-	-	1,561,005	-	1,561,005
Mayor's Office of Development Assistance	100,000	-	-	104,679	-	204,679
Office Services	-	-	-	146,335	-	146,335
Purchasing	-	-	-	50,452	-	50,452
Finance and Management	-	2,299,392	133,238	288,302	-	2,720,932
Personnel	-	913,546	-	225,894	-	1,139,440
Municipal Court Services	-	-	-	1,466,044	-	1,466,044
Vehicle Maintenance	-	5,816	-	655,395	-	661,211
Minority Business Development	-	-	-	27,598	-	27,598
Total general government	100,000	11,952,486	1,830,628	19,674,425	-	33,557,539
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	-	330,099	16,109	256,428	-	602,636
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	105,827	-	579,341
Total health and welfare	46,245	2,475,437	17,985	742,571	-	3,282,238
Public Safety:						
Fire Department	75,000	6,203,524	3,672,248	22,388,594	-	32,339,366
Police Department	123,992	19,421,475	10,784,134	26,456,301	-	56,785,902
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	28,715,727	18,958,888	49,296,717	-	97,170,324
Public Works:						
Cemeteries	-	8,430	-	143,318	-	151,748
Engineering	585,273	1,020,866	70,359,292	5,113,391	16,072,603	93,151,425
Traffic Engineering	-	17,215	1,691,826	2,219,157	-	3,928,198
Traffic Signals	-	-	2,413,734	213,138	-	2,626,872
Care and Maintenance of Public Buildings	-	8,370,925	9,568,504	73,658	-	18,013,087
Building & Ground	-	516,800	-	-	-	516,800
Custodial Services	-	-	-	34,818	-	34,818
Public Works Deputy Dir/Adm	-	-	-	137,832	-	137,832
Public Works Infrastructure Management	-	747,854	108,159,108	1,020,819	7,308,210	117,235,991
Pest Control	-	-	-	1,426	-	1,426
Streets	354,278	-	142,753,338	-	-	143,107,616
Storm Drainage	-	-	72,186,871	848,551	-	73,035,422
Bridges	-	-	1,787,206	-	-	1,787,206
Soil Conservation	-	120,000	112,159	-	-	232,159
Total public works	939,551	10,802,090	409,032,038	9,806,108	23,380,813	453,960,600
Culture and Recreation:						
Planetarium	-	827,313	34,963	1,342,865	651,097	2,856,238
Jackson Zoological Park	-	3,000,000	3,408,723	465,122	-	6,873,845
Municipal Art Building	-	271,502	29,049	5,907	-	306,458
Parks Maintenance	-	114,275	8,700	423,438	-	546,413
Parks and Recreation	225,820	19,494,301	8,698,033	3,885,003	-	32,303,157
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	40,664,222	15,229,965	6,446,936	651,097	63,218,040
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	\$ 112,601,082	\$ 445,312,504	\$ 89,984,138	\$ 24,031,910	\$ 685,650,382

(1) This schedule presents capital asset balances related to governmental activities (excluding right-of-use lease assets and accumulated depreciation).

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, 2022

	Governmental Activities Capital Assets			Governmental Activities Capital Assets
	September 30, 2021	Additions	Deductions	September 30, 2022
Assets prior to 1985 not segregated by function and activity	\$ 13,681,448	-	-	13,681,448
General Government:				
Planning	2,692,680	4,316,764	2,453,650	4,555,794
Code Services	678,246	-	-	678,246
Telecommunication	6,104,277	-	-	6,104,277
Data Processing / Information System	14,241,526	-	-	14,241,526
Vehicle Pool Fund	1,561,005	-	-	1,561,005
Mayor's Office of Development Assistance	204,679	-	-	204,679
Office Services	146,335	-	-	146,335
Purchasing	50,452	-	-	50,452
Finance and Management	2,720,932	-	-	2,720,932
Personnel	1,139,440	-	-	1,139,440
Municipal Court Services	1,466,044	-	-	1,466,044
Vehicle Management	661,211	-	-	661,211
Minority Business Development	27,598	-	-	27,598
Total general government	31,694,425	4,316,764	2,453,650	33,557,539
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	96,500	48,250	602,636
Senior Centers/Community Centers	1,442,169	-	-	1,442,169
Group Home	46,245	-	-	46,245
Human and Cultural Services	539,351	39,990	-	579,341
Total health and welfare	3,193,998	136,490	48,250	3,282,238
Public Safety:				
Fire Department	30,602,769	2,144,252	407,655	32,339,366
Police Department	56,507,992	277,910	-	56,785,902
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	95,155,817	2,422,162	407,655	97,170,324
Public Works:				
Cemeteries	151,748	-	-	151,748
Engineering	82,940,590	32,949,272	22,738,437	93,151,425
Traffic Engineering	3,928,198	-	-	3,928,198
Traffic Signals	2,568,536	1,456,018	1,397,682	2,626,872
Care and Maintenance of Public Buildings	18,013,087	-	-	18,013,087
Building and Ground	516,800	-	-	516,800
Custodial Services	34,818	-	-	34,818
Public Works Deputy Dir/Adm	137,832	-	-	137,832
Public Works Infrastructure Management	102,010,579	40,606,510	25,381,098	117,235,991
Pest Control	1,426	-	-	1,426
Streets	143,107,616	-	-	143,107,616
Storm Drainage	73,025,172	10,250	-	73,035,422
Bridges	1,787,206	-	-	1,787,206
Soil Conservation	232,159	-	-	232,159
Total public works	428,455,767	75,022,050	49,517,217	453,960,600
Culture and Recreation:				
Planetarium	2,449,986	542,608	136,356	2,856,238
Jackson Zoological Park	6,873,845	-	-	6,873,845
Municipal Art Building	43,258	526,400	263,200	306,458
Parks Maintenance	546,413	-	-	546,413
Parks and Recreation	32,257,576	45,581	-	32,303,157
Teen Center	5,293	-	-	5,293
Library	8,065,653	-	-	8,065,653
Smith Robertson Cultural Center	1,637,150	-	-	1,637,150
City Auditorium and Art Center	10,623,833	-	-	10,623,833
Total culture and recreation	62,503,007	1,114,589	399,556	63,218,040
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	\$ 655,464,655	83,012,055	52,826,328	685,650,382

(1) This schedule presents capital asset balances related to governmental activities (excluding right-of-use lease assets and accumulated depreciation).

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**SCHEDULE OF BONDS
OF CITY OFFICIALS**

**CITY OF JACKSON
SCHEDULE OF BONDS OF CITY OFFICIALS
SEPTEMBER 30, 2022**

Position		Insurer	Coverage per each	Term of bond
All employees except City Council, Mayor, City Administrative Officer, Director of Administration, Chief of Police, Deputy Chief of Police, City Clerk, Deputy Clerks	Blanket bond	Porter's Ins/ Western Surety	\$100,000	10/01/21-10/01/22 10/01/22-10/01/23
City Council	Angelique Lee	Statewide Ins/ Travelers	\$100,000	07/01/22-07/01/23
	Aaron Banks	Porter's Ins/ Western Surety	\$100,000	07/03/21-07/03/25
	Vernon Hartley	Statewide Ins/ Travelers	\$100,000	07/01/22-07/01/23
	Brian Grizzell	Statewide Ins/ Travelers	\$100,000	07/01/22-07/01/23
	Kenneth I. Stokes	Statewide Ins/ Old Republic Surety	\$100,000	07/01/22-07/01/23
	Ashby Foote	Ross & Yerger/ Brierfield Insur Co/ FCCI	\$100,000	12/23/18-12/23/22 12/23/22-12/23/26
	Virgi Lindsay	Statewide Ins/ Old Republic Surety	\$100,000	07/01/22-07/30/23
Mayor	Chokwe A. Lumumba	Porter's Insur/ Western Surety	\$100,000	06/28/21-06/28/25
Chief of Staff	Dr. Safiya Omari	Statewide Ins/ Old Republic Surety	\$50,000	01/28/22-01/28/23
City Administrative Officer	Louis Wright	Statewide Ins/ Old Republic Surety	\$50,000	08/16/22-08/16/23
Chief Financial Officer	Fidelis Malembeka	Statewide Ins/ Old Republic Surety	\$50,000	10/26/21-10/26/22 10/26/22-10/26/23
City Clerk	Angela Harris	Statewide Ins / Old Republic Surety	\$50,000	09/12/22-09/12/23
Director of Administration	VACANT AT 9/30/22			
Chief of Police	James Davis	Statewide Ins/ Old Republic Surety	\$50,000	12/23/21-12/23/22
Assistant Police Chief	Joseph Wade	Statewide Ins/ Travelers	\$50,000	01/21/22-01/21/23
Deputy Chief of Police	Tyrone Buckley	Statewide Ins/ Travelers	\$50,000	08/17/22-08/17/23
	Vincent Grizzell	Statewide Ins/ Travelers	\$50,000	07/27/22-07/27/23
	Tiny Harris	Statewide Ins/ Old Republic Surety	\$50,000	07/26/22-07/26/23
	Deric Hearn	Statewide Ins/ Old Republic Surety	\$50,000	07/26/22-07/26/23
Assistant City Clerk	VACANT AT 9/30/22			
Deputy Clerks	Pamela Palmer	Statewide Ins/ Travelers	\$50,000	11/21/21-11/21/22
	Kalif Wilkes	Statewide Ins/ Travelers	\$50,000	02/16/22-02/16/23
	Whitley Phillips	Statewide Ins/ Old Republic	\$50,000	06/02/22-06/02/23
	Maurice McIntosh	Statewide Ins/ Travelers	\$50,000	08/05/22-08/05/23
	Lakisha Walker	Statewide Ins/ Travelers	\$50,000	04/26/22-04/26/23
	Jernigan Cassidy	Statewide Ins/ Travelers	\$50,000	05/09/22-05/09/23
	Kathy Cole	Statewide Ins/ Travelers	\$50,000	07/21/22-07/21/23
	Willie Manning Jr	Statewide Ins/ Travelers	\$50,000	08/29/22-08/29/23
	Tamya Nickson	Statewide Ins/ Travelers	\$50,000	09/12/22-09/12/23

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STATISTICAL SECTION

(UNAUDITED)

