

CITY OF JACKSON, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



SCOTT CONGER
MAYOR

BOBBY ARNOLD
CITY RECORDER

December 22, 2020

The Honorable Mayor, City Council and Citizens of Jackson:

The Financial Statements and Supplementary Information of the City of Jackson for the fiscal year ending June 30, 2020 are hereby submitted as required by state statutes. These statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we whereby issue the financial statements and supplementary information of the City of Jackson.

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

Alexander Thompson Arnold PLLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Jackson for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; in assessing the accounting principles used and evaluating the overall financial statement presentation.

The independent auditor concludes, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Jackson's financial statement for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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



Profile of the Government:

The City of Jackson is located in the heart of western Tennessee, approximately 80 miles east of Memphis/Shelby County and approximately 120 miles west of Nashville/Davidson County. During the last several years, west Tennessee has been one of the growth areas within the state. Although growing less rapidly than the middle section of Tennessee, our more methodical growth has occurred at a rate that has allowed for development of infrastructure at an affordable pace.

The City of Jackson occupies a land area of 59 square miles and serves a population of 66,739. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. The City has undertaken the annexation of seventeen square miles and 6,635 new residents in the city limits since 1994. The City annexed 30 sub-areas of land (Northwest Annexation), encompassing 3,704 acres and adding 1,528 new residents in May 2011.

The City was established in 1822 and incorporated in 1845. The Charter of the City is a private act of the State Legislature, which established the governing body of the City as a nine member Council who serves four-year terms of office. Members are elected by district. The CEO of the City is the Mayor, who is elected by all the voters. The Mayor is the presiding officer at City Council meetings. The Mayor has no vote on Council issues, but has veto power, which can be overridden by a 2/3 vote of Council.

The Council is responsible, among other things, for passing ordinances, adopting the budget, ratifying committee and board appointments, and electing a Treasurer and Vice Mayor from the Council, and a City Recorder, from outside the Council. The Mayor is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City provides a wide range of services characteristic of similar jurisdictions in the State, including public safety, highways and streets, recreation, library, public works, improvements, planning and zoning, and general administrative services. The City also provides garbage collection and disposal services. Electric power, natural gas, and water and sewer operations are provided by the Jackson Energy Authority (JEA), which in 2001 was established by act of the TN legislature as an independent authority.

The annual budget serves as the foundation for the City of Jackson's financial planning and control. The budget preparation process begins in January when City departments begin preparation of their long-range capital improvement requests. During the subsequent months, the finance and accounting staff initiates the review and evaluation of each request in light of available revenues and in accordance with the City's overall goals and objectives. By April, the Accounting Department compiles a draft capital plan, which is submitted to the Mayor for review, refinement, and approval. A Budget Committee, consisting of (3) Council members and (4) community leaders was established to work with the City Recorder and Mayor's Assistant to work on the City's annual budget.



During March, City departments begin assessing resource needs for the coming year relative to their operating budgets. The operating budgets for governmental funds are developed from a “top-down” perspective, starting with the projected revenue streams and a determination of non-controllable expenses to arrive at a balance to be distributed to operating departments based on priorities of services to be supplied by the City. The product of that review is refined in meetings with the Mayor and the Finance staff. The Mayor presents a finished budget, adjusted for balance between expenditure and revenue projections and updated with current year results, to the Council in June.

Two budget hearings are held to allow public comment. The hearings provide formal citizens’ input to the City Council on decisions and issues related to the Budget. The hearings also provide the Council with access to those department heads directly involved in the allocation of available funds on a priority basis. The Council, after review of all information and after making final adjustments or amendments, passes the budget by ordinance after two readings. The budget is then submitted to the State Comptroller for review within 15 days of Council approval.

Amendments may be made by resolution to the original appropriations ordinance at any time during a current fiscal year. Transfers between funds occur only as budgeted and approved by Council and are normally related to Debt Service and Capital. Increases in overall appropriations can be made only with Council approval.

Budget-to-actual comparisons are provided in this report for each major fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition:

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

Jackson has a well-diversified manufacturing base, with over 8,000 manufacturing jobs. Not dependent on a single, large employer, the Top 10 Manufacturing Companies averaged 542 employees each. There are approximately 30 manufacturing locations in Jackson. Among Non-Manufacturing employers, West Tennessee Healthcare was the leader with over 5,600 jobs.

Jackson is the regional or corporate headquarters for Kellogg’s Pringles division, Delta Faucet, Pinnacle Foods, Gerdau Ameristeel, and several other companies. In 2003, the Bodine division of Toyota Motor Company selected Jackson as the site for its newest engine plant and has undertaken significant expansion in production equipment and volume.

Jackson is the healthcare center for West Tennessee. West Tennessee Healthcare acquired the former Tennova Healthcare facilities in May 2018 to be financed by the issuance of \$90 million in new bonds in the fourth quarter of fiscal year 2018. There are also 44 medical clinics, 19 retirement or nursing homes and more than 480 practicing physicians. West Tennessee Healthcare also has the Kirkland Cancer Center. The 80,000 square foot LIFT center which houses a full fitness facility, indoor climbing wall, full-size basketball court, two indoor pools and



hot tub, spacious locker rooms, medical clinic, an indoor walking track, and a healthy café was opened in January 2013.

Jackson Walk, a major downtown development including apartments, homes, retail, and the LIFT Wellness Center detailed above, opened in fiscal year 2013. Jackson Walk, excluding the LIFT Wellness Center constructed by West Tennessee Healthcare, is a major private investor backed downtown development projected to amount to \$20 million upon completion. The aim of this major project was to improve the image of downtown Jackson and enhance the tax revenues accordingly. The LIFT is an 80,000 square foot facility that includes an impressive range of fitness options, a complete medical clinic, plus classrooms for overall health education, with 3,950 memberships currently. The Jackson Walk development won the 2015 EPA National Award for Smart Growth Achievement in Neighborhood Revitalization.

Jackson Walk Phase II & Morgan Street Extension, a planned residential development, is a natural progression from the success of the original Jackson Walk development plan. The plan is for 120 apartment units and 40+ single family home lots. This new development plan will enhance the connections between Midtown, Downtown, and surrounding neighborhoods. Specifically, the new plan will help achieve the goal of completing a neighborhood corridor linking Jackson Walk/Downtown to The University of Memphis-Lambuth Campus.

Local State/Federal Partnership Projects

Dr. F.E. Wright Drive Project: This project consists of widening between Ridgecrest Road and US Highway 70 to provide a consistent four-lane roadway. The project will occur in two phases, with the first phase between Ridgecrest and Parkway having begun construction in 2019.

South Bypass Extension / South Jackson Connector: This project consists of four to six lane extension of the US 45 Bypass across the Forked Deer River generally along the Riverside Drive corridor and connecting back at US 45 / South Highland. This project has begun construction in 2020.

State Projects

Interstate 40 & Interchanges: This project will widen Interstate 40 to 6 lanes through the City of Jackson in phases. The current work is focused from just west of the US-45 Bypass to just east of US-45 / North Highland Avenue. The project includes replacing the interchanges at the US 45 Bypass and at US-45 / North Highland Avenue.

Casey Jones Drive & US 45 Bypass Intersection: This project will revise the intersection to remove the current U-turn configuration and improve the connection of Casey Jones Lane to Carriage House Lane. The project will also resurface the Bypass from Carriage House to Channing Way.



Acknowledgements:

The efforts of the members of the Finance department staff and the cooperation of each of the City's departments were essential in the preparation of this report. Specific appreciation is expressed to the Accounting Coordinator, Catherine Keck, and her staff for their preparation and thoroughness throughout the audit process.

Also, the City is indebted to the staff of Alexander Thompson Arnold PLLC, and specifically Matt Wood, for their valuable guidance and assistance. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standard of professionalism in the management of the City of Jackson's finances.

Respectfully submitted,

Bobby Arnold

CITY OF JACKSON, TENNESSEE

June 30, 2020

Mayor and City Council

Scott Conger, Mayor
David Cisco, Vice-Mayor/Council Member
Ross Priddy, Treasurer/Council Member
Harvey Buchanan, Council Member
Marda Wallace, Council Member
Russ McKelvey, Council Member
Ernest Brooks, II, Council Member
Johnny Lee Dodd, Council Member
Paul Taylor, Council Member
Gary Pickens, Council Member

Management Team

Bobby Arnold, City Recorder, CMFO
Catherine Keck, Accounting Coordinator
Christopher Wiser, Police Chief
Darryl Samuels, Fire Chief
Lynn Henning, Director of Personnel

Counsel

Lewis Cobb, City Attorney

FINANCIAL SECTION



Independent Auditor's Report

Honorable Scott Conger, Mayor
Members of the Council
City of Jackson, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jackson, Tennessee, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson Transit Authority (JTA), which is both a major fund and 48 percent, 51 percent, and 77 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for JTA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jackson, Tennessee, as of June 30, 2020, and respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and solid waste collection funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and the required supplementary information related to pensions and other post-employment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors, 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, supplementary information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of the City of Jackson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to solely 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 of Jackson's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 22, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jackson, Tennessee (the "City" or the "City of Jackson"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with our Letter of Transmittal (pages 1-5) and the City's financial statements (beginning on page 18).

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the City of Jackson's governmental funds reported combined ending fund balances of \$26.84 million. Approximately 72.54% of this total amount, \$19.47 million, is available for spending at the government's direction (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19.47 million, or 27.57% of total general fund expenditures. The General Fund reflected a \$2.75 million increase at June 30, 2020 as the result of \$3.81 million excess revenues over expenditures and \$1.07 million in Transfers to Other Funds, which resulted in a \$19.47 million unassigned fund balance.
- The City of Jackson's total debt decreased by \$11.23 million or 14.08% during the current fiscal year. The \$11.23 million decrease consisted of \$7.25 million of principal payments, \$67.56 of refunding debt payments, \$58.51 million of refunding debt issued, and a new bond issue of \$5.08 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

There are two government-wide financial statements:

- **Statement of Net Position** - The statement of net position presents information on all of the City of Jackson's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Jackson is improving or deteriorating.
- **Statement of Activities** - The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All current year revenues and expenses are taken

into account 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 years (for example, 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 (government 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, Parks and Recreation, Public Buildings, H&S, and Capital. The business-type activities of the City of Jackson include Hwy 70 Landfill, Sportsplex, Jackson Transit Authority, and Community Development.

The government-wide financial statements include not only the City itself (known as the primary government) but also two legally separate entities (known as component units). The Jackson Community Redevelopment Agency (ie: CRA) was established by a City Ordinance and now operates as a separate entity with its own board of directors and outside auditors.

The Jackson Energy Authority is also presented in the report as a discretely presented component unit due to the fact that the City has guaranteed their Telecom Bond Issue.

Fund Financial Statements. The fund financial statements provide more detailed information about the most significant funds - not the City as a whole. Some funds are required by State or Federal law or by bond covenants. Other funds are established by the City Council to help it control and manage money for designated or restricted purposes, or to show that it is meeting legal responsibilities for how certain taxes, grants and other monies are used (such as grants received from the United States Department of Housing and Urban Development).

All of the funds of the City of Jackson can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds. The City's basic services are included in Governmental Funds. The focus of these funds is on how cash and other financial assets that can readily be converted to cash when received are used, and what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not include the additional long-term focus of the Government-Wide Statements, we provide additional information after the Governmental Fund Statements that explain the differences between the long-term view and the short-term view.

The City maintains a General Fund, multiple Special Revenue Funds, two Debt Service Funds, and a Capital Projects Fund as Governmental Funds. Information is presented separately in the governmental statement for the General Fund, Debt Service Fund, Solid Waste Collection Fund, and the Capital Projects Fund since all of these are considered major funds. Data for the other funds is combined into a single column.

The City of Jackson adopts a budget for all Governmental Funds. A budgetary comparison for the general and solid waste collection funds is found in the fund statements of this report. In the current fiscal year, both the general and solid waste collection funds had expenditures exceeding appropriations.

Proprietary Funds. Services for which the City charges customers a fee are generally reported in Proprietary Funds. Proprietary Funds, like the Government-Wide Financial Statements, provide both

long-term and short-term financial information. There are two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The City of Jackson maintains only Enterprise Funds.

Enterprise Funds are the same as business-type activities in the Government-Wide Financial Statements but provide more detail and additional information, such as cash flows. The Sportsplex, Jackson Transit Authority, Community Development, and Solid Waste (ie: Old City Landfill) are considered major funds.

Internal Service Funds provide services for other City activities. The City of Jackson could choose to account for maintenance of City vehicles or self-financed health insurance through an internal Service Fund. Because services like these benefit predominantly governmental rather than business-type functions, the City has chosen to include those activities in the Governmental Funds.

Fiduciary Funds. Fiduciary Funds provide information about the financial relationships where the City acts solely as a trustee or fiduciary for the benefit of others to whom the resources belong. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance City operations. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position in the Fund Financial Statements.

Note to the financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information about the City's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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 exceed liabilities and deferred inflows of resources by \$75.52 million at the close of the most recent fiscal year end.

A portion of the City's net position represents resources that are subject to restrictions as to how they may be used. These include \$1.59 million for mandatory State and Council restrictions.