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

Contents	Page
Financial Trends	176
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	181
These schedules contain information to help the reader assess the City of Jackson's most significant local revenue source, the property tax.	
Debt Capacity	186
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	192
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	195
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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 325,706	\$ 284,282	\$ 256,952	\$ 259,506	\$ 229,661	\$ 210,819	\$ 125,653	\$ 121,798	\$ 197,641	\$ 179,234
Restricted	42,202	63,011	70,714	36,814	43,488	44,637	5,961	5,926	5,726	13,446
Unrestricted	(263,120)	(276,867)	(287,064)	(282,710)	(277,805)	(276,849)	(190,475)	(173,696)	(8,168)	(45,855)
Total governmental activities net position	<u>\$ 104,788</u>	<u>\$ 70,426</u>	<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>
Business-type activities										
Net investment in capital assests	\$ 197,715	\$ 194,928	\$ 197,266	\$ 235,404	\$ 242,146	\$ 240,550	\$ 218,760	\$ 213,137	\$ 192,012	\$ 101,011
Restricted	642	640	5,145	1,284	3,491	8,261	-	-	-	-
Unrestricted	(19,170)	19,257	42,390	7,899	16,543	15,928	68,728	59,674	84,672	159,496
Total business-type activities net position	<u>\$ 179,187</u>	<u>\$ 214,825</u>	<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>
Primary government										
Net investment in capital assests	\$ 523,421	\$ 479,210	\$ 454,218	\$ 494,910	\$ 471,807	\$ 451,369	\$ 344,413	\$ 334,935	\$ 389,653	\$ 371,696
Restricted	42,844	63,651	75,859	38,098	46,979	52,898	5,961	5,926	5,726	15,041
Unrestricted	(28,290)	(257,610)	(244,674)	(274,811)	(261,262)	(260,921)	(121,747)	(114,022)	76,504	113,641
Total primary government net position	<u>\$ 283,975</u>	<u>\$ 285,251</u>	<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>

Source: Statement of Net Position.

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

Expenses	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government	\$ 35,678	\$ 36,992	\$ 37,769	\$ 38,798	\$ 35,428	\$ 31,782	\$ 40,546	\$ 40,625	\$ 15,780	\$ 40,602
Public safety	60,704	53,541	65,372	62,601	62,809	67,089	68,029	64,796	27,031	64,780
Public works	22,779	22,233	21,741	20,491	14,714	14,338	13,375	19,595	14,505	24,661
Human and cultural services	17,161	16,795	16,884	16,710	17,694	16,571	16,297	16,720	7,831	14,311
Employee benefits	-	-	-	-	-	-	6,485	1,564	8,232	7,860
Interest on long-term debt	4,321	4,797	5,669	5,331	5,236	5,570	7,825	5,912	844	8,230
Total governmental activities	140,643	134,358	147,435	143,930	135,881	135,350	152,557	149,212	74,223	160,444
Business-type activities:										
Water/Sewer	78,398	70,865	68,277	77,587	67,911	65,503	50,962	45,439	55,553	48,891
Transportation	10,459	9,882	10,275	8,680	7,837	7,054	8,200	8,213	7,995	7,554
Madison-Ridgeland Sewage	62	86	223	113	25,971	117	60	55	109	82
Sanitation	13,177	11,940	10,761	11,084	10,657	10,904	11,996	10,857	10,766	11,699
Total business-type activities	102,096	92,773	89,536	97,464	86,431	83,578	71,219	64,564	74,423	68,226
Total primary government	\$ 242,739	\$ 227,131	\$ 236,971	\$ 241,394	\$ 222,312	\$ 218,928	\$ 223,776	\$ 213,776	\$ 148,646	\$ 228,670
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,497	\$ 6,114	\$ 6,428	\$ 6,565	\$ 6,028	\$ 5,601	\$ 8,439	\$ 9,281	\$ 10,875	\$ 14,204
Public Safety	2,077	2,145	1,895	2,023	2,075	2,757	288	195	1,348	823
Public Works	34	49	75	101	144	167	208	195	162	200
Human and cultural services	912	721	571	740	596	607	658	455	464	595
Operating grants contributions	24,036	8,571	13,295	11,756	9,580	10,394	13,486	11,912	8,251	12,261
Capital grants and contributions	16,453	15,005	21,053	16,249	10,075	4,190	2,697	5,200	7,016	11,291
Total governmental activities	50,009	32,605	43,317	37,434	28,498	23,716	25,776	27,238	28,116	39,374
Business-type activities:										
Charges for services:										
Water/Sewer	28,180	33,101	47,754	49,863	57,709	61,212	63,085	59,849	69,423	44,052
Transportation	332	-	229	443	506	426	406	716	710	677
Madison-Ridgeland Sewage	51	117	195	70	9	-	-	-	-	-
Sanitation	5,110	6,676	8,537	8,374	9,502	10,272	11,606	11,349	11,024	11,311
Operating grants contributions	5,347	9,253	8,047	5,553	5,312	4,977	509	570	506	582
Capital grants and contributions	3,704	-	500	-	-	338	6,415	2,143	2,516	4,675
Total business-type activities	42,724	49,147	65,262	64,303	73,038	77,225	82,021	74,627	84,179	61,297
Net (expense)/revenue										
Governmental activities	(90,634)	(101,753)	(104,118)	(106,496)	(107,383)	(111,634)	(126,781)	(121,974)	(46,108)	(121,070)
Business-type activities	(59,372)	(43,626)	(24,274)	(33,161)	(13,393)	(6,353)	10,802	10,063	9,756	(6,929)
Total primary government net expenses	\$ (150,006)	\$ (145,379)	\$ (128,392)	\$ (139,657)	\$ (120,776)	\$ (117,987)	\$ (115,979)	\$ (111,911)	\$ (36,352)	\$ (127,999)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 79,945	\$ 80,103	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,698	\$ 69,708	\$ 77,881	\$ 77,634	\$ 72,437
Sales taxes	16,336	15,770	14,515	14,548	14,234	14,515	36,731	31,937	32,740	32,718
Franchise taxes	7,528	7,158	6,842	7,298	7,510	7,140	8,119	8,975	9,667	8,245
Intergovernmental	43,732	40,365	37,271	38,213	39,412	38,920	-	-	-	-
Investment earnings	642	747	2,244	1,417	426	302	52	59	74	145
Gain (loss) on sale of capital assets	632	382	177	227	554	137	489	318	561	108
Miscellaneous	-	-	-	-	13	-	401	1,071	1,714	577
Transfers	(23,726)	(13,164)	(9,378)	(15,423)	(11,366)	(4,483)	(2,082)	(3,054)	(6,106)	(9,585)
Total governmental activities	125,089	131,361	131,110	124,762	128,862	132,229	113,418	117,187	116,284	104,645
Business-type activities										
Investment earnings	111	427	344	259	129	127	91	124	256	249
Gain on sale of capital assets	-	59	71	(114)	19	48	-	2	59	15
Miscellaneous	-	-	-	-	-	-	1,700	-	-	-
Litigation settlement gain on capital assets	-	-	14,695	-	-	-	-	-	-	-
Gain on retirement bonds	-	-	-	-	-	-	-	-	-	-
Transfers	23,726	13,164	9,378	15,423	11,366	4,483	2,082	3,054	6,106	9,585
Total business-type activities	23,837	13,650	24,488	15,568	11,514	4,658	3,873	3,180	6,421	9,849
Total primary government	\$ 148,926	\$ 145,011	\$ 155,598	\$ 140,330	\$ 140,376	\$ 136,887	\$ 117,291	\$ 120,367	\$ 122,705	\$ 114,494
Change in net position										
Governmental activities	\$ 34,455	\$ 29,608	\$ 26,992	\$ 18,266	\$ 21,479	\$ 20,595	\$ (13,363)	\$ (4,787)	\$ 70,177	\$ (16,425)
Business-type activities	(35,535)	(29,976)	214	(17,593)	(1,879)	(1,695)	14,675	13,243	16,177	2,920
Total primary government	\$ (1,080)	\$ (368)	\$ 27,206	\$ 673	\$ 19,600	\$ 18,900	\$ 1,312	\$ 8,456	\$ 86,354	\$ (13,505)

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
2022	\$ 79,946	\$ 47,752	\$ 7,527	\$ 607	\$ 322	\$ 136,154
2021	80,103	45,073	7,157	629	318	133,280
2020	79,439	41,120	6,842	597	301	128,299
2019	78,482	41,674	7,298	609	360	128,423
2018	78,079	42,742	7,510	594	331	129,256
2017	75,697	43,866	7,140	168	316	127,187
2016	69,708	36,429	8,119	44	258	114,558
2015	77,880	31,636	8,975	47	254	118,792
2014	61,797	29,440	1,552	30	270	93,089
2013	56,970	29,902	1,590	26	270	88,758

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund										
Nonspendable	\$ 881	\$ 922	\$ 877	811	\$ 781	\$ 722	\$ 1,187	\$ 875	\$ 997	\$ 2,283
Restricted	4,540	8,257	15,392	6,573	1,731	749	687	550	517	492
Committed	5,805	5,757	5,174	7,348	6,990	6,771	5,066	3,780	3,833	3,585
Assigned	834	947	1,549	115	1,995	1,294	1,179	2,005	2,518	49
Unassigned	27,180	17,490	25,523	25,884	24,356	18,478	6,931	5,525	16,579	26,517
Total general fund	<u>39,240</u>	<u>\$33,373</u>	<u>\$ 48,515</u>	<u>\$ 40,731</u>	<u>\$ 35,853</u>	<u>\$ 28,014</u>	<u>\$ 15,050</u>	<u>\$ 12,735</u>	<u>\$ 24,444</u>	<u>\$ 32,926</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	60,301	61,074	66,607	36,460	43,202	43,888	8,261	7,876	8,362	7,210
Committed	4,984	6,897	5,510	3,394	5,906	7,225	8,084	8,188	10,699	13,943
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(45)	(194)	-	(498)	(1,663)	-
Total all other governmental funds	<u>65,285</u>	<u>\$67,971</u>	<u>\$ 72,117</u>	<u>\$ 39,854</u>	<u>\$ 49,063</u>	<u>\$ 50,919</u>	<u>\$ 16,345</u>	<u>\$ 15,566</u>	<u>\$ 17,398</u>	<u>\$ 21,153</u>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property Taxes	\$ 79,946	\$ 80,103	\$ 79,439	\$ 78,482	\$ 78,079	\$ 75,697	\$ 69,945	\$ 69,118	\$ 77,435	\$ 70,026
Franchise taxes	7,528	7,158	6,842	7,298	7,510	7,140	-	-	-	-
Licenses and permits	1,305	1,292	1,405	1,464	1,587	1,403	1,448	1,973	2,006	2,291
Intergovernmental	95,527	75,515	80,618	73,894	72,239	67,550	46,900	47,489	50,291	55,535
Charges for services	6,389	5,727	5,047	5,683	4,760	4,689	4,581	4,695	4,092	4,152
Fines	1,767	1,920	1,704	1,739	1,996	2,350	2,849	3,457	3,109	3,923
Investment earnings	642	747	2,244	1,417	426	303	52	59	74	145
Special assessments	-	-	-	-	-	-	10	21	34	2
Other	822	1,222	4,426	3,550	4,010	3,625	18,209	18,625	18,626	18,423
Total revenues	193,926	173,684	181,725	173,527	170,607	162,757	143,994	145,437	155,667	154,497
Expenditures										
General government	34,181	38,222	36,896	40,014	35,719	31,118	27,989	28,371	30,515	30,718
Public safety	59,737	59,542	59,182	60,196	60,996	60,507	53,086	54,068	54,738	52,586
Human and cultural services	11,202	15,246	14,507	14,757	15,328	14,113	13,339	14,619	14,242	13,753
Public works	15,036	11,543	11,455	11,476	10,830	10,547	9,175	16,554	30,334	23,232
Employee Benefits	-	-	-	-	-	-	6,696	7,553	8,070	7,780
Capital Outlay	27,324	35,149	38,294	28,874	23,820	23,838	8,658	7,546	10,463	21,090
Debt service										
Principal	15,229	15,132	13,969	16,640	7,341	4,368	7,150	15,700	6,030	2,780
Interest and issuance costs	6,352	6,680	6,075	5,741	5,696	5,763	8,244	6,491	6,013	5,061
Total expenditures	169,061	181,514	180,378	177,698	159,730	150,254	134,337	150,902	160,405	157,000
Excess of revenues over (under) expenditures	24,865	(7,830)	1,347	(4,171)	10,877	12,503	9,657	(5,465)	(4,738)	(2,503)
Other financing sources (uses)										
Transfer in	10,824	11,734	12,030	5,634	5,511	5,586	6,435	9,347	15,582	10,400
Transfer out	(34,550)	(24,897)	(21,408)	(21,057)	(16,877)	(10,069)	(16,624)	(19,836)	(28,448)	(26,745)
Issuance of long-term debt	1,410	17,761	41,075	15,007	5,892	497	30,019	2,095	4,808	87,269
Sale of capital assets	632	382	256	256	579	137	489	318	561	108
Payments to refunded bond escrow agent	-	(19,650)	-	-	-	-	(28,440)	-	-	(69,891)
Discount on long-term debt issued	-	-	-	-	-	-	(88)	-	-	-
Premium on long-term debt issued	-	2,995	6,747	-	-	-	1,172	-	-	5,738
Total other financing sources (uses)	(21,684)	(11,675)	38,700	(160)	(4,895)	(3,849)	(7,037)	(8,076)	(7,497)	6,879
Net change in fund balances	\$ 3,181	\$ (19,505)	\$ 40,047	\$ (4,331)	\$ 5,982	\$ 8,654	\$ 2,620	\$ (13,541)	\$ (12,235)	\$ 4,376
Debt service as a percentage of noncapital expenditures	15.2%	14.9%	14.1%	15.0%	9.6%	8.0%	12.3%	15.5%	8.0%	5.8%

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	Local and State Sales Tax	Franchise Tax	State Motor Fuel Tax	State Alcoholic Beverage Tax	Total
2022	\$ 79,946	\$ 47,752	\$ 7,527	\$ 607	\$ 322	\$ 136,154
2021	80,103	45,073	7,157	629	318	133,280
2020	79,439	41,120	6,842	597	301	128,299
2019	78,482	41,674	7,298	609	360	128,423
2018	78,079	42,742	7,510	594	331	129,256
2017	75,697	43,866	7,140	168	316	127,187
2016	69,945	30,691	8,119	44	258	109,057
2015	69,118	31,636	8,975	47	254	110,030
2014	77,435	29,440	1,552	30	270	108,727
2013	70,026	32,034	1,590	26	270	103,946

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		
2022	\$ 799,374,283	\$ 6,199,646,990	\$ 479,624,730	\$ 2,172,752,953	\$ 1,278,999,013	\$ 8,372,399,943	61.30	10%,15%,and 30%
2021	794,548,745	6,152,153,090	490,433,605	2,239,695,533	1,284,982,350	8,391,848,623	61.32	10%,15%,and 30%
2020	794,990,628	6,158,893,930	489,461,149	2,225,459,710	1,284,451,777	8,384,353,640	61.32	10%,15%,and 30%
2019	802,206,148	6,216,616,390	436,046,020	1,996,189,720	1,238,252,168	8,212,806,110	61.27	10%,15%,and 30%
2018	797,546,086	6,191,522,987	437,285,854	1,991,106,580	1,234,831,940	8,182,629,567	61.23	10%,15%,and 30%
2017	797,544,121	6,191,509,887	432,278,120	1,957,721,687	1,229,822,241	8,149,231,574	59.27	10%,15%,and 30%
2016	797,782,302	6,209,794,880	427,318,830	1,940,221,673	1,225,101,132	8,150,016,553	56.26	10%,15%,and 30%
2015	782,206,847	6,106,236,603	429,291,423	1,975,757,483	1,211,498,270	8,081,994,086	56.46	10%,15%,and 30%
2014	792,551,066	6,169,507,167	423,157,579	1,950,263,833	1,215,708,645	8,119,771,000	62.07	10%,15%,and 30%
2013	805,068,802	6,271,511,887	396,924,146	1,871,856,147	1,201,992,948	8,143,368,034	56.54	10%,15%,and 30%

(1) Ad valorem tax property assessments within the City and the Jackson Municipal Separate School District are assessed at fifteen percent (15%). The assessed value for motor vehicles and for property owned by public service corporations is determined by an assessment schedule prepared each year by the State of Mississippi Department of Revenue, and is set at approximately thirty percent (30%) of appraised value.

(2) Includes automotive valuation.

(3) Total direct tax rate comes from the Public Hearing /Special Meeting of the City Council under total for said municipal purposes.

SOURCE: Hinds, Rankin and Madison County Tax Collectors

City of Jackson
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Jackson			Overlapping Rates					Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	(1) Total City Millage	County	School District			Library	
				Debt Service & Operating County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special District	
2022	55.85	5.45	61.30	41.58	65.91	20.89	86.80	1.73	191.41
2021	51.73	9.59	61.32	41.58	65.91	20.86	86.77	1.71	191.38
2020	55.17	6.15	61.32	41.58	65.91	20.95	86.86	1.71	191.47
2019	54.66	6.61	61.27	41.58	65.91	18.82	84.73	1.76	189.34
2018	57.40	3.83	61.23	41.58	65.91	18.90	84.81	1.80	189.42
2017	56.19	3.08	59.27	38.83	65.91	18.68	84.59	1.76	184.45
2016	53.28	2.98	56.26	38.33	65.91	16.76	82.67	1.77	179.03
2015	48.90	7.56	56.46	38.33	65.91	16.53	82.44	1.57	178.80
2014	56.77	5.30	62.07	38.33	64.79	7.17	71.96	1.49	173.85
2013	53.50	3.04	56.54	38.33	62.58	14.91	77.49	1.49	173.85

(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>	2022			2013		
	<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	\$ 202,119	1	15.80%	\$ 116,866	1	11.17%
Bell South	23,680	2	1.85%	38,109	2	3.64%
Atmos Energy Corp	21,181	3	1.66%	13,415	6	1.28%
Entergy Services	20,794	4	1.63%	13,419	5	1.28%
Texas Eastern Transmission LP	18,051	5	1.41%			
Gulf South Pipeline Co. LP	17,146	6	1.34%	25,768	4	2.46%
Midcontinent Express Pipeline	11,337	7	0.89%	27,304	3	2.61%
Illinois Central Railroad	9,641	8	0.75%	7,778	9	0.74%
Jackson HMA Inc Lessee	5,961	9	0.47%			
Entergy	5,416	10	0.42%			
Parkway Properties				10,233	7	0.98%
AT&T				9,804	8	0.94%
Walmart/Sam's Wholesale Club				6,021	10	0.58%
Totals	<u>\$ 335,326</u>		<u>26.22%</u>	<u>\$ 268,717</u>		<u>25.68%</u>

Source: Hinds County

Note: See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 182 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
2022	\$ 68,280	\$ 66,093	96.8%	\$ 716	\$ 66,809	97.8 %
2021	69,547	67,250	96.7	894	68,144	98.0
2020	68,621	66,324	96.7	977	67,301	98.1
2019	67,275	65,024	96.7	958	65,982	98.1
2018	66,618	64,208	96.4	1,360	65,568	98.4
2017	64,507	62,170	96.4	1,096	63,266	98.1
2016	61,601	59,548	96.7	1,229	60,777	98.7
2015	59,436	59,314	99.8	528	59,842	100.7
2014	69,499	66,623	95.9	1,458	68,081	98.0
2013	69,069	61,147	88.5	1,106	62,253	90.1

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	Financed Purchases	Leases (3)	
2022	\$ 97,557	\$ 7,241	\$ 479	\$ 120	\$ 31,382	\$ 4,150	\$ -	\$ 13,308	\$ 2,274	
2021	105,233	8,026	615	414	35,111	4,800	-	16,725	-	
2020	112,677	8,877	332	729	38,792	5,450	-	19,953	-	
2019	122,095	9,938	431	1,002	-	6,100	-	13,947	-	
2018	128,381	7,429	527	1,296	-	6,750	-	11,223	-	
2017	131,834	3,546	621	1,590	-	7,000	-	12,932	-	
2016	125,729	4,080	217	1,884	-	7,000	2,300	11,640	-	
2015	124,150	4,576	259	2,159	-	7,000	4,600	15,677	-	
2014	132,380	5,111	302	2,452	-	6,889	6,900	17,880	-	
2013	135,645	5,622	342	2,747	-	7,000	9,200	18,167	-	

(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 192 for personal income and population data.

(2) General obligation and revenue bonds and Mississippi Development Bank Notes include the related premium (discount).

(3) GASB statement No. 87, leases, was implemented by the City for the year ended September 30, 2022.