In order to provide a complete picture of the net position of the City, information is provided separately, in the table below, for the net position of governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 69,475,982	\$ 63,446,546	\$ 2,380,895	\$ 1,205,015	\$ 71,856,877	\$ 64,651,561
Capital assets	135,656,651	136,752,832	15,696,075	15,012,244	151,352,726	151,765,076
Total assets	205,132,633	200,199,378	18,076,970	16,217,259	223,209,603	216,416,637
Deferred outflows of resources	9,240,501	9,905,210	551,302	526,212	9,791,803	10,431,422
Current and other liabilities	7,055,691	6,585,968	385,950	361,234	7,441,641	6,947,202
Long-term liabilities	107,337,919	110,166,097	3,407,255	3,959,917	110,745,174	114,126,014
Total liabilities	114,393,610	116,752,065	3,793,205	4,321,151	118,186,815	121,073,216
Deferred inflows of resources	39,041,717	38,665,719	252,469	248,658	39,294,186	38,914,377
Net investment in capital assets	58,240,966	59,190,616	13,944,724	12,869,960	72,185,690	72,060,576
Restricted	1,587,651	847,298	-	-	1,587,651	847,298
Unrestricted	1,109,190	(5,351,110)	637,874	(696,298)	1,747,064	(6,047,408)
Total net position	\$ 60,937,807	\$ 54,686,804	\$ 14,582,598	\$ 12,173,662	\$ 75,520,405	\$ 66,860,466

Statement of Activities

Net Position of the City's governmental activities increased by \$6.25 million or 11.43% and the business-type activities increased by \$2.41 million or 19.79%.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 18,957,786	\$ 20,030,514	\$ 1,574,548	\$ 2,407,093	\$ 20,532,334	\$ 22,437,607
Operating grants and contributions	8,108,436	7,793,090	3,068,855	2,404,027	11,177,291	10,197,117
Capital grants and contributions	419,096	2,239,488	1,378,964	84,358	1,798,060	2,323,846
General revenues:						
Property taxes	41,059,486	40,261,051	-	-	41,059,486	40,261,051
Other taxes	33,930,305	33,293,445	-	-	33,930,305	33,293,445
Other sources	1,180,845	1,478,509	3,366	10,510	1,184,211	1,489,019
Total revenues	103,655,954	105,096,097	6,025,733	4,905,988	109,681,687	110,002,085
Expenses:						
General government	\$ 27,988,609	\$ 38,157,080	\$ -	\$ -	\$ 27,988,609	\$ 38,157,080
Public safety	40,595,968	37,819,610	-	-	40,595,968	37,819,610
Public works	14,426,061	9,278,976	-	-	14,426,061	9,278,976
Public welfare and community service	9,097,841	8,281,760	-	-	9,097,841	8,281,760
Other	802,184	368,982	-	-	802,184	368,982
Interest on debt	2,596,185	2,511,925	-	-	2,596,185	2,511,925
Solid waste	-	-	7,379	69,146	7,379	69,146
Jackson Transit Authority	-	-	3,965,833	3,833,887	3,965,833	3,833,887
Community development	-	-	-	59,761	-	59,761
Sportsplex	-	-	1,541,688	1,964,274	1,541,688	1,964,274
Total expenses	95,506,848	96,418,333	5,514,900	5,927,068	101,021,748	102,345,401

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Increase (decrease) in net position						
before transfers	8,149,106	8,677,764	510,833	(1,021,080)	8,659,939	7,656,684
Transfers in (out)	(1,898,103)	(782,425)	1,898,103	782,425	-	-
Increase (decrease) in net position	6,251,003	7,895,339	2,408,936	(238,655)	8,659,939	7,656,684
Net position - beginning	54,686,804	47,280,384	12,173,662	12,412,317	66,860,466	59,692,701
Prior period restatement/adjustment	-	(488,919)	-	-	-	(488,919)
Net position - beginning - restated	54,686,804	46,791,465	12,173,662	12,412,317	66,860,466	59,203,782
Net position - ending	<u>\$60,937,807</u>	<u>\$ 54,686,804</u>	<u>\$ 14,582,598</u>	<u>\$ 12,173,662</u>	<u>\$ 75,520,405</u>	<u>\$ 66,860,466</u>

FINANCIAL ANALYSIS OF THE CITY'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.

As of the end of the current fiscal year, the City of Jackson's governmental funds reported combined ending fund balances of \$26.84 million, a net increase of \$5.20 million in comparison with the prior year. However, the \$5.20 million increase consists of a \$2.75 million increase in the General Fund. The remaining \$2.45 increase is due to a \$1.12 million increase in the Solid Waste Collection Fund, a \$708 thousand reduction in Debt Service, and a \$2.23 million increase in the Capital Outlay Fund, and an \$193 thousand decrease in the other governmental funds. In the governmental funds approximately 76% or \$20.40 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, committed, assigned, or restricted to indicate that it is not available for new spending, as it has already been committed for debt service, capital projects, public works, or other purposes.

Information about selected major Governmental Funds is presented below.

General Fund. This 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 \$19.47 million. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 27.57% of total general fund expenditures of \$70.60 million. The 27.57% is an increase from the prior year amount of 22.86%.

Capital Projects Fund. This fund focuses on project-to-date costs for many projects within the City. At the end of the year, the Capital Projects Fund had a positive fund balance of \$4.81 million which consists of funds that will be used for upcoming capital projects.

- The City spent \$4.41 million on capital expenditures, primarily from previous draws remaining in the Debt Service Fund at the end of FY 2019.

- Current year expenditures included \$5.34 million for Public Works projects, \$2.31 million for General Government, \$650 thousand for Public Safety, and \$249 thousand for Public Welfare and Community Services.

Debt Service Fund. This fund focuses on the issuance and payments of long-term debt, mainly related to capital needs, within the City. At the end of the year, the Debt Service Fund had a positive fund balance of \$223 thousand which will be used to make principal payments on long-term debt in fiscal year 2021.

Solid Waste Collection Fund. This fund focuses mainly on garbage collection both for residential and commercial customers within the City. At the end of the year, the Solid Waste Collection Fund had a fund balance of \$928 thousand.

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.

As the City completed the fiscal year, its proprietary funds had combined Net Position of \$14.58 million. Of this amount, \$638 thousand was available to meet on-going obligations with the remainder invested in capital assets. Key factors within the major proprietary funds are presented below:

- Net Position of the Solid Waste Disposal Fund was zero at the 2007 fiscal year-end, as a result of the \$11.5 million transfer to the General Fund for the sale of the Aaron Long Road landfill. This fund remains open only to cover the post-closure expense of the "Old Highway 70 Landfill", which will occur in a future year at a cost not to exceed \$145 thousand.
- The other major factor in the Proprietary Funds category is the Sportsplex Fund, an Enterprise Fund for the City's (17) field baseball/softball complex for "Travel Ball". The net position of the fund is \$7.07 million at year-end with approximately \$1.57 million of long-term debt at year-end.

General Fund Budgetary Highlights

Revenues

- Property Taxes were \$67 thousand over budget at \$24.85 million.
- Licenses and Permits were \$309 thousand over budget at \$5.47 million. The positive overrun was due primarily to a \$262 thousand overrun in business taxes.
- Tax equivalents were \$124 thousand or 2% over budget at \$5.15 million. JEA Telecom is now in a positive position and contributed \$307 thousand.
- Fines, Interest & Penalties were \$58 thousand over budget at \$1.02 million. This 6% overrun is primarily due to the delinquent real estate taxes, interest and penalties.
- Local Option Sales Tax collections were \$20.89 million, which is \$226 thousand or 1.1% over budget.

Expenditures

- Actual health insurance claims came in at 11.2% over budget at \$820 thousand, although stop-gap provisions did have to be implemented on a few individual claims.
- Total General Government expenditures of \$14.57 million were under budget by \$2.42 million despite numerous positive/negative line item variations.
- Public Safety expenditures of \$39.47 million were \$222 thousand or .56% over the revised budget, and reflected a concerted effort by the Police Department to control overtime.
- Public Works expenditures of \$8.71 million were \$689 thousand or 7.33% under budget, and State Animal Care Center's budgeted expenditures had to be significantly amended in the current year.
- Public Welfare and Community Service expenditures of \$7.85 million were \$906 thousand or 10.34% under budget, with the Civic Center being \$385 thousand under budget.

CITY OF JACKSON, TENNESSEE OUTSTANDING DEBT (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 61,837	\$ 71,937	\$ 1,048	\$ 1,500	\$ 62,885	\$ 73,437
Section 108 HUD Loan	2,131	2,280	-	-	2,131	2,280
Capital Outlay Notes	2,739	3,096	524	642	3,263	3,738
JMCGH Note	200	250	-	-	200	250
 Total Outstanding Debt	 <u>\$ 66,907</u>	 <u>\$ 77,563</u>	 <u>\$ 1,572</u>	 <u>\$ 2,142</u>	 <u>\$ 68,479</u>	 <u>\$ 79,705</u>

The City of Jackson's total long-term debt decreased by \$11.23 million in the current year. Business-Type debt (i.e.: Sportsplex) decreased by \$570 thousand. General Obligation Bonds decreased by \$10.10 million and Capital Outlay Notes decreased by \$119 thousand.

The City of Jackson retained the AA rating from Standard & Poor's that was most recently confirmed in 2019.

Contacting the City's Financial Management

Office of the City Recorder
101 East Main Street, Suite 203
Jackson, TN 38301
731-425-8248

BASIC FINANCIAL STATEMENTS

CITY OF JACKSON, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Jackson Energy Authority	Jackson Community Redevelopment Agency
Assets					
Cash and cash equivalents	\$ 21,684,506	\$ 962,310	\$ 22,646,816	\$ 95,848,247	\$ 1,029,339
Investments	-	-	-	16,798,995	-
Receivables:					
Interest	16,748	-	16,748	140,669	-
Notes	-	-	-	-	17,214,361
Taxes (net of allowance for uncollectible accounts)	35,731,554	-	35,731,554	-	-
Accounts (net of allowance for uncollectible accounts)	2,209,562	17,880	2,227,442	17,145,659	213,201
Grants	1,970,023	1,144,597	3,114,620	44,000	-
Intergovernmental	7,282,627	-	7,282,627	-	-
Court fines (net of allowance for uncollectible accounts)	68,328	-	68,328	-	-
Internal balances	(88,134)	88,134	-	-	-
Inventories:					
Parts and supplies	333,627	158,856	492,483	4,872,987	-
Gasoline and diesel	30,660	-	30,660	-	-
For resale	2,128	-	2,128	-	-
Prepays	64,628	-	64,628	-	-
Other assets	-	9,118	9,118	6,306,384	-
Unamortized bond issue cost	-	-	-	631,828	-
Unrecovered purchased gas cost	-	-	-	(9,459)	-
Intellectual property	-	-	-	4,467,956	-
Unamortized expenditures (net of accumulated amortization)	-	-	-	599,743	-
Long-term notes receivable	169,725	-	169,725	-	-
Retainage account	-	-	-	450,895	-
Restricted assets:					
Cash and cash equivalents	-	-	-	11,055,910	-
Investments	-	-	-	5,425,633	-
Capital assets not being depreciated:					
Land	23,363,629	2,735,465	26,099,094	-	3,766,764
Construction in progress	9,985,430	-	9,985,430	29,104,983	-
Capital assets (net of accumulated depreciation):					
Buildings	29,340,657	7,360,760	36,701,417	-	412,168
Improvements other than buildings	4,764,837	2,681,567	7,446,404	-	-
Infrastructure	61,354,825	-	61,354,825	-	-
Machinery and equipment	2,295,882	2,790,901	5,086,783	-	-
Furniture and fixtures	4,551,391	127,382	4,678,773	-	-
Plant in service	-	-	-	482,591,495	-
Total assets	\$ 205,132,633	\$ 18,076,970	\$ 223,209,603	\$ 675,475,925	\$ 22,635,833
Deferred Outflows of Resources					
OPEB contributions after measurement date	381,668	26,169	407,837	-	-
Pension changes in experience - TCRS	810,663	42,017	852,680	-	-
Pension changes of assumptions - TCRS	1,606,688	83,276	1,689,964	-	-
Pension contributions after measurement date - TCRS	6,441,482	399,840	6,841,322	-	-
Net difference between expected and actual earnings in plan investments	-	-	-	3,196,010	-
Deferred outflows related to pensions and OPEB	-	-	-	26,405,061	-
Unamortized debt refunding differences	-	-	-	3,737,774	-
Total deferred outflows of resources	\$ 9,240,501	\$ 551,302	\$ 9,791,803	\$ 33,338,845	\$ -

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Jackson Energy Authority	Jackson Community Redevelopment Agency
Liabilities					
Accounts payable	\$ 5,105,853	\$ 88,840	\$ 5,194,693	\$ 23,044,300	\$ 34,352
Accrued expenses	1,653,548	297,110	1,950,658	2,812,896	-
Customer deposits	275,450	-	275,450	6,707,333	-
Accrued interest payable	10,840	-	10,840	-	-
Unearned revenue - grants	10,000	-	10,000	-	-
Unearned revenue - City	-	-	-	-	1,618
Unearned revenue - Jackson Walk Phase II	-	-	-	-	3,720
Gas supply imbalances	-	-	-	3,960	-
Current portion of long-term notes payable	-	-	-	2,096,957	451,895
Current portion of compensated absences	-	-	-	2,012,716	-
Accrued revenue bond interest	-	-	-	641,664	-
Current portion - revenue bonds payable (net of discount)	-	-	-	12,314,792	-
Noncurrent liabilities:					
Due within one year	7,499,341	270,579	7,769,920	-	-
Due in more than one year	72,228,245	1,509,692	73,737,937	121,781,464	17,459,844
Accrued landfill closure/postclosure costs	-	144,600	144,600	-	-
Net pension liability - TCRS	11,695,722	606,195	12,301,917	-	-
Net pension liability - Old City	3,752,280	-	3,752,280	-	-
Net pension liability	-	-	-	62,713,446	-
OPEB liability	12,162,331	876,189	13,038,520	25,557,157	-
Total liabilities	114,393,610	3,793,205	118,186,815	259,686,685	17,951,429
Deferred inflows of Resources					
Deferred property taxes	34,267,772	-	34,267,772	-	-
OPEB change of assumptions	249,000	17,938	266,938	-	-
Change of assumptions	-	-	-	10,915,784	-
Pension change in actuarial experience - TCRS	2,396,936	124,235	2,521,171	-	-
Pension change in experience	-	-	-	341,614	-
Pension change in investment earnings - TCRS	2,128,009	110,296	2,238,305	-	-
Total deferred inflows of resources	39,041,717	252,469	39,294,186	11,257,398	-
Net position					
Net investment in capital assets	58,240,966	13,944,724	72,185,690	372,463,254	3,367,560
Restricted for:					
Sex offender	58,792	-	58,792	-	-
Property fund reserve	197,171	-	197,171	-	-
Police drug	113,604	-	113,604	-	-
Metro drug	192,903	-	192,903	-	-
Grant funds	96,795	-	96,795	-	-
Solid waste collection	928,386	-	928,386	-	-
Debt service	-	-	-	10,414,246	-
Other	-	-	-	548,573	363,992
Unrestricted	1,109,190	637,874	1,747,064	54,444,614	952,852
Total net position	\$ 60,937,807	\$ 14,582,598	\$ 75,520,405	\$ 437,870,687	\$ 4,684,404