Business-Type Activities

Revenue Bonds (2)	General Obligation Note	State Revolving Loan (DEQ)	State Revolving Loan (DOH)	State Revolving Loan (MDA)	Financed Purchases	Leases (3)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 180,514	\$ 7,000	\$ 48,304	\$ 20,737	309	\$ 38,036	\$ 381	\$ 451,792	5.48%	\$ 2,939
190,544	7,000	45,051	13,080	1,162	1,877	-	429,638	5.72%	2,795
200,278	2,932	36,647	7,911	2,015	2,230	-	438,823	5.95%	2,855
209,712	-	26,867	3,620	2,868	2,303	-	398,883	6.51%	2,299
218,811	-	28,364	442	3,721	2,581	-	409,525	7.18%	2,360
227,608	-	30,437	222	4,574	2,971	-	423,335	7.42%	2,440
222,455	-	27,322	-	4,363	1,169	-	408,159	7.29%	2,520
227,910	-	25,633	-	5,021	2,719	-	419,704	7.31%	2,527
233,660	-	22,534	-	3,943	4,187	-	443,138	7.81%	2,700
239,265	-	15,653	-	2,727	4,137	-	440,505	7.59%	2,624

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)
2022	\$ 1,278,999	\$ 7,241	\$ 97,557	\$ 9,391	\$ 97,407	1.16%	\$ 633.74
2021	1,284,982	8,026	105,233	9,032	104,227	1.24%	678.12
2020	1,284,452	8,877	112,677	7,793	113,761	1.36%	740.14
2019	1,238,252	9,938	122,095	7,971	124,062	1.51%	715.00
2018	1,234,832	7,429	128,381	6,971	128,839	1.57%	742.53
2017	1,229,822	3,546	131,834	5,992	129,388	1.59%	745.69
2016	1,225,101	4,080	125,729	4,275	125,534	1.54%	723.48
2015	1,211,498	4,576	124,150	4,509	124,217	1.54%	715.89
2014	1,215,709	5,111	132,380	4,045	133,446	1.64%	769.08
2013	1,201,993	5,622	135,465	5,149	135,938	1.67%	783.44

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 182 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 192.

City of Jackson
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022
(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	\$ 68,982	76.57%	\$ 52,820
Jackson Public Schools	163,624	100.00%	<u>163,624</u>
Subtotal, overlapping debt			216,444
 City of Jackson direct debt	 156,511	 100.00%	 <u>156,511</u>
 Total direct and overlapping debt			 <u><u>\$ 372,955</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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$180,984	\$182,280	\$182,360	\$175,533	\$175,212	\$173,963	\$174,666	\$ 173,182	\$176,428	\$176,090
Total net debt applicable to limit	83,337	90,120	103,433	109,481	115,476	119,440	107,047	105,717	100,148	94,548
Legal debt margin	<u>\$ 97,647</u>	<u>\$ 92,160</u>	<u>\$ 78,927</u>	<u>\$ 66,052</u>	<u>\$ 59,736</u>	<u>\$ 54,523</u>	<u>\$ 67,619</u>	<u>\$ 67,465</u>	<u>\$ 76,280</u>	<u>\$ 81,542</u>
Total net debt applicable to the limit as a percentage of the debt limit	46.0%	49.4%	56.7%	62.4%	65.9%	68.7%	61.3%	61.0%	56.8%	53.7%

Legal Debt margin Calculation for Fiscal Year 2022

Assessed value	\$ 1,278,999
Less Homestead Exemption	<u>(72,441)</u>
Total assessed value	\$ 1,206,558
Debt limit (15% of total assessed value)	<u>180,984</u>
Debt application to limit:	
General obligation bond indebtedness	91,705
Less: Amount set aside for repayment of	
General obligation bond debt	<u>(8,368)</u>
Total net debt applicable to limit	<u>\$ 83,337</u>
Legal debt margin	<u>\$ 97,647</u>

Note: Under state finance law, the City of Jackson's outstanding general obligation bond debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Jackson
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Water / Sewer Revenue Bonds						
Fiscal Year	Water/Sewer Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		(1) Coverage
				Principal	Interest	
2022	\$ 28,180	\$ 49,077	\$ (20,897)	\$ 9,405	\$ 9,688	(1.09)
2021	33,101	42,855	(9,754)	9,015	10,083	(0.51)
2020	47,754	40,050	7,704	8,705	10,457	0.40
2019	49,863	49,197	666	8,370	10,786	0.03
2018	57,709	39,840	17,869	8,070	11,084	0.93
2017	61,109	37,636	23,473	7,830	11,327	1.23
2016	64,673	32,249	32,424	8,569	12,144	1.57
2015	59,883	29,442	30,441	14,063	12,205	1.16
2014	69,472	34,670	34,802	9,180	11,917	1.65
2013	44,186	33,337	10,849	9,380	6,680	0.68

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

¹ The City of Jackson increased water/sewer rates effective November 19, 2013. The sewer rate increase was 108% and the water rate increase was 29%. Applied fund balance was used for water/sewer shortfall for fiscal year 2013 and 2018. An engineer consultant will conduct an analysis on the water/sewer system.

City of Jackson
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (3)	Median Age (4)	Education Level in Years of Formal Schooling (2)	School Enrollment (2)	Unemployment Rate (5)
2022	153,701	\$ 8,239,296	\$ 53,606	34.1	12	19,000	3.3%
2021	153,701	7,511,675	48,872	33.5	12	20,000	4.2%
2020	153,701	7,376,418	47,992	33	12	22,000	6.4%
2019	173,514	6,126,432	32,308	31	12	24,000	4.6%
2018	173,514	5,702,711	32,866	31	12	24,000	4.1%
2017	173,514	5,702,711	32,866	31	12	26,000	4.2%
2016	173,514	5,595,827	32,250	31	12	30,000	5.1%
2015	173,514	5,739,843	33,080	31.3	12	30,000	4.8%
2014	173,514	5,675,296	32,708	31.5	12	30,000	5.9%
2013	173,514	5,801,267	33,434	31.5	12	30,000	6.7%

Data Sources

(1) Mississippi Census Bureau

(2) Jackson Public Schools Estimate

(3) U.S. Bureau of Economic Analysis

(4) Mississippi Department of Employment Security

(5) U.S. Bureau of Labor Statistics

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

Employer	2022			2013		
	Employees¹	Rank	Percentage of Total Area Employment²	Employees¹	Rank	Percentage of Total Area Employment³
State of Mississippi	27,775	1	11.15%	31,556	1	17.13%
University of Mississippi	9,000	2	3.61%	8,000	2	4.34%
American Studios, Inc.	5,000	3	2.01%			
Jackson Public School District	4,200	4	1.69%	4,814	4	2.61%
Entergy Operations, Inc.	3,600	5	1.44%			
Baptist Health Systems	3,000	6	1.20%	2,875	5	1.56%
Trustmark Corporation	2,797	7	1.12%			
St. Dominic Health Services	2,500	8	1.00%	2,600	6	1.41%
City of Jackson, Mississippi	2,100	9	0.84%	2,323	7	1.26%
Jackson State University	2,000	10	0.80%	1,667	8	0.90%
U.S. Government				5,500	3	2.98%
AT&T				1,300	9	0.71%
Central MS Medical Center				1,200	10	0.65%
	<u>61,972</u>		<u>24.86%</u>	<u>61,835</u>		<u>33.55%</u>

¹ Source: MetroJackson Chamber of Commerce 2022

² Source: Mississippi Department of Employment Security for Jackson MSA

³ Source: U.S. Bureau of Labor Statistics

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

Function	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General government	250	249	269	268	267	249	266	267	278	302
Public safety										
Police										
Officers	250	279	298	352	415	352	440	389	412	455
Civilians	126	134	169	188	153	208	193	245	280	267
Fire										
Firefighters and officers	293	309	332	336	314	311	338	333	345	316
Civilians	14	15	14	14	14	14	14	24	23	17
Public Works	270	270	330	373	367	333	157	395	425	461
Culture and Recreation	196	213	209	234	246	184	260	273	262	318
Total	<u>1,399</u>	<u>1,469</u>	<u>1,621</u>	<u>1,765</u>	<u>1,776</u>	<u>1,651</u>	<u>1,668</u>	<u>1,926</u>	<u>2,025</u>	<u>2,136</u>

Source: City of Jackson Information System Department.

City of Jackson
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Parking violations	5,529	5,474	4,916	8,185	29,270	5,535	9,399	9,197	10,098	12,281
Traffic violations	23,414	22,955	21,970	28,498	63,634	17,666	30,405	44,008	41,823	52,425
Fire										
Number of calls answered (1)	17,352	17,180	16,658	17,503	17,802	15,309	716	14,567	14,025	11,825
Inspections	2,614	2,538	1,784	2,461	1,276	3,392	3,941	3,205	4,141	4,500
Highways and streets										
Street resurfacing (miles) (1)	21	22	18	13	3.9	24.8	24.8	6.2	6.1	4.2
Potholes repaired (2)	15,197	14,899	15,962	24,191	11,224	14,999	22,116	30,389	29,921	37,565
Sanitation										
Refuse collected (tons/day)	3,701	3,558	3,456	7,799	9,880	3,381	4,114	5,496	5,361	5,301
Recyclables collected (tons/day)	-	-	-	69	160.34	69.09	83.18	81.96	90.06	91.35
Culture and recreation										
Community center admissions	171	158	97	160	169	80	79	110	64	89
Water										
New connections (1)	3,854	4,211	3,748	1,078	188	121	-	-	-	-
Average daily consumption (thousands of gallons) (1)	86,497	81,915	75,517	96,600	7,189	7,008	-	-	-	-
Wastewater										
Average daily sewage treatment (thousands of gallons) (1)	88,253	82,647	75,686	96,929	7,218	43,896	-	-	-	-

Source: Various City of Jackson departments.

(1) The dashes indicate data that is not available.

(2) Prior years' data was recorded based on the number of pothole calls not the number of potholes repaired.

City of Jackson
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Police stations	6	6	6	6	6	6	6	6	6	6
Fire stations	21	21	21	21	21	21	21	21	21	21
Highways and streets										
Streets (miles)	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201
Traffic signals intersection	317	321	321	321	321	319	358	358	358	358
Culture and recreation										
Parks	57	57	57	57	57	57	57	57	54	54
Gymnasiums	5	5	5	5	5	5	5	5	5	5
Swimming pools	8	8	9	9	9	9	9	9	9	9
Splash pad	1	1	-	-	-	-	-	-	-	-
Tennis courts	61	61	61	61	61	61	61	61	61	61
Community centers	6	6	9	9	9	9	10	10	10	10
Water										
Water mains (miles)	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-
Fire hydrants	7,000	7,000	7,000	7,000	7,800	22,000	-	-	-	-
Maximum daily capacity	20,130	19,543	18,974	18,316	18,057	17,795	-	-	-	-
(thousands of gallons)										
Sewer										
Sanitary sewers (miles)	1,000	1,000	1,000	1,000	1,000	900	-	-	-	-
Storms sewers (miles)	9,391	9,391	9,391	9,478	9,859	3,908	-	-	-	-

Source: Various City of Jackson departments.
(1) The dashes indicate data that is not available.

SINGLE AUDIT

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**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, 2022, 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 August 15, 2024. Our report reflects an adverse opinion on the City's aggregate discretely presented component units because the Capital City Convention Center Commission's financial information was not available for inclusion as part of the City's aggregate discretely presented component units. Our report includes a reference to other auditors who audited the financial statements of the City's discretely presented component units: the Jackson Redevelopment Authority and the Jackson Municipal Airport Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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 identified 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 2022-001 through 2022-006 and 2022-008 through 2022-015 to be material weaknesses.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-007 and 2022-024 to be significant deficiencies.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2022-001 and 2022-015 through 2022-024.

City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and 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 the responses.

Purpose of This Report

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

Tamm. Brown + Allen Co.

August 15, 2024

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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

Opinion on 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, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Jackson Municipal Airport Authority (JMAA) as a discretely presented component unit of the City. During the year ended September 30, 2022, JMAA expended \$6,154,480 in federal awards, which is not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of JMAA because JMAA engaged other auditors to perform its audit.

In our opinion, the City of Jackson, Mississippi complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our audit procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying

schedule of findings and questioned costs as item 2022-024. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-024 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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.

Tam. Brown 2 June 6.

August 15, 2024

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Agency/Program	Federal Assistance Listing Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
(MS Department of Education - Pass Through)				
Child and Adult Care Food Program	10.558	V0000700018	\$ 66,983	\$ -
SUBTOTAL CFDA NUMBER 10.558			66,983	-
Food Distribution Cluster:				
(Central Mississippi Planning and Development District - Pass Through)				
Commodity Supplemental Food Program (Congregate)	10.565	1122-25	11,878	-
Commodity Supplemental Food Program (Home Delivered)	10.565	1522-25	55,110	-
SUBTOTAL CFDA NUMBER 10.565			66,988	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			133,971	-
<u>U.S. Department of Defense</u>				
Direct Program:				
Mississippi Environmental Infrastructure (Section 592)-ARRA	12.124		1,091,249	-
TOTAL U.S. DEPARTMENT OF DEFENSE			1,091,249	-
<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-17-MC-28-0003	17,159	-
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-28-0003	100,000	-
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-28-0003	568,805	-
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-28-0003	601,833	261,074
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-28-0003	59,509	-
COVID 19-Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-28-0003(CV)	374,129	254,981
SUBTOTAL CFDA NUMBER 14.218			1,721,435	516,055
Emergency Solutions Grants Program	14.231	E-20-MC-28-0003	153,553	153,553
Emergency Solutions Grants Program	14.231	E-21-MC-28-0003	11,973	-
COVID 19-Emergency Solutions Grants Program	14.231	E-20-MW-28-0003(CV)	1,345,007	1,272,141
SUBTOTAL CFDA NUMBER 14.231			1,510,533	1,425,694
HOME Investment Partnerships Program	14.239	M-18-MC-28-0200	157,356	157,356
HOME Investment Partnerships Program	14.239	M-19-MC-28-0200	22,287	-
HOME Investment Partnerships Program	14.239	M-20-MC-28-0200	21,508	-
HOME Investment Partnerships Program	14.239	M-21-MC-28-0200	3,572	-
SUBTOTAL CFDA NUMBER 14.239			204,723	157,356
Housing Opportunities for Persons with AIDS	14.241	MS-H19-F001	2,894	-
Housing Opportunities for Persons with AIDS	14.241	MS-H20-F001	628,087	588,023
Housing Opportunities for Persons with AIDS	14.241	MS-H21-F001	545,853	545,853
SUBTOTAL CFDA NUMBER 14.241			1,176,834	1,133,876
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MSLHB0728-19	106,919	19,720
SUBTOTAL CFDA NUMBER 14.900			106,919	19,720
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			4,720,444	3,252,701
<u>U.S. Department of Justice</u>				
Direct Programs:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1018	748,906	-
SUBTOTAL CFDA NUMBER 16.034			748,906	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0945	115,302	-
SUBTOTAL CFDA NUMBER 16.738			115,302	-
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0031	168,318	-
SUBTOTAL CFDA NUMBER 16.833			168,318	-
Equitable Sharing Program	16.922		9,381	-
SUBTOTAL CFDA NUMBER 16.922			9,381	-
TOTAL U.S. DEPARTMENT OF JUSTICE			1,041,907	-
<u>U.S. Department of Labor</u>				
(Senior Service America - Pass Through)				
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-36274-21-60-A-24	375,508	-
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-38325-22-60-A-24	136,411	-
SUBTOTAL CFDA NUMBER 17.235			511,919	-
TOTAL U.S. DEPARTMENT OF LABOR			511,919	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Agency/Program	Federal Assistance Listing 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 (Capital Street Phase II)	20.205	TCSP-8312-00(002) 106058-802000	14,081	-
Highway Planning and Construction Musuem to Market)	20.205	STP-0250-00(39) 106367-70100	199,260	-
Highway Planning and Construction (South Jackson Signals)	20.205	STP-0250-00(49) 107545-701000	531,639	-
Highway Planning and Construction (Mill St. Bridge Replacement)	20.205	STP-7261-00(002) 108070-701000	521,111	-
Highway Planning and Construction (Terry Road Caney Creek)	20.205	STP-7286-00(005) 108071-701000	911,746	-
Highway Planning and Construction (Terry Road Rehab)	20.205	STP-7286-00(006) 108074-701000	440,521	-
Highway Planning and Construction (Meadowbrook Rd)	20.205	STP-7263-00(001) 108076-701000	1,242,179	-
Highway Planning and Construction (State Street Rehabilitation)	20.205	STP-6928-00(015) 108077-701000	290,341	-
Highway Planning and Construction (Fast Act Sidewalks)	20.205	STP-0250-00(054) 108164-701000	605,450	-
SUBTOTAL CFDA NUMBER 20.205			4,756,328	-
Federal Transit Administration				
Federal Transit Cluster:				
Direct Programs:				
Federal Transit Formula Grants	20.507	MS-90-00-81	54,725	-
Federal Transit Formula Grants	20.507	MS-90-X092-00	83,961	-
Federal Transit Formula Grants	20.507	MS-2017-004-01	232,263	-
Federal Transit Formula Grants	20.507	MS-2018-003-00	333,580	-
Federal Transit Formula Grants	20.507	MS-2020-001-00	71,441	-
Federal Transit Formula Grants	20.507	MS-2020-004-00	541,411	-
Federal Transit Formula Grants	20.507	MS-2020-009-00	200,286	-
Federal Transit Formula Grants	20.507	MS-2021-004-00	44,344	-
Federal Transit Formula Grants	20.507	MS-2021-009-00	2,089,831	-
Federal Transit Formula Grants	20.507	MS-2021-010-00	1,184,162	-
SUBTOTAL CFDA NUMBER 20.507			4,836,004	-
Highway Safety Cluster:				
(Mississippi Office of Highway Safety-Pass Through)				
State and Community Highway Safety	20.600	PT-2022-PT-21-91	151,484	-
State and Community Highway Safety		18PS2191	7,715	-
SUBTOTAL CFDA NUMBER 20.600			159,199	-
(Mississippi Department of Transportation-Pass Through)				
National Infrastructure Investments (Tiger Grant)	20.933	STP-0250-00(047) 107200/811000	1,771	-
SUBTOTAL CFDA NUMBER 20.933			1,771	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			9,753,302	-
<u>U.S. Department of Treasury</u>				
Hardest Hit Fund:				
(Mississippi Home Corporation-Pass Through)				
Blight Elimination Program	21.UNKNOWN		987,270	-
SUBTOTAL CFDA NUMBER 21.UNKNOWN			987,270	-
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		11,778,459	-
SUBTOTAL CFDA NUMBER 21.027			11,778,459	-
TOTAL U.S. DEPARTMENT OF TREASURY			12,765,729	-
U.S. SMALL BUSINESS ADMINISTRATION				
Shuttered Venue Operators Grant Program				
SUBTOTAL CFDA NUMBER 59.075	59.075		192,768	-
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			192,768	-

City of Jackson
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Agency/Program	Federal Assistance Listing Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<u>U.S. Environmental Protection Agency</u>				
Clean Water State Revolving Fund Cluster (Mississippi Department of Environmental Quality- Pass Through)				
Capitalization grants for Clean Water State Revolving Funds	66.458	SRF-C2800838-04	4,681,649	-
SUBTOTAL CFDA NUMBER 66.458			4,681,649	-
Drinking Water State Revolving Fund Cluster				
Mississippi Department of Health (Pass-Through)				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWI-L250008-02	2,838,236	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWI-L250008-03	5,224,406	-
SUBTOTAL CFDA NUMBER 66.468			8,062,642	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			12,744,291	-
<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	1032-25	31,579	-
SUBTOTAL CFDA NUMBER 93.044			31,579	-
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	1122-25	150,563	-
SUBTOTAL CFDA NUMBER 93.045			150,563	-
TOTAL AGING CLUSTER			182,142	-
CCDF Cluster:				
(Mississippi Department of Human Services-Pass Through)				
COVID-19 Child Care and Development Block Grant	93.575		505,469	-
SUBTOTAL CFDA NUMBER 93.575			505,469	-
(Central MS Planning and Development District - Pass Through)				
Social Services Block Grant (Transportation)	93.667	1532-25	248,389	-
Social Services Block Grant (Home Delivered Meals) (Non-cash)	93.667	1525-25	263,646	-
SUBTOTAL CFDA NUMBER 93.667			512,035	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,199,646	-
<u>Executive Office of the President</u>				
Direct Program:				
High Intensity Drug Trafficking Area Program	95.001		7,050	-
SUBTOTAL CFDA NUMBER 95.001			7,050	-
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			7,050	-
<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	25,823	-
SUBTOTAL CFDA NUMBER 97.036			25,823	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			25,823	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 44,188,099	\$ 3,252,701

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, 2022

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, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City 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 \$414,209 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, 2022

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses adverse and unmodified opinions 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. A significant deficiency in internal control over major federal award programs is reported. No material weaknesses in internal control over major federal award programs are reported.
5. The auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion on all major federal programs.
6. 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)
 - 14.231 Emergency Solutions Grants Program
 - 21.027 Coronavirus State and Local Fiscal Recovery Funds
8. The threshold for distinguishing Types A and B programs was \$1,325,643.
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, 2022

FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 Material Weakness and Noncompliance – Financial Reporting (Repeated finding. See finding 2021-001.)