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating	Capital	Primary Government			Jackson Energy Authority	Jackson Community Redevelopment Agency
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary government									
Governmental activities:									
General government	\$ 27,988,609	\$ 1,759,276	\$ 806,878	\$ 7,258	\$ (25,415,197)	\$ -	\$ (25,415,197)	\$ -	\$ -
Public safety	40,595,968	1,878,795	1,063,663	260,998	(37,392,512)	-	(37,392,512)	-	-
Public works	14,426,061	13,939,212	6,233,395	150,840	5,897,386	-	5,897,386	-	-
Public welfare and community service	9,097,841	1,380,503	4,500	-	(7,712,838)	-	(7,712,838)	-	-
Other	802,184	-	-	-	(802,184)	-	(802,184)	-	-
Interest on debt	2,596,185	-	-	-	(2,596,185)	-	(2,596,185)	-	-
Total governmental activities	95,506,848	18,957,786	8,108,436	419,096	(68,021,530)	-	(68,021,530)	-	-
Business-type activities:									
Solid waste	7,379	-	-	-	-	(7,379)	(7,379)	-	-
Jackson Transit Authority	3,965,833	501,320	3,068,855	1,378,964	-	983,306	983,306	-	-
Sportsplex	1,541,688	990,632	-	-	-	(551,056)	(551,056)	-	-
Community development	-	82,596	-	-	-	82,596	82,596	-	-
Total business-type activities	5,514,900	1,574,548	3,068,855	1,378,964	-	507,467	507,467	-	-
Total primary government	\$ 101,021,748	\$ 20,532,334	\$ 11,177,291	\$ 1,798,060	(68,021,530)	507,467	(67,514,063)	-	-
Component unit									
Jackson Energy Authority	\$ 228,105,968	\$ 243,556,219	\$ -	\$ 5,505,507	-	-	-	20,955,758	-
Jackson Community Redevelopment Agency	\$ 687,137	\$ 1,233,708	\$ -	\$ 293,150	-	-	-	-	839,721
General revenues:									
Property taxes - levied for general government					34,185,718	-	34,185,718	-	-
In lieu of property taxes					6,873,768	-	6,873,768	-	-
Sales taxes					27,014,315	-	27,014,315	-	-
Franchise and excise taxes					133,976	-	133,976	-	-
Alcoholic beverage taxes					3,008,200	-	3,008,200	-	-
Business taxes					2,211,961	-	2,211,961	-	-
Income taxes					293,126	-	293,126	-	-
TVA taxes					803,618	-	803,618	-	-
Hotel-motel taxes					465,109	-	465,109	-	-
Rental and reimbursements					620,719	-	620,719	-	-
Other sources/(uses)					257,238	-	257,238	(25,646)	(144,785)
Unrestricted grants and contributions					37,382	-	37,382	-	-
Unrestricted interest income					265,506	3,366	268,872	2,407,811	-
Transfers					(1,898,103)	1,898,103	-	-	(650,000)
Total general revenues and transfers					74,272,533	1,901,469	76,174,002	2,382,165	(794,785)
Changes in net position					6,251,003	2,408,936	8,659,939	23,337,923	44,936
Net position - beginning					54,686,804	12,173,662	66,860,466	414,318,371	4,639,468
Prior period adjustment					-	-	-	214,393	-
Net position - beginning - restated					54,686,804	12,173,662	66,860,466	414,532,764	4,639,468
Net position - ending					\$ 60,937,807	\$ 14,582,598	\$ 75,520,405	\$ 437,870,687	\$ 4,684,404

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

CITY OF JACKSON, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Debt Service	Capital Outlay	Solid Waste Collection	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 16,853,997	\$ 262,213	\$ 4,142,537	17,155	\$ 408,604	\$ 21,684,506
Receivables:						
Interest	16,748	-	-	-	-	16,748
Taxes (net of allowance for uncollectible accounts)	26,205,819	9,483,265	42,470	-	-	35,731,554
Accounts (net of allowance for uncollectible accounts)	75,121	6,090	-	2,124,331	4,020	2,209,562
Grants	371,330	-	1,594,143	-	4,550	1,970,023
Intergovernmental	7,282,627	-	-	-	-	7,282,627
Court fines (net of allowance for uncollectible accounts)	56,097	-	-	-	12,231	68,328
Notes	169,725	-	-	-	-	169,725
Due from other funds	29,553	-	-	-	17	29,570
Inventories:						
Parts and supplies	333,627	-	-	-	-	333,627
Gasoline and diesel	30,660	-	-	-	-	30,660
For resale	2,128	-	-	-	-	2,128
Prepays	64,628	-	-	-	-	64,628
Total assets	\$ 51,492,060	\$ 9,751,568	\$ 5,779,150	\$ 2,141,486	\$ 429,422	\$ 69,593,686
Liabilities						
Accounts payable	\$ 3,263,869	\$ -	\$ 930,812	894,897	\$ 16,275	\$ 5,105,853
Accrued expenses	1,610,795	-	-	42,753	-	1,653,548
Due to other funds	21,543	96,144	-	-	17	117,704
Unearned revenue - grants	10,000	-	-	-	-	10,000
Customer deposits	-	-	-	275,450	-	275,450
Total liabilities	4,906,207	96,144	930,812	1,213,100	16,292	7,162,555
Deferred inflows of resources						
Unavailable property taxes	26,060,492	9,432,035	36,334	-	-	35,528,861
Unavailable court fines	56,097	-	-	-	9,828	65,925
Total deferred inflows of resources	26,116,589	9,432,035	36,334	-	9,828	35,594,786
Fund balances						
Nonspendable:						
Inventory	366,415	-	-	-	-	366,415
Prepays	64,628	-	-	-	-	64,628
Restricted:						
Sex offender	58,792	-	-	-	-	58,792
Property fund reserve	197,171	-	-	-	-	197,171
Police drug	-	-	-	-	113,604	113,604
Metro drug	-	-	-	-	192,903	192,903
Grant funds	-	-	-	-	96,795	96,795
Solid waste collection	-	-	-	928,386	-	928,386
Committed:						
Debt service	-	223,389	-	-	-	223,389
Capital outlay	-	-	4,812,004	-	-	4,812,004
Assigned:						
Midnight Basketball	6,917	-	-	-	-	6,917
Federal Equitable Sharing Program	192,288	-	-	-	-	192,288
Fire training	20,160	-	-	-	-	20,160
Traffic safety	18,056	-	-	-	-	18,056
Drug court	17,357	-	-	-	-	17,357
Earth Day	6,808	-	-	-	-	6,808
Health Fair	1,891	-	-	-	-	1,891
Shirlene Mercer	5,000	-	-	-	-	5,000
Drill Field	39,560	-	-	-	-	39,560
Liberty Gardens	4,285	-	-	-	-	4,285
Jackson Idol	2,611	-	-	-	-	2,611
Unassigned	19,467,325	-	-	-	-	19,467,325
Total fund balances	20,469,264	223,389	4,812,004	928,386	403,302	26,836,345
Total liabilities, deferred inflows of resources, and fund balances	\$ 51,492,060	\$ 9,751,568	\$ 5,779,150	\$ 2,141,486	\$ 429,422	\$ 69,593,686

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

CITY OF JACKSON, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Amounts reported for the governmental activities in the statement of net position (pages 18 - 19) are different because:

Fund balance - total governmental funds (Page 21)	\$	26,836,345
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds		135,656,651
Receivables not available to pay for current expenditures and, therefore, are deferred in the funds		1,327,014
Payables, such as accrued interest payable, are not due and payable in the current period, and therefore are not reported in the funds		(10,840)
Deferred outflows of resources - pensions and OPEB are not available to pay current expenditures and, therefore, are unavailable in the funds.		9,240,501
Deferred inflows of resources - pensions and OPEB are not due in the current period and, therefore, are not reported in the funds.		
Pension related		(4,524,945)
OPEB related		(249,000)
Long-term liabilities, including notes and bonds payable, OPEB liability, and net pension liability are not due in the current period and, therefore, are not reported in the funds		<u>(107,337,919)</u>
Net position - governmental activities (Page 19)	\$	<u>60,937,807</u>

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General	Debt Service	Capital Outlay	Solid Waste Collection	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 31,902,569	\$ 9,553,056	\$ 1,256,126	\$ -	\$ -	\$ 42,711,751
Licenses and permits	5,472,553	-	-	-	-	5,472,553
Fines, interest and penalties	1,019,452	-	-	-	27,887	1,047,339
Use of money and property	994,410	35,126	53,276	-	57,145	1,139,957
Intergovernmental	32,314,107	84,615	3,636,597	-	703,632	36,738,951
Sales and service charges	1,102,508	-	-	13,870,159	15,942	14,988,609
Other	1,608,070	-	-	-	20,986	1,629,056
Total revenues	<u>74,413,669</u>	<u>9,672,797</u>	<u>4,945,999</u>	<u>13,870,159</u>	<u>825,592</u>	<u>103,728,216</u>
Expenditures						
Current						
General government	14,570,563	-	2,309,302	-	-	16,879,865
Public safety	39,466,741	-	650,255	-	161,307	40,278,303
Public works	8,710,981	-	929,760	-	-	9,640,741
Solid waste collection	-	-	-	12,609,006	-	12,609,006
Public welfare and community services	7,850,559	-	249,156	-	485,510	8,585,225
Other	-	-	117,183	-	-	117,183
Capital Outlay						
Public safety	-	-	-	-	83,085	83,085
Public works	-	-	4,405,562	-	-	4,405,562
Debt Service						
Principal	-	72,824,506	-	156,400	199,000	73,179,906
Interest	-	3,081,697	-	27,007	90,108	3,198,812
Other	-	685,001	-	-	-	685,001
Total expenditures	<u>70,598,844</u>	<u>76,591,204</u>	<u>8,661,218</u>	<u>12,792,413</u>	<u>1,019,010</u>	<u>169,662,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,814,825</u>	<u>(66,918,407)</u>	<u>(3,715,219)</u>	<u>1,077,746</u>	<u>(193,418)</u>	<u>(65,934,473)</u>
Other financing sources (uses)						
Sale of bonds	-	62,524,274	-	-	-	62,524,274
Premium on bonds	-	10,509,101	-	-	-	10,509,101
Transfers in	-	-	5,949,794	40,638	239,108	6,229,540
Transfers out	(1,065,073)	(6,823,462)	-	-	(239,108)	(8,127,643)
Total other financing sources (uses)	<u>(1,065,073)</u>	<u>66,209,913</u>	<u>5,949,794</u>	<u>40,638</u>	<u>-</u>	<u>71,135,272</u>
Net changes in fund balances	<u>2,749,752</u>	<u>(708,494)</u>	<u>2,234,575</u>	<u>1,118,384</u>	<u>(193,418)</u>	<u>5,200,799</u>
Fund balances - beginning	<u>17,719,512</u>	<u>931,883</u>	<u>2,577,429</u>	<u>(189,998)</u>	<u>596,720</u>	<u>21,635,546</u>
Fund balances - ending	<u>\$ 20,469,264</u>	<u>\$ 223,389</u>	<u>\$ 4,812,004</u>	<u>\$ 928,386</u>	<u>\$ 403,302</u>	<u>\$ 26,836,345</u>

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

CITY OF JACKSON, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Amounts reported for the governmental activities in the statement of activities (Page 20) are different because:

Net change in fund balances - total governmental funds (Page 23)	\$ 5,200,799
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 in the current period. This is the amount by which capital outlays exceeded depreciation in the current period	(1,096,183)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(330,561)
Some expenses reported in the statement of activities, such as accrued leave, interest payable, debt premium amortization and OPEB liability, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Compensated absences	47,761
Amortization of debt issuance premium	63,178
OPEB	(202,740)
Accrued interest payable	539,449
Some expenses reported in the statement of activities, such as pension expense, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(4,558,713)
Employer contributions to the pension plans in the current fiscal year, which was after the valuation period of the plans, are treated as a reduction of pension expense and are deferred in the statement of net position	6,441,482
The issuance of long-term debt provides current financial resources to governmental funds. These transactions do not have any effect on net position.	(62,524,274)
The issuance of bonds payable represents additional funds received above cost for the governmental funds. These transactions do not have any effect on net position.	(10,509,101)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any effect on net position	<u>73,179,906</u>
Change in net position of governmental activities (Page 20)	<u>\$ 6,251,003</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Property taxes	\$ 24,835,000	\$ 24,784,523	\$ 24,851,693	\$ 67,170
Less: Discounts on property taxes				
Tax equivalents:				
IDB	-	-	306,883	306,883
Electric Department	2,569,846	2,569,846	2,512,791	(57,055)
Water Department	338,172	338,172	338,526	354
Gas Department	1,239,358	1,239,358	1,064,309	(175,049)
Telecom	343,000	343,000	306,793	(36,207)
JDFR	-	-	12,478	12,478
Jackson Housing	40,839	40,839	41,393	554
WTHC	487,900	487,900	567,000	79,100
St. Mary's Manor	4,208	4,208	-	(4,208)
Wesley	5,737	5,737	3,375	(2,362)
City beer tax	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,897,328</u>	<u>47,328</u>
Total taxes	<u>31,714,060</u>	<u>31,663,583</u>	<u>31,902,569</u>	<u>238,986</u>
Licenses and permits:				
Automobile license	1,250,000	1,250,000	1,352,083	102,083
Mechanical permits	35,400	35,400	39,895	4,495
Building permits	246,130	246,130	342,853	96,723
Electric permits	75,000	75,000	71,895	(3,105)
Chauffeur permits	-	-	100	100
Development permits	7,500	7,500	6,200	(1,300)
Tradesman license fees	100,050	100,050	49,865	(50,185)
Business tax	1,950,000	1,950,000	2,211,961	261,961
Plumbing permits	31,500	31,500	28,478	(3,022)
Wholesale liquor tax	690,000	690,000	805,122	115,122
Beer privilege tax	50,000	50,000	16,410	(33,590)
Gas permits	12,100	12,100	16,760	4,660
Other review/evaluation fees	4,800	4,800	3,675	(1,125)
Liquor application fee	2,400	2,400	6,575	4,175
Other investigation fees	13,000	13,000	12,350	(650)
Mixed drink taxes	75,000	75,000	34,725	(40,275)
Sign permits	10,800	10,800	8,497	(2,303)
Hotel-motel tax	<u>610,000</u>	<u>610,000</u>	<u>465,109</u>	<u>(144,891)</u>
Total licenses and permits	<u>5,163,680</u>	<u>5,163,680</u>	<u>5,472,553</u>	<u>308,873</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Fines, interest, and penalties:				
Police and city court revenue	285,000	285,000	309,296	24,296
City jail fees	100	100	565	465
Parking tickets	9,000	9,000	11,311	2,311
Evidence awards	55,000	55,000	4,484	(50,516)
Privilege license and business tax penalties	15,000	15,000	2,500	(12,500)
Drug litigation tax	135,000	135,000	134,097	(903)
Delinquent real estate taxes, interest and penalties	450,000	450,000	546,849	96,849
Sex offender registrator	12,500	12,500	10,350	(2,150)
Total fines, interest and penalties:	<u>961,600</u>	<u>961,600</u>	<u>1,019,452</u>	<u>57,852</u>
Use of money and property				
Rent income	158,000	158,000	228,239	70,239
Recreation revenue	29,000	29,000	6,345	(22,655)
Casey Jones Museum rent	8,000	8,000	7,488	(512)
Interest on investments	260,000	260,000	169,959	(90,041)
T. R. White revenue	15,000	15,000	4,259	(10,741)
Westwood Community Center revenue	2,000	2,000	13,113	11,113
South Jackson Community Center revenue	-	-	975	975
Oman Arena revenue	55,500	55,500	37,208	(18,292)
Civic Center revenue	201,000	201,000	149,738	(51,262)
Carnegie Center revenue	54,000	54,000	50,273	(3,727)
Fairgrounds revenue	175,000	175,000	149,278	(25,722)
Ned Center revenue	96,800	96,800	74,427	(22,373)
Community education	2,100	2,100	1,669	(431)
Athletics revenue	65,000	65,000	15,861	(49,139)
Tennis court revenues	40,000	40,000	14,348	(25,652)
Farmer's Market rent	41,000	41,000	41,337	337
Depot rent	-	-	150	150
Theater	2,500	2,500	111	(2,389)
Concessions	60,700	60,700	26,935	(33,765)
Miscellaneous	10,300	10,300	1,999	(8,301)
Swimming pool revenue	1,000	1,000	698	(302)
Total use of money and property	<u>1,276,900</u>	<u>1,276,900</u>	<u>994,410</u>	<u>(282,490)</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Intergovernmental				
State of Tennessee:				
Excise tax	171,000	171,000	133,976	(37,024)
Income tax	-	-	293,126	293,126
Beer tax	45,000	45,000	30,547	(14,453)
Sales tax	5,946,000	5,946,000	6,035,932	89,932
Sweeping	-	130,000	140,813	10,813
Mixed drink tax	230,000	230,000	217,493	(12,507)
TVA tax	775,000	775,000	803,618	28,618
Law enforcement education supplement	120,000	120,000	163,200	43,200
Fire protection education supplement	102,600	102,600	167,350	64,750
Municipal planning office grant	168,800	168,800	72,588	(96,212)
SART grant	60,000	60,000	57,246	(2,754)
Petroleum special	136,000	136,000	129,464	(6,536)
Gasoline & motor fuel tax	1,800,000	1,800,000	1,186,797	(613,203)
Gas 1989	-	-	187,644	187,644
Gas 3 cent	-	-	347,692	347,692
Gas 2017	550,000	550,000	595,374	45,374
Transportation planning project	18,631	18,631	-	(18,631)
TDOT reimbursement	80,000	80,000	83,370	3,370
Site development grant	379,546	379,546	67,470	(312,076)
Invest Prep Grant - Commerce	250,000	250,000	14,122	(235,878)
Tourism enhancement grant	50,000	50,000	7,258	(42,742)
Arts access grant	-	4,500	4,500	-
TN counts census grant	-	10,000	10,000	-
Toyota keep Jackson beautiful	-	10,000	-	(10,000)
Madison County:				
Local sales tax apportioned	14,436,060	14,436,060	14,748,550	312,490
Local sales tax apportioned-Education	6,232,200	6,232,200	6,145,218	(86,982)
Federal Government:				
ACT grant	60,267	60,267	29,046	(31,221)
Drug court grant	-	-	69,970	69,970
JAG	142,735	185,830	119,724	(66,106)
JTA grant	33,155	33,155	-	(33,155)
VOCA grant	43,879	43,879	40,001	(3,878)
MPO - SPR	38,000	38,000	5,878	(32,122)
Agriculture tree grant	28,512	28,512	-	(28,512)
Miscellaneous grants	306,671	395,007	406,140	11,133
Total intergovernmental	<u>32,204,055</u>	<u>32,489,986</u>	<u>32,314,107</u>	<u>(175,879)</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Sales and service charges:				
Supply sales	40,700	40,700	12,535	(28,165)
Plans review	111,238	111,238	120,037	8,799
Fire protection contracts & reports	100	100	10	(90)
Fire training fees	25,000	25,000	27,000	2,000
Board of Appeals fees	5,500	5,500	7,475	1,975
Accident report fees by police	5,000	5,000	12,545	7,545
JTA ticket sales commission	1,001,000	1,001,000	792,692	(208,308)
Seatbelt fees	5,000	5,000	4,890	(110)
Handling fees	4,500	4,500	3,635	(865)
Public education training fees	15,000	15,000	-	(15,000)
Planning Dept, maps and services	29,200	29,200	22,250	(6,950)
Zoning application fees	5,300	5,300	3,450	(1,850)
Sale of merchandise and services	68,200	68,200	43,353	(24,847)
Miscellaneous	43,500	43,500	52,636	9,136
Total sales and service charges	<u>1,359,238</u>	<u>1,359,238</u>	<u>1,102,508</u>	<u>(256,730)</u>
Other revenues:				
CATV revenues	1,100,000	1,100,000	977,372	(122,628)
Donations	8,900	8,900	37,382	28,482
Riverside Cemetery trust fund income	500	500	1,086	586
Sponsors- t-shirt uniforms	-	-	(539)	(539)
Insurance recoveries	40,000	40,000	258,825	218,825
Reimbursements	501,000	501,000	334,992	(166,008)
Cash over (short)	-	-	(1,048)	(1,048)
Total other revenues	<u>1,650,400</u>	<u>1,650,400</u>	<u>1,608,070</u>	<u>(42,330)</u>
Total revenues	<u>\$ 74,329,933</u>	<u>\$ 74,565,387</u>	<u>\$ 74,413,669</u>	<u>\$ (151,718)</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
General Government Administration:				
Office of Mayor:				
Salaries	\$ 347,589	\$ 396,961	\$ 525,137	\$ 128,176
Operating	41,480	41,480	44,879	3,399
City Council:				
Salaries	143,333	143,333	120,073	(23,260)
Operating	21,700	21,700	20,258	(1,442)
Municipal Court:				
Salaries	887,057	887,057	892,141	5,084
Operating	24,900	24,900	38,123	13,223
Drug Treatment:				
Salaries	142,833	142,833	141,706	(1,127)
Operating	73,220	73,220	71,994	(1,226)
Legal Department:				
Operating	189,000	189,000	245,548	56,548
Planning and Zoning:				
Salaries	574,968	574,968	463,526	(111,442)
Operating	28,840	28,840	23,806	(5,034)
Civil Service:				
Operating	1,500	1,500	2,056	556
CEDC				
Salaries	128,145	128,145	181,872	53,727
Public buildings and services:				
Salaries - janitors	120,147	120,147	95,285	(24,862)
Operating	388,757	388,757	360,236	(28,521)
Revenue and finance:				
Salaries	427,509	427,509	516,069	88,560
Printing and binding	20,500	20,500	17,715	(2,785)
Publicity, subscriptions and dues	4,000	4,000	4,296	296
Auditing	74,850	74,850	70,991	(3,859)
Office supplies and postage	17,000	17,000	24,407	7,407
Insurance and bonding premiums	936,000	936,000	1,010,079	74,079
Travel	3,000	3,000	2,033	(967)
Office equipment maintenance	300	300	-	(300)
Other operating expenses	8,420	8,420	4,114	(4,306)
County Trustee/Clerk commission	260,000	260,000	253,533	(6,467)

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
General Government Administration:				
Accounting:				
Salaries	\$ 346,550	\$ 346,550	\$ 262,161	\$ (84,389)
Operating	12,625	12,625	9,780	(2,845)
Information systems:				
Salaries	611,255	611,255	539,428	(71,827)
Operating	64,020	64,020	114,309	50,289
Farmer's market:				
Salaries	160,501	160,501	152,036	(8,465)
Operating	84,700	84,700	48,200	(36,500)
Purchasing:				
Salaries	150,803	150,803	143,926	(6,877)
Operating	9,458	9,458	9,719	261
Building Department:				
Salaries	837,866	837,866	808,844	(29,022)
Operating	57,050	57,050	34,536	(22,514)
Risk management:				
Salaries	231,608	231,608	256,196	24,588
Operating	9,452	9,452	10,302	850
Reimbursable Planning Act:				
Operating	201,376	201,376	40,473	(160,903)
Housing Codes Enforcement:				
Salaries	407,870	407,870	375,285	(32,585)
Operating	138,090	138,090	55,401	(82,689)
Personnel:				
Salaries	282,023	282,023	289,448	7,425
Operating	14,610	14,610	10,255	(4,355)
Amphitheater:				
Salaries	10,750	10,750	-	(10,750)
Operating	25,000	25,000	5,427	(19,573)
Miscellaneous expenditures:				
Contributions	446,348	446,348	394,785	(51,563)
Grant expenses	146,667	156,667	106,572	(50,095)
Commerce - Toyota Boshuku	-	-	-	-
Site development	542,209	542,209	82,377	(459,832)
Invest Prep grant - Commercial	500,000	500,000	14,234	(485,766)
Election expense	-	-	1,066	1,066
COVID-19 expenses	-	-	39,384	39,384
Damage claims and court costs	25,000	25,000	27,800	2,800
Municipal development	100,000	100,000	69,332	(30,668)
Payroll taxes	25,000	25,000	48,044	23,044
Health claims paid	7,325,000	7,325,000	8,144,668	819,668
Employee/Employer health insurance	(7,200,000)	(7,200,000)	(8,154,097)	(954,097)
Dental insurance claims paid	338,000	338,000	340,732	2,732
Employee dental insurance	(338,000)	(338,000)	(411,026)	(73,026)
Vision insurance claims paid	125,000	125,000	122,570	(2,430)
Employee vision insurance	(86,000)	(86,000)	(76,185)	9,815
Group health insurance	410,000	410,000	410,516	516
Group vision insurance	71,000	71,000	76,884	5,884

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
General Government Administration:				
Publicity and marketing	\$ 480,000	\$ 480,000	\$ 88,339	\$ (391,661)
On-the-job injury	625,000	625,000	423,310	(201,690)
Tax sales expense	300,000	300,000	81,528	(218,472)
City sticker collection fees	70,000	70,000	78,167	8,167
Employee education and training	25,000	25,000	7,465	(17,535)
Group life insurance	180,000	180,000	181,912	1,912
Employee benefits	425,101	425,101	569,640	144,539
Retirement benefits	527,000	527,000	460,109	(66,891)
Unemployment insurance	25,000	25,000	138,874	113,874
Appropriation to Airport Authority	131,432	131,432	135,915	4,484
Appropriation to Jackson-Madison County Library	677,054	677,054	703,664	26,611
Appropriation to Education Foundation	210,000	210,000	-	(210,000)
Appropriation to IDB	-	500,000	370,974	(129,026)
Appropriation to EMA	192,313	192,313	151,866	(40,447)
Appropriation to CRA District	200,000	200,000	473,528	273,528
Appropriations to other agencies	275,865	275,865	260,469	(15,396)
Other health insurance costs	529,800	529,800	486,608	(43,192)
Contractual services	5,000	5,000	2,684	(2,316)
One Jackson - civic master	167,693	167,693	-	(167,693)
Long-term disability insurance	48,000	48,000	61,172	13,172
Credit card charges	4,000	4,000	10,306	6,306
Rental house expenses	1,000	1,000	600	(400)
Sundry/other	381,411	381,411	350,174	(31,237)
Total General Government Administratio	<u>16,431,547</u>	<u>16,990,919</u>	<u>14,570,563</u>	<u>(2,420,356)</u>
Public Safety:				
Police Department:				
Salaries	8,560,676	8,560,676	8,050,417	(510,259)
Operating	1,370,142	1,370,142	1,396,683	26,541
Patrol Department:				
Salaries	10,310,064	10,310,064	10,050,332	(259,732)
Operating	1,010,470	1,010,470	1,138,996	128,526
Police grant programs				
Salaries	604,879	604,879	638,606	33,727
Operating	87,660	130,755	56,381	(74,374)
Crime prevention				
Salaries	148,111	148,111	29,723	(118,388)
Operating	8,500	8,500	1,070	(7,430)
Fire Department:				
Salaries	13,133,027	13,103,886	13,194,459	90,573
Operating	863,980	863,980	1,034,549	170,569
Fire Safety & Public Education:				
Salaries	165,226	165,226	167,072	1,846
Operating	10,150	10,150	43,736	33,586