- Criteria: Federal regulations require the City to submit its audited annual comprehensive financial report (ACFR), including an audit of its major federal award programs, to the Federal Audit Clearinghouse within nine months of the City's fiscal year end. Regulations of the Mississippi Office of the State Auditor (MS OSA) require the City to submit its audited ACFR to MS OSA within thirteen months of the City's fiscal year end. The City's ACFR is the responsibility of the City's management. Therefore, a proper system of internal control over financial reporting is essential in order to prevent, detect, and correct misstatements in the ACFR and to facilitate the timely preparation of the ACFR.
- Condition: The City's audited ACFR for the fiscal year ended September 30, 2021, was not submitted to the Federal Audit Clearinghouse and MS OSA before the applicable deadlines.
- Cause: The City did not have adequate procedures and staffing in place to make the necessary adjustments in a timely manner as part of its month-end financial reporting process and to prepare the ACFR draft in a timely manner as part of its year-end financial reporting process.
- Effect: The annual audit process was significantly delayed while the City gathered the necessary information and prepared a preliminary draft of the ACFR for audit. In addition, a significant number of adjustments to the accounting system data and revisions to the ACFR draft were necessary during the audit process.
- Recommendation: We recommend that the City review its financial reporting procedures and staffing levels and revise these as necessary to ensure that the financial reports generated on a monthly and annual basis are prepared in a reliable and timely manner.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-002 Material Weakness – Bank Accounts (Repeated finding. See finding 2021-002.)

- Criteria: Reconciliation of the bank account statements to the accounting system is a primary control procedure designed to ensure that transactions are properly recorded in the accounting system.
- Condition: The operating bank account reconciliations to the general ledger account balances were not prepared in a timely manner each month, and discrepancies were not researched and reconciled until several months later.
- Cause: The City has had difficulties in reconciling the bank accounts' activity within the Water/Sewer billing system and the new accounting system.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

Effect: The City's internal financial reports did not accurately reflect cash balances and activity.
Recommendation: We recommend that procedures be implemented to reconcile all bank account statements to the accounting system monthly. Any differences should be investigated and resolved in a timely manner.
Response: The City's response is reflected in the accompanying corrective action plan.

2022-003 Material Weakness – Investment Accounts (Repeat finding. See finding 2021-003.)

Criteria: Reconciliation of bank and investment account statements to the accounting system is a primary control procedure designed 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.

2022-004 Material Weakness – Receivables (Repeated finding. See finding 2021-004.)

Criteria: Reconciliation of accounts receivable totals in the accounting system to detailed reports reflecting the individual customer accounts or other detailed balance information is a primary control procedure designed to ensure that transactions are properly recorded in the accounting system.
Condition: Water, sewer, and garbage customer receivable balances and various other receivable balances in the accounting system were not periodically reconciled to the detailed supporting records of balances actually owed to the City by individuals and others.
Cause: The City has had difficulties in reconciling the activity within the water/sewer billing system, and procedures did not appear to be in place to reconcile other receivable balances to the underlying individual accounts of those who owe the City.
Effect: The City's internal financial reports did not accurately reflect receivable balances owed to the City and the related revenues.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

Recommendation: We recommend that procedures be implemented to reconcile all receivable balances in the accounting system to the underlying balances owed by individuals and others monthly. Any differences should be investigated and resolved in a timely manner.

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

2022-005 Material Weakness – Receivables (Repeated finding. See finding 2021-005.)

Criteria: Generally accepted accounting principles require that receivable balances and the related revenues be reflected net of an allowance for amounts estimated to be uncollectible.

Condition: The City's water, sewer, and garbage customer accounts receivables balances have continued to increase dramatically over the past several years, and the allowances for uncollectible amounts were not adequately adjusted based on the past-due status of the receivables and other factors affecting collectability.

Cause: As a result of difficulties experienced with the billing system, the City had delayed the evaluation of the collectability of receivable balances.

Effect: Without appropriate allowances for uncollectible amounts, the internal financial reports overstated both the receivables asset balances and the related revenues.

Recommendation: We recommend that procedures be implemented to periodically review and adjust the allowances for uncollectible accounts.

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

2022-006 Material Weakness – Grant Reimbursement Receivables

Criteria: Monitoring of grant reimbursements is a primary control procedure designed to ensure that grant revenues are properly received and recorded in a timely manner.

Condition: Reimbursement requests under several Mississippi Department of Transportation grant agreements were not prepared and submitted in a timely manner.

Cause: High employee turnover in the City's engineering department resulted in some grant reimbursement requests being delayed or overlooked.

Effect: As a result, grant reimbursements were significantly delayed.

Recommendation: We recommend that the procedures for preparing and submitting grant reimbursement requests be reviewed and revised as necessary to ensure that grant reimbursement requests are timely submitted and monitored to ensure that reimbursements are properly received and recorded.

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, 2022

2022-007 Significant Deficiency – Supplies Inventory

- Criteria: Supplies inventory recordkeeping is an important control to monitor supplies usage, prevent theft, and ensure proper reporting of inventory balances.
- Condition: The supplies inventory balances in the accounting system were not adjusted to agree with the year-end supplies inventory reports reflecting the actual inventory on hand. In addition, during our subsequent testing of supplies inventory recordkeeping procedures after year end, we noted that the supplies inventory records were no longer being updated after the water department interim third-party manager assumed his role in December, 2022.
- Cause: Supplies inventory recordkeeping procedures were not being monitored to ensure that they were operating as intended.
- Effect: The supplies inventory balances were not accurately reflected in the internal financial reports.
- Recommendation: We recommend that the procedures for tracking and monitoring supplies inventories be reviewed and revised as necessary to ensure that supplies inventory records are updated in a timely manner and reconciled to the balances in the accounting system.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-008 Material Weakness – Liabilities (Repeated finding. See finding 2021-006.)

- 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 designed to ensure that transactions are properly recorded in the accounting system.
- Condition: Accounts payable and other liability detailed reports were not reconciled to the accounting system balances.
- Cause: Procedures were not in place to periodically reconcile the underlying amounts owed to individuals and entities with the liability balances reflected in the accounting system.
- Effect: The City's accounting system did not properly reflect the balances owed by the City.
- Recommendation: We recommend that procedures be implemented to reconcile the liability balances in the accounting system to the underlying amounts owed by the City on a monthly basis.
- Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

2022-009 Material Weakness – Liabilities for Seized and Forfeited Cash (Repeated finding. See finding 2021-008.)

- 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 designed 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.

2022-010 Material Weakness – Fund Balances (Repeated finding. See finding 2021-009.)

- Criteria: Revenues and expenses are required by GAAP to be separately reflected (rather than netted), and donations received with restrictions on their use are required to be reflected as restricted fund balances until utilized for the intended purposes.
- Condition: Some restricted fund balances for special programs were incorrectly reflected as "other liabilities", and some receipts were improperly posted directly to restricted liability or fund balance accounts rather than being reflected as revenues.
- Cause: Liability accounts were not monitored to ensure that liability account usage was appropriate.
- Effect: The City's liabilities were overstated, and revenues and restricted fund balances were understated.
- Recommendation: We recommend that liability accounts be periodically reviewed to ensure that usage of liability accounts is appropriate. In addition, restricted fund balances should be monitored to ensure that the restricted fund balance is released to unrestricted fund balance upon utilization for the intended purpose.
- Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

2022-011 Material Weakness – Revenues (Repeated finding. See finding 2021-010.)

- 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 lease agreement tracking system was not in place to monitor monthly lease revenue due from tower and other leases or to monitor remaining lease terms, renewals, inflation adjustments, etc.
- Cause: Because of the quantity and complexity of the City's leases, the City has primarily relied on the lessees to monitor the status of their own leases and make payments when due.
- Effect: 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 and other leases and the payments due from the lessees.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-012 Material Weakness – Expenditures (Repeated finding. See finding 2021-011.)

- Criteria: Generally accepted accounting principles require capital outlay expenditures to be segregated from operating expenditures.
- Condition: Capital outlay expenditure accounts included items that should have been classified as supplies since they did not meet the City's capitalization criteria, and the Other Services and Charges expenditure accounts included amounts that should have been classified as capital outlay.
- Cause: The City relied upon year-end audit adjustments to correct these misposted transactions.
- Effect: The City's internal financial reports did not accurately reflect capital outlay 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, 2022

2022-013 Material Weakness – Purchasing Procedures (Repeat finding. See finding 2021-012.)

- Criteria: Municipalities have an obligation to their citizens and grantors to efficiently utilize financial resources in providing the necessary municipal services.
- Condition: The City rented sewer by-pass pumps and related equipment in response to several sewer line emergencies. However, the City did not obtain competitive proposals or contracts for these services, and the equipment rentals continued for an extensive period beyond the initial emergencies. In addition, these rentals were not processed within the purchase order and accounts payable system in a timely manner.
- Cause: The City's emergency purchasing procedures did not specify a time limit for the emergency exception from normal competitive purchasing procedures for ongoing services, and the normal purchase order procedures were not followed.
- Effect: The City may not have paid the best price for the services that it received. In addition, the rental invoices were not entered into the payment processing system in a timely manner, and many of these invoices were paid more than a year after the charges were incurred.
- Recommendation: We recommend that the City review its emergency purchasing procedures and revise them as necessary to ensure that emergency purchases are adequately monitored and processed and that the City's normal competitive purchasing procedures are utilized as soon as practicable after the initial emergency exceptions are allowed.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-014 Material Weakness – Internal Service Fund (Repeat finding. See finding 2021-014.)