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Public Safety:				
Correctional administration:				
Salaries	\$ 21,959	\$ 21,959	\$ 14,767	\$ (7,192)
Operating	12,000	12,000	14,102	2,102
Traffic and street crimes:				
Salaries	809,588	809,588	1,275,685	466,097
Operating	2,000	2,000	240	(1,760)
Central dispatch operations:				
Salaries	1,634,804	1,634,804	1,633,162	(1,642)
Operating	478,021	478,021	726,761	248,740
Total Public Safety	<u>39,231,257</u>	<u>39,245,211</u>	<u>39,466,741</u>	<u>221,530</u>
Public Works:				
Engineer:				
Salaries	572,354	488,601	468,084	(20,517)
Operating	63,503	63,503	48,212	(15,291)
State Street Aid:				
Salaries	1,854,969	2,096,517	1,933,751	(162,766)
Operating	251,875	299,625	408,431	108,806
Street lighting	2,075,732	2,075,732	2,093,387	17,655
Demolition and soil erosion:				
Salaries	814,770	814,770	728,559	(86,211)
Operating	687,760	687,760	389,149	(298,611)
Street construction:				
Salaries	37,013	37,013	19,687	(17,326)
Operating	47,850	47,850	46,882	(968)
Street cleaning:				
Salaries	85,861	85,861	89,454	3,593
Operating	23,002	23,002	15,535	(7,467)
State street maintenance:				
Salaries	106,885	106,885	51,849	(55,036)
Operating	543,051	543,051	504,520	(38,531)
Jackson City Beautiful:				
Operating	22,817	32,817	7,030	(25,787)
Animal care center:				
Salaries	344,064	497,480	458,214	(39,266)
Operating	105,330	128,030	143,955	15,925
Garage operations:				
Salaries	414,652	414,652	448,526	33,874
Operating	72,800	72,800	65,205	(7,595)
Traffic sign and signalization:				
Salaries	477,024	477,024	547,352	70,328
Operating	406,669	406,669	243,199	(163,470)
Total Public Works	<u>9,007,980</u>	<u>9,399,641</u>	<u>8,710,981</u>	<u>(688,660)</u>

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

CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Public Welfare and Community Service:				
Recreation:				
Salaries	\$ 811,269	\$ 806,769	\$ 732,513	\$ (74,256)
Operating	130,450	130,450	137,772	7,322
Direct assistance recreation grants	25,081	25,081	-	(25,081)
Athletics:				
Salaries	272,123	272,123	253,278	(18,845)
Operating	90,968	90,968	41,209	(49,759)
Parks and public property:				
Salaries	2,210,889	2,785,892	2,789,575	3,683
Operating	436,609	581,859	690,286	108,427
Westwood Community Center:				
Salaries	107,007	107,007	83,936	(23,071)
Operating	51,995	51,995	54,162	2,167
South Jackson Community Center:				
Salaries	77,945	77,945	61,211	(16,734)
Operating	13,409	13,409	13,461	52
Pringles Park:				
Operating	619,834	619,834	571,796	(48,038)
Cypress Grove Nature Park:				
Salaries	68,665	68,665	52,288	(16,377)
Operating	24,625	24,625	19,948	(4,677)
Dog Park:				
Operating	-	88,336	69,214	(19,122)
Depot:				
Salaries	96,599	96,599	59,860	(36,739)
Operating	12,913	12,113	9,202	(2,911)
Riverside Cemetery:				
Operating	16,000	16,000	19,500	3,500
Oman Arena:				
Salaries	14,031	14,031	17,684	3,653
Operating	141,947	141,947	155,646	13,699
Civic Center:				
Salaries	562,174	562,174	415,115	(147,059)
Operating	504,042	504,042	265,869	(238,173)
Fairgrounds:				
Salaries	331,338	331,338	252,334	(79,004)
Operating	144,277	144,277	129,495	(14,782)
Legends Music Museum:				
Salaries	68,564	68,564	19,391	(49,173)
Operating	54,950	54,950	21,859	(33,091)
Carnegie/Ned:				
Salaries	231,552	231,552	233,918	2,366
Operating	171,757	171,757	144,302	(27,455)

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

**CITY OF JACKSON, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Public Welfare and Community Service (Cont.):				
T. R. White Sportsplex:				
Salaries	\$ 407,642	\$ 407,642	\$ 327,532	\$ (80,110)
Operating	128,237	128,237	100,722	(27,515)
Tennis Center:				
Salaries	26,675	26,675	25,792	(883)
Operating	38,942	38,942	32,616	(6,326)
Bemis Community Center:				
Operating	9,640	9,640	10,472	832
Golf Course:				
Operating	35,500	35,500	32,613	(2,887)
Treemendous projects	1,930	1,930	1,489	(441)
Art Access:				
Operating	-	13,500	4,499	(9,001)
Total Public Welfare and Community Service	7,939,579	8,756,368	7,850,559	(905,809)
Total expenditures	72,610,362	74,392,138	70,598,844	(3,793,294)
Excess (deficiency) of revenues over/(under) expenditure	1,719,571	173,249	3,814,825	3,641,576
Other financing sources (uses)				
Transfers out to				
Debt Service Func	(500,000)	-	(239,535)	(239,535)
Solid Waste Collection Fund	-	-	(40,638)	(40,638)
Jackson Transit Authority	(711,711)	(711,711)	(784,900)	(73,189)
Total other financing sources (uses)	(1,211,711)	(711,711)	(1,065,073)	(353,362)
Net changes in fund balance	\$ 507,860	\$ (538,462)	2,749,752	\$ 3,288,214
Fund balance - beginning			17,719,512	
Fund balance - ending			\$ 20,469,264	

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

CITY OF JACKSON, TENNESSEE
SOLID WASTE COLLECTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Revenues				
Sales and service charges:				
State reimbursement	\$ 130,000	\$ -	\$ -	\$ -
Garbage collection revenue	13,169,000	13,169,000	13,870,159	701,159
Total revenues	<u>13,299,000</u>	<u>13,169,000</u>	<u>13,870,159</u>	<u>701,159</u>
Expenditures				
Current				
Public Works				
Salaries	1,868,996	1,176,078	905,067	(271,011)
Employee benefits	628,198	351,150	367,169	16,019
Travel and training	8,000	3,000	358	(2,642)
Materials and supplies	29,500	26,000	17,497	(8,503)
Motor vehicle	342,000	155,000	205,666	50,666
Mobile communication	4,000	4,000	-	(4,000)
Uniforms and clothing	16,000	8,000	5,691	(2,309)
Utilities and telephone	17,800	5,600	16,300	10,700
Professional services	83,000	83,000	72,707	(10,293)
Cola	80,934	80,934	-	(80,934)
BFI landfill dumping	2,900,000	2,900,000	3,389,714	489,714
Postage	15,000	15,000	13,245	(1,755)
H&S landfill dumping	100,000	100,000	137,251	37,251
Repair and maintenance	6,400	6,400	6,856	456
Bad Debt	5,000	5,000	31,664	26,664
Temporary containers	144,000	144,000	285,284	141,284
Residential garbage charges	2,520,000	2,520,000	3,054,487	534,487
Commercial garbage charge:	<u>3,492,600</u>	<u>3,492,600</u>	<u>4,100,050</u>	<u>607,450</u>
Total public works expenditures	12,261,428	11,075,762	12,609,006	1,533,244
Capital outlay	277,543	277,543	-	(277,543)
Principal	156,400	156,400	156,400	-
Interest	<u>31,084</u>	<u>31,084</u>	<u>27,007</u>	<u>(4,077)</u>
Total debt service	187,484	187,484	183,407	(4,077)
Total expenditures	<u>12,726,455</u>	<u>11,540,789</u>	<u>12,792,413</u>	<u>1,251,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>572,545</u>	<u>1,628,211</u>	<u>1,077,746</u>	<u>(550,465)</u>
Other financing sources (uses)				
Transfers from other funds	-	500,702	40,638	(460,064)
	<u>-</u>	<u>500,702</u>	<u>40,638</u>	<u>(460,064)</u>
Change in fund balance	<u>\$ 572,545</u>	<u>\$ 2,128,913</u>	<u>1,118,384</u>	<u>\$ 1,010,529</u>
Fund balance - beginning			(189,998)	
Fund balance - ending			<u>\$ 928,386</u>	

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

Assets	Solid Waste	Jackson Transit Authority	Sportsplex	Community Development	Totals
Current assets					
Cash and cash equivalents	\$ 109,185	\$ 677,309	\$ 15,000	\$ 160,816	\$ 962,310
Accounts receivable (net of allowance for uncollectible accounts)	-	12,780	5,100	-	17,880
Grants receivable	-	1,144,597	-	-	1,144,597
Due from other funds	-	-	66,591	21,543	88,134
Inventory	-	113,340	45,516	-	158,856
Total current assets	<u>109,185</u>	<u>1,948,026</u>	<u>132,207</u>	<u>182,359</u>	<u>2,371,777</u>
Noncurrent assets					
Other assets					
Foreclosed property	-	-	-	9,118	9,118
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,118</u>	<u>9,118</u>
Capital assets (net of accumulated depreciation):					
Land	-	352,173	2,383,292	-	2,735,465
Buildings	-	3,625,049	3,735,711	-	7,360,760
Improvements other than buildings	-	-	2,681,567	-	2,681,567
Machinery and equipment	-	2,790,901	-	-	2,790,901
Furniture and fixtures	-	14,930	112,452	-	127,382
Net capital assets	<u>-</u>	<u>6,783,053</u>	<u>8,913,022</u>	<u>-</u>	<u>15,696,075</u>
Total assets	<u>109,185</u>	<u>8,731,079</u>	<u>9,045,229</u>	<u>191,477</u>	<u>18,076,970</u>
Deferred Outflows of Resources					
OPEB contributions after measurement date	-	26,169	-	-	26,169
Pension changes in experience	-	33,923	8,094	-	42,017
Pension changes of assumptions	-	67,234	16,042	-	83,276
Pension contributions after measurement date	-	290,721	109,119	-	399,840
Total deferred outflows of resources	<u>-</u>	<u>418,047</u>	<u>133,255</u>	<u>-</u>	<u>551,302</u>

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Solid Waste	Jackson Transit Authority	Sportsplex	Community Development	Totals
Liabilities					
Current liabilities					
Accounts payable	\$ 6,126	\$ 53,064	\$ 27,890	\$ 1,760	\$ 88,840
Current maturities of long-term notes payable/closure and post closure costs	28,920	-	241,659	-	270,579
Accrued expenses	-	259,974	37,136	-	297,110
Total current liabilities	<u>35,046</u>	<u>313,038</u>	<u>306,685</u>	<u>1,760</u>	<u>656,529</u>
Noncurrent liabilities					
Long-term notes payable	-	-	1,509,692	-	1,509,692
Net pension liability	-	489,421	116,774	-	606,195
OPEB liability	-	751,019	125,170	-	876,189
Accrued closure and post closure costs	144,600	-	-	-	144,600
Total noncurrent liabilities	<u>144,600</u>	<u>1,240,440</u>	<u>1,751,636</u>	<u>-</u>	<u>3,136,676</u>
Total liabilities	<u>179,646</u>	<u>1,553,478</u>	<u>2,058,321</u>	<u>1,760</u>	<u>3,793,205</u>
Deferred inflows of resources					
Pension change in actuarial experience-TCRS	-	100,303	23,932	-	124,235
Difference in projected and actual earnings-TCRS	-	89,049	21,247	-	110,296
Changes of assumptions - OPEB	-	15,375	2,563	-	17,938
Total deferred inflows of resources	<u>-</u>	<u>204,727</u>	<u>47,742</u>	<u>-</u>	<u>252,469</u>
Net position					
Net investment in capital assets	-	6,783,053	7,161,671	-	13,944,724
Unrestricted	(70,461)	607,868	(89,250)	189,717	637,874
Total net position	<u>(70,461)</u>	<u>7,390,921</u>	<u>7,072,421</u>	<u>189,717</u>	<u>14,582,598</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 109,185</u>	<u>\$ 9,149,126</u>	<u>\$ 9,178,484</u>	<u>\$ 191,477</u>	<u>\$ 18,628,272</u>

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020

	Solid Waste	Jackson Transit Authority	Sportsplex	Community Developmen	Totals
Operating revenues					
Charges for services	\$ -	\$ 501,320	\$ 424,974	\$ -	\$ 926,294
Sponsorships	-	-	67,475	-	67,475
Other operating revenues	-	-	820	82,596	83,416
Total operating revenue:	<u>-</u>	<u>501,320</u>	<u>493,269</u>	<u>82,596</u>	<u>1,077,185</u>
Operating expenses					
Salaries and employee benefits	-	2,511,665	645,836	-	3,157,501
Operation	7,379	452,417	451,809	-	911,605
Maintenance	-	218,019	132,422	-	350,441
General administration	-	222,711	-	-	222,711
Provision for depreciation	-	561,021	223,168	-	784,189
Total operating expense:	<u>7,379</u>	<u>3,965,833</u>	<u>1,453,235</u>	<u>-</u>	<u>5,426,447</u>
Operating income (loss):	<u>(7,379)</u>	<u>(3,464,513)</u>	<u>(959,966)</u>	<u>82,596</u>	<u>(4,349,262)</u>
Nonoperating revenues (expenses)					
Interest and other income	2,021	1,345	-	-	3,366
Interest expense	-	-	(88,453)	-	(88,453)
Local option sales tax	-	-	8,384	-	8,384
Tax revenues restricted for debt service:					
Hotel/Motel tax	-	-	488,979	-	488,979
Grant revenues	-	3,068,855	-	-	3,068,855
Total nonoperating revenues (expense):	<u>2,021</u>	<u>3,070,200</u>	<u>408,910</u>	<u>-</u>	<u>3,481,131</u>
Income (loss) before transfers and capital contributions	(5,358)	(394,313)	(551,056)	82,596	(868,131)
Operating transfers					
Transfers in	-	784,900	1,113,203	-	1,898,103
Capital contributions	-	1,378,964	-	-	1,378,964
Total operating transfers in (out)	<u>-</u>	<u>2,163,864</u>	<u>1,113,203</u>	<u>-</u>	<u>3,277,067</u>
Change in net position	(5,358)	1,769,551	562,147	82,596	2,408,936
Total net position - beginning	<u>(65,103)</u>	<u>5,621,370</u>	<u>6,510,274</u>	<u>107,121</u>	<u>12,173,662</u>
Total net position - ending	<u>\$ (70,461)</u>	<u>\$ 7,390,921</u>	<u>\$ 7,072,421</u>	<u>\$ 189,717</u>	<u>\$ 14,582,598</u>

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Solid Waste	Jackson Transit Authority	Sportsplex	Community Development	Totals
Cash flows from operating activities					
Cash received from consumers	\$ -	\$ 495,336	\$ 531,790	\$ 92,518	\$ 1,119,644
Cash received from other operations	-	8,365	-	-	8,365
Cash paid to suppliers of goods and services	(30,173)	(894,433)	(575,613)	(337)	(1,500,556)
Cash paid to employees for services	-	(2,566,923)	(695,577)	-	(3,262,500)
Cash (paid to) received from other funds	-	-	(371,727)	(2,125)	(373,852)
Net cash provided (used) by operating activities	<u>(30,173)</u>	<u>(2,957,655)</u>	<u>2,076</u>	<u>90,056</u>	<u>(2,895,696)</u>
Cash flows from non-capital financing activities:					
Disbursements of community development loans	-	-	-	(88,151)	(88,151)
Principal collections of community development loans	-	-	-	88,151	88,151
Interest expense	-	-	(93,175)	-	(93,175)
Appropriations from City	-	784,900	-	-	784,900
Other non-operating income	-	1,068	-	-	1,068
Cash received from grants	-	2,629,134	-	-	2,629,134
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>3,415,102</u>	<u>(93,175)</u>	<u>-</u>	<u>3,321,927</u>
Cash flows from capital and related financing activities					
Construction and acquisition of property and equipment	-	(1,467,189)	(831)	-	(1,468,020)
Issuance of capital outlay notes	-	-	1,060,726	-	1,060,726
Principal payments on debt	-	-	(1,451,659)	-	(1,451,659)
Hotel/Motel tax	-	-	488,979	-	488,979
State sales tax	-	-	8,384	-	8,384
Capital grants received	-	1,378,964	-	-	1,378,964
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(88,225)</u>	<u>105,599</u>	<u>-</u>	<u>17,374</u>
Cash flows from investing activities					
Interest earned	2,021	277	-	-	2,298
Net increase (decrease) in cash and cash equivalents	(28,152)	369,499	14,500	90,056	445,903
Cash and cash equivalents - beginning of year	<u>137,337</u>	<u>307,810</u>	<u>500</u>	<u>70,760</u>	<u>516,407</u>
Cash and cash equivalents - end of year	\$ 109,185	\$ 677,309	\$ 15,000	\$ 160,816	\$ 962,310
Cash and cash equivalents					
Unrestricted cash on hand	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
Unrestricted cash and cash equivalents on deposit	109,185	677,309	-	160,816	947,310
Total cash and cash equivalents	\$ 109,185	\$ 677,309	\$ 15,000	\$ 160,816	\$ 962,310

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Solid Waste	Jackson Transit Authority	Sportsplex	Community Development	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (7,379)	\$ (3,464,513)	\$ (959,966)	\$ 82,596	\$ (4,349,262)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	561,021	223,168	-	784,189
Change in closure/postclosure liability	(28,920)	-	-	-	(28,920)
(Increase) decrease in accounts receivable	-	2,381	38,521	-	40,902
(Increase) decrease in deferred outflows of resources	-	9,895	(34,985)	-	(25,090)
(Increase) decrease in notes receivable	-	-	-	9,922	9,922
(Increase) decrease in inventory	-	4,531	28,241	-	32,772
(Increase) decrease in due from other funds	-	-	(66,591)	(2,125)	(68,716)
Increase (decrease) in accounts payable and accrued expenses	6,126	43,272	(19,623)	(337)	29,438
Increase (decrease) in net pension liability	-	(129,413)	(20,466)	-	(149,879)
Increase (decrease) in OPEB liability	-	14,631	2,439	-	17,070
Increase (decrease) in deferred inflows of resources	-	540	3,271	-	3,811
Increase (decrease) in due to other funds	-	-	(305,136)	-	(305,136)
Net cash provided (used) by operating activities	\$ (30,173)	\$ (2,957,655)	\$ 2,076	\$ 90,056	\$ (2,895,696)

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2020

	Deferred Compensation Trust Fund
Assets	
Investments	\$ 21,210,303
Total assets	\$ 21,210,303
 Liabilities	
Deferred compensation benefits payable	\$ 21,210,303
Total liabilities	21,210,303
 Net position	
Net position held in trust for employee benefits	-
Total liabilities and net position	\$ 21,210,303

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

CITY OF JACKSON, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2020

	<u>Deferred Compensation Trust Fund</u>
Revenues:	
Other:	
Increase (decrease) in FMV of investments	\$ 1,318,537
Employee contributions	<u>314,821</u>
Total revenues	<u>1,633,358</u>
 Expenditures:	
General government	
Employee benefits	<u>1,633,358</u>
Total expenditures	<u>1,633,358</u>
 Change in net position	 -
Net position - beginning	 <u>-</u>
Net position - ending	 <u>\$ -</u>

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

CITY OF JACKSON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Jackson, Tennessee (the City), is a municipal corporation governed by an elected mayor and nine-member council and provides the following services as authorized by its charter: public safety (police and fire), building inspection, planning and zoning, street maintenance, sanitation, cemetery maintenance, health, parks and recreation, and general administrative services. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The City's discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that it is legally separate from the government.

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

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 government considers revenues, excluding grant revenues, to be available if they are collected within sixty days of the end of the current fiscal period. Grant revenues are considered to be available if collected within one year of the fiscal year-end. 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, gross receipt taxes, sales taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The capital outlay fund is used to account for capital asset acquisition and construction of all funds of the City except for infrastructures financed through the Sportsplex Fund.

The solid waste collection fund is a special revenue fund used to account for funds received from commercial and residential garbage collections. Use of the funds is limited to expenditures for the activities of the City's Health and Sanitation Department and the Solid Waste Fund.

The City reports the following major proprietary funds:

The solid waste fund accounts for funds received from landfill fees and solid waste related grant revenues. Use of the funds is limited to expenditures for the recycling of solid waste and for providing a solid waste landfill for the disposal of solid waste.

The Sportsplex fund is used to account for the activities of the City's seventeen-field baseball/softball complex.

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The community development fund is used to account for federal, state, and local funds received by the City which are restricted to developing viable living communities, providing decent housing and a suitable living environment, providing emergency shelters for the homeless and expanding economic opportunities principally for persons of low and moderate income.

The City reports the following blended component unit:

Jackson Transit Authority accounts for the activities of the City's urban transit. The management of the Jackson Transit Authority is vested in a board of directors consisting of seven members, all of whom are elected by the City Council upon the Mayor's recommendation, for five year terms. Jackson Transit Authority is a blended component unit of the City. Jackson Transit Authority is presented as a blended component unit mainly because their board is appointed by the City Council and Jackson Transit Authority is part of both health insurance, retirement, and now post-retirement benefits of the City of Jackson.

The City reports the following discretely presented component units:

Jackson Energy Authority is responsible for planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining electric, gas, water, wastewater, and telecommunications utilities systems within or outside the corporate limits of the City, and other such utility systems as a municipal water, wastewater, gas, telecommunications, or electric utility is authorized by the general laws of the State of Tennessee to own or operate. On September 10, 2003, Jackson Energy Authority issued \$54,300,000 in adjustable rate revenue bonds. Concurrent to this bond issue, the City issued a debt service guaranty agreement in which it unconditionally guarantees the debt of the entity in the event that the Authority defaults on the debt. Jackson Energy Authority is a discretely presented component unit of the City both because of the debt listed but also the fact that the Mayor appoints the board members of Jackson Energy Authority.

The Jackson Community Redevelopment Agency (Agency) was formed for the purpose of preserving health, safety, and welfare of the residents of the City and Madison County, to provide for affordable housing, and to inhibit and improve blighted areas. The management of the Agency is vested in a board of directors consisting of seven members. Five members are elected by the City Council upon the Mayor's recommendation, and the two remaining members are elected by the County Commission upon the recommendation of the County Mayor. There must be one member that is a serving City Council member and one that is a current County Commissioner. The Jackson Community Redevelopment Agency is a discretely presented component unit of the City because of the fact that the City Council appoints the board members and there is a fiscal dependency on the City by the Jackson Community Redevelopment Agency.

Complete financial statements of the component units discussed above can be obtained from their respective administrative offices at the following addresses:

Jackson Transit Authority	Jackson Energy Authority	Jackson Community Redevelopment Agency
241 E. Deaderick Street	119 E. College Street	111 E. Main Street
Jackson, Tennessee 38301	Jackson, Tennessee 38301	Jackson, Tennessee 38301

Additionally, the City reports the following fiduciary fund:

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The deferred compensation trust fund is used to account for assets held for employees in accordance with the provisions of Internal Revenue Service Code Section 457.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water, and sewer funds are charges for sales to customers for sales and service. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit and other time deposits with a term of less than three months. Cash resources of all governmental funds are pooled and are invested to the extent possible in certificates of deposit. All interest earned on this pool is allocated to the General Fund except where legal restrictions require the earnings to be allocated to the source from which the cash originated.

State statutes authorize the City to invest in certificates of deposit, obligations of the U. S. Treasury, agencies and instrumentalities, obligations guaranteed by the U. S. Government or its agencies, repurchase agreements and the state's investment pool.

Investments for the City, as well as for its component units, are reported at fair value.

Receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Property tax receivables are shown net of an allowance for uncollectibles. The allowance is recorded based on the past history of collections. Court fines receivable are also shown net of an allowance

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for uncollectibles. The allowance is recorded based on management's estimate of what portion of the outstanding receivable will be collected in the future.

The allowances for uncollectible customer accounts recorded in the proprietary funds are based on past history of uncollectible accounts and management's analysis of current accounts. Bad debts in the proprietary funds are recorded by the direct write-off method.

Property taxes are levied annually on October 1 and the tax bills are mailed the same date. The taxes are due and payable from the following October through February in the year of the tax levy. An unperfected lien attaches by statute to property on January 1 for unpaid taxes from the prior year's levy. Taxes uncollected by March 1, the year after due are considered delinquent and may be submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters judgment.

All trade receivables are shown net of an allowance for uncollectibles if management's evaluation of credit risk determined such an allowance was necessary.

Inventories and prepaid items

Inventories in the governmental funds are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Inventories in the proprietary funds are valued at the lower of average cost or market using the FIFO method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. All land, construction in progress, and works of art will be included. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement will be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City, as well as the component units, are depreciated using the straight line method over the following useful lives:

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Buildings	15 - 40 years	Infrastructure	12 - 40 years
Improvements other than buildings	20 years	Furniture and fixtures	5 - 15 years
Machinery and equipment	3 - 20 years		

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absences are accrued when incurred in proprietary funds and reported as a fund liability. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay them.

Employees of the City may accumulate up to 22 1/2 days of annual leave, which is fully vested, and 75 days of sick leave, which is not vested. Sick leave time accumulated over 75 days is paid to the employees at the rate of 50% regular pay upon normal retirement. Employees leaving the employment of the City for any reason other than retirement have no vested interest in sick leave over 75 days.

Employees of the Jackson Transit Authority (JTA) may accumulate up to 30 days of annual leave based on longevity of service which is fully vested. The sick leave policy was changed in November 1995 to allow all salaried employees who leave in good standing with JTA and who give a minimum of two weeks notice to receive 80 hours of sick leave at full pay plus one-half of all their sick leave over 80 hours.

Accrued compensated absences at June 30, 2020, are:

City of Jackson	\$2,311,901
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Long-term obligations

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

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

Pensions

For 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 City's participation in their single employer defined benefit pension plan and also their participation in TCRS' plan, and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose,

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benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting as a deferred outflow of resources are disclosed on pages 18 and 36.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The items that qualify for reporting as a deferred inflow of resources are disclosed on pages 19, 21, and 37.

The City reports unavailable property taxes, unavailable intergovernmental revenues, and unavailable public safety revenue as deferred inflows of resources in the governmental fund balance sheet. In the statement of net position, unavailable property taxes related to the subsequent tax year are reported as well as multiple deferred outflows and inflows of resources that are pension-related or OPEB-related accounts. Deferred outflows/inflows of resources are also reported on the Statement of Net Position in the government-wide statements and the proprietary fund statements.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund equity

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can consist of the following:

Nonspendable – consists of funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted – consists of funds that are mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed – consists of funds that are set aside for a specific purpose as approved by the City Council. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

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Assigned – consists of funds that are set aside with the intent to be used for a specific purpose by the City Council or the City Recorder that has been given the authority to assign funds by the City Council. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned – consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

In accordance with this GASB Statement No. 54, the City adopted a Fund Balance Policy with the following major provisions –

Authority to Commit Funds

The City's governing body has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires the passage of an ordinance by a simple majority vote. The passage of an ordinance must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the ordinance must state the process or formula necessary to calculate the actual amount as soon as information is available. In the event the governing body wished to lift the committed status of funds so that they may be used for general purposes, a formal action equal to that which originally committed the funds must be taken.

Authority to Assign Funds

The City's governing body and the City Recorder has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as assigned fund balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, the Finance Director shall record the amount as assigned fund balance.

Unassigned Fund Balance

Unassigned fund balance is the residual amount of fund balance in the general fund. It represents the resources available for future spending. An appropriate level of unassigned fund balance should be maintained in the general fund in order to cover unexpected expenditures and revenue shortfalls.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position

Restricted net position are assets less liabilities reported in the government-wide statement of net position that have limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, contributors, legislation, or the other governments.