- Criteria: The purpose of an internal service fund is to provide services to the City's other funds and departments while the related cost of the services is allocated and charged to the City's other funds.
- Condition: The City maintains an internal service fund to facilitate the medical benefits provided to its employees. However, the cost of the medical benefits provided to the City's employees was not allocated to the City's other funds and departments during the year.
- Cause: The City did not have adequate procedures in place to monitor and allocate the internal service fund costs to the City's various other funds and departments during the year.
- Effect: The group insurance expense reflected in the City's various funds and departments during the year was understated by approximately \$13 million and had to be allocated to the City's other funds and departments as additional group insurance expense through adjustments after year end.
- Recommendation: We recommend that the City develop procedures to allocate the internal service fund costs to the applicable funds and departments of the City each month.
- Response: The City's response is reflected in the accompanying corrective action plan.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

2022-015 Material Weakness and Noncompliance – Unclaimed Funds (Repeated finding. See finding 2021-015.)

- Criteria: Funds that have been unclaimed (i.e. uncashed checks) for more than five years are required under the Mississippi Unclaimed Property Act to be remitted to the Mississippi Treasurer's Office at least every three years if a check is not cashed by the payee, the money is still owed, and the payee cannot be located to reissue a check.
- Condition: Approximately 1,500 old outstanding payroll and other checks dating back as far as 1996 were still reflected as outstanding in the accounting system and had not yet been remitted to the Mississippi Treasurer's Office as required.
- Cause: The City did not have adequate procedures in place to monitor unclaimed funds and transmit them to the Mississippi Treasurer's Office as required.
- Effect: The City was not in compliance with the Mississippi Unclaimed Property Act.
- Recommendation: We recommend that procedures be implemented to remit unclaimed funds to the Mississippi Treasurer's Office as required. In addition, we recommend that procedures be implemented to periodically review the outstanding checks schedule to ensure that voided checks have been properly removed from the outstanding checks schedule and any significant old outstanding checks are investigated to determine the reason they have not been cashed by the payees.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-016 Noncompliance – Budgeting (Repeated finding. See finding 2021-017.)

- 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.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

2022-017 Noncompliance – Budgeting (Repeat finding. See finding 2021-018.)

- 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.

2022-018 Noncompliance – Bank Accounts (Repeat finding. See finding 2021-019.)

- 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: Several of the City's bank accounts, which had balances totaling approximately \$7 million at year-end, were held by the City's primary municipal depository but earned no interest rather than the 0.41% 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 bank.
- Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that the bank complies with the municipal depository agreement.
- Response: The City's response is reflected in the accompanying corrective action plan.

2022-019 Noncompliance – Bank Accounts

- Criteria: The City is required to limit deposits to the amount insured by the Federal Deposit Insurance Corporation if the deposits are held by a bank that does not participate in the Mississippi State Treasurer's state collateral pool.
- Condition: A City bank account with a balance of approximately \$700 thousand at year end was held by First Internet Bank, which was not a participant in the Mississippi State Treasurer's state collateral pool, and the balance in the account exceeded the \$250,000 coverage provided by the Federal Deposit Insurance Corporation.
- Cause: The City did not have adequate procedures in place to ensure that its bank deposits were properly collateralized or insured.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

Effect: The City was exposed to the potential loss of funds in the event of the bank's failure.
Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that all bank accounts are adequately collateralized or insured.
Response: The City's response is reflected in the accompanying corrective action plan.

2022-020 Noncompliance – Investments (Repeated finding. See finding 2021-020.)

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 did not adequately monitor its investments for compliance with the applicable requirements.
Effect: The City was not in compliance with state statutes.
Recommendation: We recommend that the City transfer these funds to an allowable type of investment.
Response: The City's response is reflected in the accompanying corrective action plan.

2022-021 Noncompliance – Personnel (Repeated finding. See finding 2021-021.)

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: The City was unable to locate documentation of the online E-Verify process completion for 1 of 10 new employees selected for testing.
Cause: The City's controls over employment eligibility verifications for new employees were not functioning as intended.
Effect: The City was not in compliance with federal regulations and state statutes.
Recommendation: We recommend that the City review its employee hiring procedures and revise them as necessary to comply with employment eligibility verification requirements and to document its compliance with those requirements.
Response: The City's response is reflected in the accompanying corrective action plan.

2022-022 Noncompliance – Timely Pay Statute (Repeated finding. See finding 2021-022.)

Criteria: State statutes require municipalities to pay vendors within 45 days of receiving an invoice or pay the vendor interest on amounts paid after 45 days.
Condition: We noted that the City made numerous vendor payments that were more than 45 days after receipt of the applicable invoices without documentation of any dispute or payment of the required interest.

CITY OF JACKSON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended September 30, 2022

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.

2022-023 Noncompliance – Bond Covenants

Criteria: Article VI of the July, 2011, revised Revenue Bond debt covenants states that "If the water system net revenues in any fiscal year, as shown by the municipality's audit, are less than 120% of the annual debt service requirement for such fiscal year or 100% of the sum of (a) the annual debt service requirement on the bonds and all subordinate indebtedness in such fiscal year, (b) the amounts required to be paid during such fiscal year into any debt service reserve fund and the contingent fund, and (c) the amount of all other charges and liens whatsoever payable out of the revenues during such fiscal year, not otherwise provided for in this subsection, then the municipality shall, as promptly as possible, request an independent consulting engineer to make recommendations as to revision of such rates, fees and charges or methods of operating the system which will result in producing the required amount in the following year." The Water and Sewer Bond Ordinance requires the City to maintain the following restricted funds: 1/12 of the Operation and Maintenance budget as an Operation and Maintenance Fund, 1/12 of the actual debt service as a Debt Service Fund, and 2/12 of the Operation and Maintenance budget as a Contingent Fund.

Condition: The Water/Sewer Fund's contingent fund was approximately \$3.6 million below the required amounts at September 30, 2022, and the total debt coverage ratio was below the 100% level required by the bond covenants as of September 30, 2022.

Cause: Difficulties experienced by the City with its water, sewer, and garbage billing system caused a decrease in customer revenues, and increased repairs to water utility lines caused an increase in expenses.

Effect: The City was not in compliance with the bond covenants and bond ordinance.

Recommendation: We recommend that the City continue its efforts to resolve the billing system problems, enforce its customer collection policies, and replace aging water utility lines.

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, 2022

2022-024 Significant Deficiency and Noncompliance – Federal Awards Cash Management

Criteria: Based on the award terms, federal awards (whether direct or passed through another entity) provide funds to a grantee on either a reimbursement basis for payments already made by the grantee or on an advance basis for payments to be made by the grantee within three days of receipt of the funds.

Condition: The City received federal awards passed through the Mississippi Department of Health and the Mississippi Department of Environmental Quality that were awarded on an advance basis, and we noted that several project cost invoices were paid more than three days after receiving the requested award advances for these costs.

Cause: The City's controls over federal award cash management were not functioning as intended.

Effect: The City held advances longer than the three days allowed.

Recommendation: We recommend that the procedures for monitoring federal award advances and accounts payable processing be implemented to ensure that project costs are paid upon receipt of the related award advances.

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, 2022

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. ENVIRONMENTAL PROTECTION AGENCY

Clean Water State Revolving Fund Cluster
66.458 Capitalization Grants for Clean Water State Revolving Funds
Passed through the Mississippi Department of Environmental Quality:

SRF-C2800838-04

Drinking Water State Revolving Fund Cluster
66.468 Capitalization Grants for Drinking Water State Revolving Funds
Passed through the Mississippi Department of Health:

DWI-L250008-02

DWI-L250008-03

The cash management significant deficiency and noncompliance at finding 2022-024 applies to the federal award programs indicated above.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended September 30, 2022

2021-001 Material Weakness and Noncompliance – Financial Reporting

Condition: The City's audited ACFR for the fiscal year ended September 30, 2020, was not submitted to the Federal Audit Clearinghouse and MS OSA before the applicable deadlines.

Status: Not corrected. See finding 2022-001.

2021-002 Material Weakness – Cash

Condition: The operating bank account reconciliations did not agree with the general ledger account balances, and discrepancies were not researched and reconciled in a timely manner.

Status: Not corrected. See finding 2022-002.

2021-003 Material Weakness – Investment Accounts

Condition: The trust, escrow, and investment bank account statements were not periodically reconciled to the general ledger account balances.

Status: Not corrected. See finding 2022-003.

2021-004 Material Weakness – Receivables

Condition: Water, sewer, and garbage customer receivable balances and various other receivable balances in the accounting system were not periodically reconciled to the detailed supporting records of balances actually owed to the City by individuals and others.

Status: Not corrected. See finding 2022-004.

2021-005 Material Weakness – Receivables

Condition: The City's water, sewer, and garbage customer accounts receivables balances have continued to increase dramatically over the past several years, and the allowances for uncollectible amounts were not adequately adjusted based on the past-due status of the receivables and other factors affecting collectability.

Status: Not corrected. See finding 2022-005.

2021-006 Material Weakness – Liabilities

Condition: Accounts payable and other liability detailed reports were not reconciled to the accounting system balances.

Status: Not corrected. See finding 2022-008.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2022

2021-007 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: Corrected.

2021-008 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 2022-009.

2021-009 Material Weakness – Fund Balances

Condition: Some restricted fund balances for special programs were incorrectly reflected as "other liabilities", and some receipts were improperly posted directly to restricted liability or fund balance accounts rather than being reflected as revenues.

Status: Not corrected. See finding 2022-010.

2021-010 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 2022-011.

2021-011 Material Weakness – Expenditures

Condition: Capital outlay expenditure accounts included items that should have been classified as supplies since they did not meet the City's capitalization criteria, and the Other Services and Charges expenditure accounts included amounts that should have been classified as capital outlay.

Status: Not corrected. See finding 2022-012.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2022

2021-012 Material Weakness – Purchasing Procedures

Condition: The City rented sewer by-pass pumps and related equipment in response to several sewer line emergencies. However, the City did not obtain competitive proposals or contracts for these services, and the equipment rentals continued for an extensive period beyond the initial emergencies. In addition, these rentals were not processed within the purchase order and accounts payable system in a timely manner.

Status: Not corrected. See finding 2022-013.

2021-013 Significant Deficiency – Payroll Processing

Condition: An employee within the City's police department repeatedly reported, and was paid for, excessive work hours, which averaged 21 hours per day.

Status: Corrected.

2021-014 Material Weakness – Internal Service Fund

Condition: The City maintains an internal service fund to facilitate the medical benefits provided to its employees. However, the cost of the medical benefits provided to the City's employees was not allocated to the City's other funds and departments during the year.

Status: Not corrected. See finding 2022-014.

2021-015 Material Weakness and Noncompliance – Unclaimed Funds

Condition: Approximately 1,500 old outstanding payroll and other checks dating back as far as 1996 were still reflected as outstanding in the accounting system and had not yet been remitted to the Mississippi Treasurer's Office as required.

Status: Not corrected. See finding 2022-015.

2021-016 Noncompliance – City Council Meeting Minutes

Condition: We noted several instances in which the city council meeting minutes were not approved and signed within the required timeframe.

Status: Corrected.

2021-017 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 2022-016.

CITY OF JACKSON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – CONTINUED
Year Ended September 30, 2022

2021-018 Noncompliance – Budgeting

Condition: Several revisions to budgets for funds and departments exceeded 10% cumulatively but were not published as required.
Status: Not corrected. See finding 2022-017.

2021-019 Noncompliance – Bank Accounts

Condition: One of the City's bank accounts, which had a balance of approximately \$35 million at year-end and was held by the City's primary municipal depository, only earned interest at a rate of 0.05% rather than the 0.41% rate required by the City's municipal depository agreement with that bank. In addition, three of the City's bank accounts, which had balances totaling approximately \$613 thousand at year-end and were held by the City's primary municipal depository, were earning no interest at all.
Status: Not corrected. See finding 2022-018.

2021-020 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 2022-020.

2021-021 Noncompliance – Personnel

Condition: I-9 forms were not properly completed and certified by the City for some new employees.
Status: Not corrected. See finding 2022-021.

2021-022 Noncompliance – Timely Pay Statute

Condition: We noted that the City made numerous vendor payments that were more than 45 days after receipt of the applicable invoices without documentation of any dispute or payment of the required interest.
Status: Not corrected. See finding 2022-022.



CORRECTIVE ACTION PLAN

08/14/2024

U.S. DEPARTMENT OF TREASURY

The City of Jackson respectfully submits the following corrective action plan for the year ended September 30, 2022.

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, 2022

The findings from the September 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding No. 2022-001

MATERIAL WEAKNESS AND NONCOMPLIANCE- FINANCIAL REPORTING

Recommendation: We recommend that the City review its financial reporting procedures and staffing levels and revise these as necessary to ensure that the financial reports generated on a monthly and annual basis are prepared in a reliable and timely manner.

Action Taken: The City will revise its financial reporting procedures and enhance its staffing levels to ensure financial reports are generated accurately and timely. The City will review financial data on a monthly basis and make necessary adjustments at that time.

Finding No. 2022-002

MATERIAL WEAKNESS- BANK ACCOUNTS

Recommendation: We recommend that procedures be implemented to reconcile all bank account statements to the accounting system monthly. Any differences should be investigated and resolved in a timely manner.

Action Taken: The procedures regarding the reconciliation of all bank accounts have been updated and the finance staff are in the process of implementing monthly reconciliations. The City implemented a new ERP system that will assist with the timely reconciliation of all bank accounts.

Finding No. 2022-003

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. 2022-004

MATERIAL WEAKNESS- RECEIVABLES

Recommendation: We recommend that procedures be implemented to reconcile all receivable balances in the accounting system to the underlying balances owed by individuals and others monthly. Any differences should be investigated and resolved in a timely manner.

Action Taken: Management is developing and implementing procedures to reconcile water, sewer and solid waste accounts receivables balances for customer accounts to the corresponding general ledger balances.

Finding No. 2022-005

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. 2022-006

MATERIAL WEAKNESS- Grant Reimbursement Receivables

Recommendation: We recommend that the procedures for preparing and submitting grant reimbursements requests be reviewed and revised as necessary to ensure that reimbursements are properly received and recorded.

Action Taken: The City has implemented new policies and procedures regarding grant reimbursements including but not limited to a grants department and all activities regarding reimbursements being reviewed and signed off by the City's Deputy Director of Finance, CFO, or other employees as identified. In addition, any project associated with outside funding has gone through or will go through a reconciliation process to evaluate its current standing, including all related receivables and payables, and will continue to do so every month.

Finding No. 2022-007

Significant Deficiency- Supplies Inventory

Recommendation: We recommend that the procedures for tracking and monitoring supplies inventories be reviewed and revised as necessary to ensure that supplies inventory records are updated in a timely manner and reconciled to the balances in the accounting system.

Action Taken: Due to changes within the City that include but are not limited to, an Interim Third-Party Manager (ITPM) managing the daily operations and collections of the Water Department and plants, the City is working to implement new processes and procedures that will be efficient and effective in terms of inventory balances. In addition, the City is working to ensure that all inventory purchased is acquired at terms that produce savings for the City.

Finding No. 2022-008

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. 2022-009

MATERIAL WEAKNESS- LIABILITIES FOR SEIZED AND FORFEITED CASH

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. 2022-010

MATERIAL WEAKNESS- FUND BALANCE

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. 2022-011

MATERIAL WEAKNESS- REVENUE

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. 2022-012

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. 2022-013

MATERIAL WEAKNESS- PURCHASING PROCEDURES

Recommendation: We recommend that the City review its emergency purchasing procedures and revise them as necessary to ensure that emergency purchases are adequately monitored and processed and that the City's normal competitive purchasing procedures are utilized as soon as practicable after the initial emergency exceptions are allowed.

Action Taken: The purchasing staff will review its emergency purchasing procedures and make revisions to ensure efficient utilization of financial resources.

Finding No. 2022-014

MATERIAL WEAKNESS- INTERNAL SERVICE FUND

Recommendation: We recommend that the City develop procedures to allocate the internal service fund costs to the applicable funds and departments of the City each month.

Action Taken: The City will revise its monthly reconciliation procedures to include proper allocation of internal service fund costs.

Finding No. 2022-015

MATERIAL WEAKNESS AND NONCOMPLIANCE- UNCLAIMED FUNDS

Recommendation: We recommend that procedures be implemented to remit unclaimed funds to the Mississippi Treasurer's Office as required. In addition, we recommend that procedures be implemented to periodically review the outstanding checks schedule to ensure that voided checks have been properly removed from the outstanding checks schedule and any significant old outstanding checks are investigated to determine the reason they have not been cashed by the payees.

Action Taken: The City will continue to work with the Mississippi Treasurer's Office to ensure compliance with the Mississippi Unclaimed Property Act.

Finding No. 2022-016

NONCOMPLIANCE- BUDGETING

Recommendation: We recommend that the City review and revise its budgeting and reporting procedures to ensure that the transactions are properly recorded and budget expenditures are adequately monitored to prevent expenditures in excess of the budgeted line items.

Action Taken: The City is revising its budgeting and reporting procedures to ensure that transactions are properly recorded and budget expenditures are adequately monitored to prevent expenditures in excess of the budgeted line items. Efforts are underway to require the approval of budget department staff on all expenditures, prior to requests for payment being sent to accounts payable. This extra budget review will prevent expenditures in excess of the budgeted line items.

Finding NO. 2022-017

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. 2022-018

NONCOMPLIANCE- BANK ACCOUNTS

Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that the bank complies with the municipal depository agreement.

Action Taken: The City has requested a correction to the interest rate. Interest rates have now been corrected to comply with the municipal depository agreement.

Finding NO. 2022-019

NONCOMPLIANCE- BANK ACCOUNTS

Recommendation: We recommend that the City review its bank account monitoring procedures and revise them as necessary to ensure that all bank accounts are adequately collateralized or insured.

Action Taken: The City will transfer funds to a bank that participants in the Mississippi State Treasurer's state collateral pool. The City will also monitor the accounts to ensure that do not exceed the \$250,000 coverage provided by the Federal Deposit Insurance Corporation.

Finding NO. 2022-020

NONCOMPLIANCE- INVESTMENTS

Recommendation: We recommend that the City transfer these funds to an allowable type of investment.

Action Taken: The City has requested a change to the investment holding facility and will continue to work with them to bring the investment type into compliance with state statutes.

Finding NO. 2022-021

NONCOMPLIANCE- PERSONNEL

Recommendation: We recommend that the City review its employee hiring procedures and revise them as necessary to comply with employment eligibility verification requirements and to document its compliance with those requirements.

Action Taken: The Department of Human Resources will revise its employee hiring procedures in order to comply with the applicable employee eligibility verification and form I-9 requirements.

Finding NO. 2022-022

NONCOMPLIANCE- TIMELY PAY STATUTE

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

Action Taken: The City will utilize the implementation of its ERP system to provide more accountability in monitoring and ensuring compliance with Mississippi timely pay requirements. Policies and procedures will also be updated to enforce adherence to State regulations.

Finding NO. 2022-023

NONCOMPLIANCE- BOND COVENANTS

Recommendation: We recommend that the City continues its efforts to resolve the billing system problems, enforce its customer collection policies, and replace aging water utility lines.

Action Taken: The City will continue to improve its billing and collection efforts by insuring that the modifications to the General Ledger and the billing system are completed in a timely manner and operating efficiently.

Finding NO. 2022-024

SIGNIFICANT DEFICIENCY AND NONCOMPLIANCE- FEDERAL AWARDS CASH MANAGEMENT

Recommendation: We recommend that the procedures for monitoring federal award advances and accounts payable processing be implemented to ensure that project costs are paid upon receipt of the related award advances.

Action Taken: The City has implemented new policies and procedures regarding grant reimbursements including but not limited to a grants department and all activities regarding reimbursements being reviewed and signed off by the City's Deputy CFO, CFO, or other employees identified. In addition, any project associated with outside funding has gone through or will go through a reconciliation process to evaluate its current standing, including all related receivables and payables, and will continue to do so every month. The City is working to ensure all invoices are paid within a timely manner and according to application Federal and State regulations.

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

Sincerely yours,

A handwritten signature in blue ink that reads "Sharon Thames". The signature is written in a cursive, flowing style.

Sharon Thames
Deputy Chief Financial Officer

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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**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, 2022, and have issued our report thereon dated August 15, 2024. 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 2022-001 and 2022-015 through 2022-022.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information of the City's Mayor, City Council, the City's management, the Mississippi Office of the State Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Tann, Brown & Russ Co.

August 15, 2024