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Net investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of debt issued to finance the acquisition, improvement, or construction of those assets.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The reconciliation of the balance sheet of governmental funds to the statement of net position includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including notes and bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$107,337,919) are as follows:

Bonds payable	\$ 61,836,964
Notes payable	5,069,620
OPEB liability	12,162,331
Net pension liability	15,448,002
Premium on debt issuance	10,509,101
Compensated absences payable	<u>2,311,901</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 107,337,919</u>

B. 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 reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities includes 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 in the current period.” The details of this (\$1,096,183) difference are as follows:

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Capital outlay, net change	\$ 7,326,976
Donated assets	260,998
Depreciation expense	<u>(8,684,157)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,096,183)</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$330,561) difference are as follows:

Change in deferred court fine revenue	\$ (28,775)
Change in property taxes	<u>(301,786)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (330,561)</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital project funds, and certain proprietary funds. As an extension of the budget process, City Council may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. All annual appropriations lapse at fiscal year end. Legal level of budgetary control exists at the major function level in the General Fund and at the fund level for all other funds.

Encumbrances, when present, represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2020, investments of the City consisted of the following:

	<u>Weighted Average Maturity (Months)</u>	<u>Fair Value or Carrying Amount</u>
Fixed income	N/A	\$ 9,678,484
Equities	N/A	<u>11,531,819</u>
		<u>\$ 21,210,303</u>

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Interest rate risk

As a means of limiting its exposure to fair value losses arising from interest rate risks, the City generally limits its investments to those with maturities of one year or less. The City's investment portfolio did not experience a significant fluctuation in fair value during the year.

Custodial credit risk

The City's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statute required that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the City to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2020, all bank deposits were fully collateralized or insured.

Credit risk

The City's policies are designed to maximize investment earnings, while protecting the security of principal and providing adequate liquidity, in accordance with all applicable state laws. At June 30, 2020, the City's investments in U.S. Government agency securities include Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Agriculture Mortgage Corporation bonds, which were rated AAA by Standard & Poor's or Aaa by Moody's Investor Services.

Investment – Fiduciary Fund

The following is the asset allocation as of June 30, 2020:

	Market Value	Percentage of Total
Fixed income	\$ 9,678,484	45.63%
Equities	11,531,819	54.37%
Total	\$21,210,303	100.00%

The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government at June 30, 2020:

Voya Fixed Plus Account III	\$9,678,484
Vanguard Growth Index Fund Adm	4,067,316
Vanguard 500 Index Fund Adm	1,416,089

The Deferred Compensation Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2020:

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	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Fixed income securities				
Pooled separate accounts	\$ 9,678,484	\$ 9,678,484	\$ -	\$ -
Equity securities				
Pooled separate accounts	11,531,819	11,531,819	-	-
	<u>21,210,303</u>	<u>21,210,303</u>	<u>-</u>	<u>-</u>

The fair value of the pooled separate accounts has market prices available, so therefore they are considered Level 1 investments.

B. Receivables

Receivables as of the year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Outlay	Solid Waste Collection	Sportsplex	Jackson Transit Authority	Nonmajor and Other Funds	Total
Receivables:								
Taxes	\$ 27,290,376	\$ 9,845,743	\$ 42,470	\$ -	\$ -	\$ -	\$ -	\$ 37,178,589
Interest	16,748	-	-	-	-	-	-	16,748
Accounts	75,121	6,090	-	2,161,863	5,100	13,820	4,020	2,266,014
Grants	371,330	-	1,594,143	-	-	1,144,597	4,550	3,114,620
Intergovernmental	7,282,627	-	-	-	-	-	-	7,282,627
Court fines	462,446	-	-	-	-	-	12,231	474,677
Note	169,725	-	-	-	-	-	285,460	455,185
Gross receivables	<u>35,668,373</u>	<u>9,851,833</u>	<u>1,636,613</u>	<u>2,161,863</u>	<u>5,100</u>	<u>1,158,417</u>	<u>306,261</u>	<u>50,788,460</u>
Less: Allowance for uncollectibles	<u>(1,490,906)</u>	<u>(362,478)</u>	<u>-</u>	<u>(37,532)</u>	<u>-</u>	<u>(1,040)</u>	<u>(285,460)</u>	<u>(2,177,416)</u>
Net total receivables	<u>\$ 34,177,467</u>	<u>\$ 9,489,355</u>	<u>\$ 1,636,613</u>	<u>\$ 2,124,331</u>	<u>\$ 5,100</u>	<u>\$ 1,157,377</u>	<u>\$ 20,801</u>	<u>\$ 48,611,044</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, various components of deferred inflows of resources reported in the governmental funds were as follows:

2020 property tax assessment	\$ 34,267,772
Delinquent property taxes	1,261,089
Court fines receivable	65,925
Total deferred revenue for governmental funds	<u>\$ 35,594,786</u>

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C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
Community Development	General	\$ 21,543
General	Debt Service	29,553
Sportsplex	Debt Service	66,591
Grant Fund #1 CDBG	Grant Fund #2 HOME	17
Total		117,704
Governmental activities eliminated		(29,570)
Total		<u>\$ 88,134</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund transfers were consummated within the normal operations of the City. The City's intention is to repay all interfund liabilities within the next fiscal year.

Interfund transfers are used to 1) move revenues from the funds with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Interfund transfers during the year ended June 30, 2020, were as follows:

Transfer Out	Transfer In					Total
	Capital Outlay	Jackson Transit Authority	Sportsplex Fund	Solid Waste Collection	Nonmajor Governmental Funds	
General	\$ -	\$ 784,900	\$ 239,535	\$ 40,638	\$ -	\$ 1,065,073
Debt Service	5,949,794	-	873,668	-	-	6,823,462
Nonmajor Governmental	-	-	-	-	239,108	239,108
	<u>5,949,794</u>	<u>784,900</u>	<u>1,113,203</u>	<u>40,638</u>	<u>239,108</u>	<u>8,127,643</u>
Eliminations	(5,949,794)	-	-	(40,638)	(239,108)	(6,229,540)
Total Government-Wide	<u>\$ -</u>	<u>\$ 784,900</u>	<u>\$ 1,113,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,898,103</u>

The descriptions of the transfers are as follows:

- The transfers from the Debt Service fund to the Capital Outlay fund and the Sportsplex fund are for capital outlay needs in the current year that were funded from long-term debt proceeds issued in the debt service fund.
- The transfers from the General fund to the Jackson Transit Authority were for the City's portion of operating assistance and capital assistance provided to the Transit Authority annually.

CITY OF JACKSON, TENNESSEE
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- The transfers from the General fund to the Sportsplex and Solid Waste Collection funds were to reimburse for interfund transactions from previous years.
- The other transfers were made in order to fund debt service payments in the current year.

D. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital assets, not being depreciated					
Land	\$ 23,363,629	\$ -	\$ -	\$ -	\$ 23,363,629
Construction in progress	5,579,868	4,405,562	-	-	9,985,430
Total capital assets, not being depreciated	<u>28,943,497</u>	<u>4,405,562</u>	<u>-</u>	<u>-</u>	<u>33,349,059</u>
Capital assets, being depreciated					
Buildings	72,548,502	2,247,809	-	-	74,796,311
Improvements other than buildings	6,973,425	33,250	-	-	7,006,675
Machinery and equipment	40,681,986	901,353	120,141	-	41,463,198
Infrastructure	125,430,757	-	-	-	125,430,757
Total capital assets, being depreciated	<u>245,634,670</u>	<u>3,182,412</u>	<u>120,141</u>	<u>-</u>	<u>248,696,941</u>
Less accumulated depreciation for:					
Buildings	43,715,388	1,740,267	-	(1)	45,455,654
Improvements other than buildings	1,636,797	215,712	-	-	1,852,509
Machinery and equipment	32,107,125	2,628,942	120,141	(1)	34,615,925
Infrastructure	60,366,025	4,099,236	-	-	64,465,261
Total accumulated depreciation	<u>137,825,335</u>	<u>8,684,157</u>	<u>120,141</u>	<u>(2)</u>	<u>146,389,349</u>
Total capital assets, being depreciated, net	<u>107,809,335</u>	<u>(5,501,745)</u>	<u>-</u>	<u>2</u>	<u>102,307,592</u>
Governmental activities capital assets, net	<u>\$ 136,752,832</u>	<u>\$ (1,096,183)</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 135,656,651</u>

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	Beginning Balance	Increases	Decreases	Reclass/ Adjustments	Ending Balance
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 2,735,465	\$ -	\$ -	\$ -	\$ 2,735,465
Total capital assets not being depreciated	<u>2,735,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,735,465</u>
Capital assets, being depreciated					
Land improvements	3,178,526	-	-	(2,187)	3,176,339
Buildings	11,469,716	-	-	2,187	11,471,903
Machinery and equipment	8,493,880	1,467,189	-	-	9,961,069
Furniture and fixtures	1,473,799	831	-	-	1,474,630
Total capital assets being depreciated	<u>24,615,921</u>	<u>1,468,020</u>	<u>-</u>	<u>-</u>	<u>26,083,941</u>
Less accumulated depreciation for:					
Land improvements	484,959	9,813	-	-	494,772
Buildings	3,817,046	294,097	-	-	4,111,143
Machinery and equipment	6,768,701	401,467	-	-	7,170,168
Furniture and fixtures	1,268,436	78,812	-	-	1,347,248
Total accumulated depreciation	<u>12,339,142</u>	<u>784,189</u>	<u>-</u>	<u>-</u>	<u>13,123,331</u>
Total capital assets, being depreciated, net	<u>12,276,779</u>	<u>683,831</u>	<u>-</u>	<u>-</u>	<u>12,960,610</u>
Business-type activities capital assets, net	<u>\$ 15,012,244</u>	<u>\$ 683,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,696,075</u>

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

Governmental activities:	
General government	\$ 577,727
Public safety	1,770,035
Public works	5,088,094
Public welfare and community service	1,248,301
Total depreciation expense - governmental activities	<u>\$ 8,684,157</u>
Business-type activities:	
Sportsplex	\$ 223,168
Jackson Transit Authority	561,021
Total depreciation expense - business-type activities	<u>\$ 784,189</u>

E. Operating Leases

The City is engaged in multiple copier leases across the various departments of the City. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2021	\$ 13,999
2022	7,840
Total	<u>\$ 21,839</u>

CITY OF JACKSON, TENNESSEE
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Lease expense for the year ended June 30, 2020 was \$20,568.

F. Note Receivable

During the year ended June 30, 2006, the City entered into a Joint Development Agreement with a local real estate developer to develop acreage adjacent to the baseball/softball complex under construction. Under the terms of this agreement, the City holds a note receivable in the amount of \$1,000,000, which was initiated to reimburse the City for road construction and improvements in the area around the Sportsplex. The note holds a maturity date of December 15, 2020, and is to be paid at the rate of \$21,250 per acre for each acre that is subsequently developed and sold by the local developer. The balance of this note receivable at June 30, 2020, was \$160,225.

During the year ended June 30, 2017, the City obtained a promissory note from a City employee related to missed rental payments. The promissory note holds a maturity date in May 2024. The balance of this note receivable at June 30, 2020, was \$9,500.

G. Long-term Debt

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation debt at June 30, 2020, is comprised of the following bonds and notes payable:

General Obligation Bonds, Series 2019, original issue was \$5,075,000 due in annual installments beginning 2021 through 2039, fixed rates of interest ranging from 1.22% to 2.33% depending on CUSIP issue	\$ 5,075,000
General Obligation Refunding Bonds, Series 2019A, original issue was \$58,510,000, payable in annual installments beginning 2020 through 2038, fixed rates of interest ranging from 1.22% to 2.33% depending on CUSIP issue	57,810,000
Note Payable, Jackson-Madison County General Hospital District, original issue was \$650,000, payable in annual installments beginning 2012 through 2024, interest-free	200,000
Note Payable, Department of Housing & Urban Development, original issue was \$3,165,000, payable in annual installments beginning 2012 through 2030, fixed interest rate of 3.56%	2,131,000
General Obligation Capital Outlay Note Series 2016, original issue was \$2,400,000, payable in annual installments beginning 2017 through 2029, variable interest rate ranging from a high of 3.55% to a low of 2.45% during current year, interest rate of 2.45% at year end	1,800,000
General Obligation Capital Outlay Note Series 2017, original issue was \$1,700,000, payable in annual installments beginning 2018 through 2025, interest rate of 2.65% at year end	1,275,000

CITY OF JACKSON, TENNESSEE
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General Obligation Capital Outlay Note Series 2014,
original issue was \$500,000, payable in annual installments
beginning 2016 through 2023, variable interest rate ranging from
a high of 5.39% to a low of 2.75% during current year, interest
rate of 2.75% at year end

187,500

\$68,478,500

The annual requirements to amortize all general long-term debt, except compensated absences and accrued closure and post-closure costs, at June 30, 2020, including interest payments of \$19,684,831 are as follows:

Fiscal Year	Notes		General Obligation Bonds		Totals							
	Ending	Principal	Interest	Principal	Interest	Principal	Interest					
2021	\$	681,000	\$	165,154	\$	6,960,000	\$	3,021,150	\$	7,641,000	\$	3,186,304
2022		687,000		146,076		7,285,000		2,673,150		7,972,000		2,819,226
2023		694,000		126,685		7,630,000		2,308,900		8,324,000		2,435,585
2024		638,500		106,846		8,535,000		1,927,400		9,173,500		2,034,246
2025		596,500		88,499		2,965,000		1,500,650		3,561,500		1,589,149
2026-2030		2,058,500		197,369		14,535,000		5,178,500		16,593,500		5,375,869
2031-2035		238,000		4,202		11,915,000		1,965,250		12,153,000		1,969,452
2036-2039		-		-		3,060,000		275,000		3,060,000		275,000
		<u>\$ 5,593,500</u>		<u>\$ 834,831</u>		<u>\$ 62,885,000</u>		<u>\$ 18,850,000</u>		<u>\$ 68,478,500</u>		<u>\$ 19,684,831</u>

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 71,937,196	\$ 62,524,274	\$ 72,624,506	\$ 61,836,964	\$ 6,992,904
Capital outlay notes	5,625,020	-	555,400	5,069,620	406,437
Premium on debt issuance	63,178	10,509,101	63,178	10,509,101	-
Compensated absences	2,359,662	-	47,761	2,311,901	100,000
	<u>\$ 79,985,056</u>	<u>\$ 73,033,375</u>	<u>\$ 73,290,845</u>	<u>\$ 79,727,586</u>	<u>\$ 7,499,341</u>
Business-type activities:					
General obligation bonds	\$ 1,499,804	\$ 1,060,726	\$ 1,512,494	\$ 1,048,036	\$ 123,096
Capital outlay notes	642,480	-	118,600	523,880	118,563
Premium on debt issuance	-	179,435	-	179,435	-
Accrued closure/postclosure	202,440	-	28,920	173,520	28,920
	<u>\$ 2,344,724</u>	<u>\$ 1,240,161</u>	<u>\$ 1,660,014</u>	<u>\$ 1,924,871</u>	<u>\$ 270,579</u>

Within the City's governmental activities, compensated absences are generally liquidated by the general fund.

CITY OF JACKSON, TENNESSEE
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NOTE 5 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, auto and bus liability, property, and errors and omissions coverage. The City joined the Tennessee Municipal League Risk Management Pool (Pool), which is a public entity risk pool established in 1979 by the Tennessee Municipal League. The City pays annual premiums to the Pool for the above policies. The Pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. The City's premiums are calculated based on its prior claims history.

It is the policy of the City to purchase commercial insurance for the risk of employee dishonesty and aviation insurance. Settled claims have not exceeded this commercial coverage or the coverage provided by the Pool in any of the past three years.

The City self-insures its employee health, dental and vision insurance program. The City collects insurance premiums from its employees, and pays all claims made along with an administration fee to Blue Cross/Blue Shield of Tennessee, the plan administrator. The City, as a part of the plan, has purchased a reinsurance policy that pays 80% of the claims made by an individual within one year in excess of \$100,000 and less than \$1,000,000.

At June 30, 2020, the estimated liability for claims incurred but not paid was \$434,164. Changes in liability for the last five fiscal years are as follows:

	Beginning of Fiscal Year <u>Liability</u>	Adjusted Beginning of Fiscal Year <u>Adjustment</u>	Adjusted Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance at Fiscal Year-End
2015-2016	\$ 1,547,756	\$ (999,445)	\$ 548,311	\$ 8,231,936	\$ 8,511,366	\$ 268,881
2016-2017	268,881	300,112	568,993	8,167,558	7,960,771	775,780
2017-2018	775,780	-	775,780	8,252,769	8,638,921	389,628
2018-2019	389,628	-	389,628	8,731,681	8,767,787	353,522
2019-2020	353,522	-	353,522	8,528,823	8,448,181	434,164

The City is self-insured regarding workers' compensation insurance. The City's health insurance plan will pay for any medical expenses incurred by the employee if he is a member of the health plan, a group life policy is maintained that pays the beneficiary an amount equal to one year salary and the pension plan through Tennessee Consolidated Retirement System contains some provisions for disability and early retirement. All risks associated with workers' compensation insurance concerning the coverage mentioned above are assumed by the City. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At June 30, 2020, the estimated liability for claims incurred but not paid was \$326,550.

Changes in liability for the last five fiscal years are as follows:

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	Beginning of Fiscal Year		Adjusted Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
	Liability	Adjustment	Liability			
2015-2016	\$ 42,634	\$ 13,621	\$ 56,255	\$ 605,000	\$ 679,346	\$ (18,091)
2016-2017	(18,091)	74,421	56,330	700,000	704,126	52,204
2017-2018	52,204	-	52,204	656,000	814,086	(105,882)
2018-2019	(105,882)	-	(105,882)	750,000	592,786	51,332
2019-2020	51,332	-	51,332	750,000	474,782	326,550

No designation of assets has been made by the City to fund future claims liabilities.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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

The City has unconditionally guaranteed to Jackson Energy Authority (JEA), and the trustee for the beneficiaries of JEA's telecommunications debt, that the amount on deposit in the Debt Service Reserve Account for the 2009 Term Loan Agreement will at all times equal or exceed the Debt Service Reserve Requirement. The City's guaranty is not to exceed \$60 million. The outstanding balance of the debt at June 30, 2020, is \$29,150,000.

C. Closure and Post-closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Red Lane and Highway 70 east landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The liability reported as landfill closure and postclosure care liability at June 30, 2015, represents the cumulative amount reported to date based on the use to date of the estimated costs of closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Closure on the Highway 70 landfill was begun in the fiscal year ended June 30, 1994, and was completed in the fiscal year ended June 30, 1996. Accrued closure and post-closure care costs at June 30, 2020, are \$173,520.

During the year ended June 30, 2006, the City entered into an agreement with Allied Waste dba Madison County Development, LLC to sell the remaining landfill site to Allied Waste. Based on the terms of the agreement, the City entered into an Interim Landfill Operating Agreement with Allied Waste allowing them to assume all operations of the landfill. Under the terms of the sale, the City

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entered into a twenty-year fixed fee agreement for waste disposal with Allied Waste. Also, the City was released from any and all postclosure liability relating to the landfill as an additional provision of the sales agreement.

D. Joint Ventures

The City participates in the following joint ventures with Madison County, Tennessee:

Jackson-Madison County Airport Authority (Authority) administers the operations of the McKellar Sipes Airport. The Board of the Authority consists of five members who are alternatively appointed each year by the City and Madison County. The City provides support to the Authority through an annual appropriation. The City has certain real estate of the Authority in the amount of \$876,212 included in the governmental activities section of the Statement of Net Position. The City does not have an equity interest in the Authority and has no ongoing funding obligation for its share of the costs of operations not recovered from the Authority's operating revenues.

Jackson-Madison County Community Economic Development Commission (Commission) is involved in tourism efforts. The Board of the Commission consists of five members who are alternatively appointed each year by the City and Madison County. Funding for the Commission is provided through a hotel/motel tax levied jointly by the City and Madison County. Twenty percent of the funds collected through the hotel/motel tax are allocated to the Commission pursuant to the provisions of a private act. The City assumes no ongoing financial interest or burden in regards to the Commission.

Jackson-Madison County General Hospital (Hospital) provides health care for the entire West Tennessee area. The five members of the board of the Hospital are alternately appointed each year by the City and Madison County. The City has certain real estate of the Hospital in the amount of \$1,356,888 included in the governmental activities section of the Statement of Net Position.

Jackson-Madison County Library (Library) administers the operations of the local library. The board of the Library consists of five members alternately appointed by the City and Madison County. The City has certain real estate of the Library in the amount of \$412,214 included in the governmental activities section of the Statement of Net Position. The City does not have an equity interest in the Library and has no ongoing funding obligation for its share of the costs of operations not recovered from the Library's operating revenues.

Complete financial statements for the above-noted ventures can be obtained from their respective administrative offices at the following addresses:

Jackson-Madison County Airport Authority
308 Grady Montgomery Drive
Jackson, Tennessee 38301

Jackson-Madison County Community Economic
Development Commission
314 E. Main Street
Jackson, Tennessee 38301

Jackson-Madison County General Hospital
708 W. Forest
Jackson, Tennessee 38301

Jackson-Madison County Library
433 E. Lafayette
Jackson, Tennessee 38301

E. Retirement Plans

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State Retirement System (TCRS)

Plan description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	676
Inactive employees entitled to but not yet receiving benefits	361
Active employees	771
	<hr/>
	1,808

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Jackson makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, employer contributions for Jackson were \$6,841,322 based on a rate of 18.01 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jackson's state shared taxes if required employer contributions are not remitted. The employer's actuarially

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determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Jackson's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Jackson will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

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	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (Asset) (a) - (b)
Balance at 6/30/18	<u>\$ 196,996,441</u>	<u>\$ 182,116,288</u>	<u>\$ 14,880,153</u>
Changes for the year:			
Service cost	3,040,565	-	3,040,565
Interest	14,144,972	-	14,144,972
Differences between expected and actual experience	784,320	-	784,320
Changes in Assumptions	-		
Contributions - employer	-	7,158,914	(7,158,914)
Contributions - employee	-	471	(471)
Net investment income	-	13,456,937	(13,456,937)
Benefit payments, including refunds of employee contributions	(9,867,895)	(9,867,895)	-
Administrative expense	-	(68,229)	68,229
	<u>8,101,962</u>	<u>10,680,198</u>	<u>(2,578,236)</u>
Net changes			
	<u>8,101,962</u>	<u>10,680,198</u>	<u>(2,578,236)</u>
Balance at 6/30/19	<u>\$ 205,098,403</u>	<u>\$ 192,796,486</u>	<u>\$ 12,301,917</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of Jackson calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is a 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Jackson's net pension liability (asset)	<u>\$ 38,255,029</u>	<u>\$ 12,301,917</u>	<u>\$ (9,369,001)</u>

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense (negative pension expense)

For the year ended June 30, 2020, Jackson recognized pension expense (negative pension expense) of \$5,181,008.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2020, Jackson reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 852,680	\$ 2,521,171
Net difference between projected and actual earnings on pension plan investments	-	2,238,305
Changes in Assumptions	1,689,964	-
Contributions subsequent to the measurement date of June 30, 2019	6,841,322	-
	\$ 9,383,966	\$ 4,759,476

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:	
2021	\$ 94,937
2022	(1,311,283)
2023	(1,086,519)
2024	86,033
2025	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2020, the City of Jackson reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

City Pension Plans

Plan Description

The City previously maintained an original pension plan fund and later a second plan called the Employees Retirement System fund, which is a single-employer defined benefit plan. The valuation is based on the arrangement commonly referred to as the City of Jackson Pension Plan. The City Council of Jackson administers and makes any changes to the plan including contribution requirements and benefit terms as considered necessary. The Pension Plan actually consists of four funds, established by Tennessee State statute. They are Firemen and Policemen Pension and Retirement Fund, Water and Administrative Departments Pension Fund, Health and Sanitation Department Pension Fund, and Street Maintenance Department Pension Fund. The amount of the

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retirement benefit is 50% of the highest salary earned. The payment will be made monthly for life with 50% continuing to spouse upon participant's death. Benefits are increased annually in accordance with the Consumer Price Index, to a maximum of 5% per year. The adjustment is applied to base benefit only.

Membership of each plan consisted of the following at July 1, 2019:

Retirees & beneficiaries receiving benefits	31
Active plan members	<u>0</u>
Total	<u>31</u>

Contributions

Employee contributions were 3% of salary.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at July 1, 2019.

Actuarial Methods, Assumptions and Participant Data: The actuarial cost method used is the projected unit credit, at a discount rate of 4.25% per annum. Prior to July 1, 2009, the discount rate was 4.25% per annum. Compensation increases are no longer applicable and cost of living increases are 2.5% per annum. Mortality rates were determined using the RP-2000 Healthy Annuitant Mortality Table, blended male and female rates. Census data appeared reasonable for valuation purposes although it was not totally complete. When a beneficiary birth date was not available, it was assumed that the male spouse is three years older than the female. When a birth date for neither the retired participant nor beneficiary is available, the participant is assumed to be age 77. The sex of each participant was assigned by reference to the first name; doubtful individuals were assumed to be male.

The Plan has been financed on a pay-as-you-go basis. Prior to 1996, actuarial determinations of the actuarial required contribution were not made. The contribution to the Plan has equaled the benefit payments from the Plan. As a result, the net pension obligation at transition is equal to \$0 as of July 1, 1996, in accordance with Statement Number 27.

Net Pension Liability (Asset)

The Plan's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.50%
Salary increases	2.50%
Mortality	Pub-2010 Amount Weighted Tables for General Retirees, Projected Generationally using Scale MP-2019
Actuarial cost method	Entry Age Normal

The actuarial assumptions used in the July 1, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2014 through June 30, 2015. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Discount Rate: The discount rate used to measure the total pension liability was 3.50%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and the employer will continue to contribute the actuarially determined contribution in accordance with the plan's current funding policy on an annual basis. Based on that assumption, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/19	\$ 4,204,494	\$ 72,920	\$ 4,131,574
Changes for the year:			
Interest	158,262	-	158,262
Contributions - employer	-	536,272	(536,272)
Net investment income	-	1,284	(1,284)
Benefit payments, including refunds of employee contributions	(483,133)	(483,133)	-
Net changes	(324,871)	54,423	(379,294)
Balance at 6/30/20	<u>\$ 3,879,623</u>	<u>\$ 127,343</u>	<u>\$ 3,752,280</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the Plan calculated using the discount rate of 3.50 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

CITY OF JACKSON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Jackson's net pension liability	\$ 4,032,679	\$ 3,752,280	\$ 3,507,794

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense: Under GASB 68 the annual pension expense is intended to recognize certain changes in the net pension liability compared to the previous measurement date. Changes not recorded as a pension expense will be recorded and tracked separately as deferred inflows and outflows to be recognized in a future period's pension expense. Changes in the Total Pension Liability due to differences between actual experience and assumptions are recognized over a closed period equal to the future remaining service of plan participants. Differences between actual and expected investment performance are recognized over a five year period. Any changes due to plan amendment or other benefit changes will be recognized in the year of adoption.

Pension Expense

Interest on total pension liability	\$ 158,262
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of investment gains or losses	(1,284)
Pension Expense	<u>\$ 156,978</u>

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2020, the Plan reported no deferred outflows or inflows of resources.

There are no subsequent contributions due to the fact that the measurement date and the fiscal year end are both June 30, 2020.

Payable to the Pension Plan

At June 30, 2020, the City of Jackson reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

F. Other Postemployment Benefits

In addition to the retirement benefits described in Note E, the City provides postretirement health care benefits to all employees who retire from the City on or after attaining age 60 with 10 or more years of service; or those with 30 or more years of service regardless of age; or those Public Safety employees with 25 years of service and age 55. The plan has no assets accumulated in a trust and is considered to be a single-employer defined benefit plan. The City Council of Jackson administers the plan and has the authority to change benefit terms. Employees retiring prior to July 1, 1992, have the same benefits as active employees. There is currently 1 retiree covered under the PPO plan. The City pays 76% of individual medical and hospitalization premiums for 1 pre-Medicare retiree for the PPO plan.

CITY OF JACKSON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Employees retiring after July 1, 1992, have limited benefits. There are currently 56 retirees under the PPO plan. Under the new PPO plan, the City pays 64% of individual medical and hospitalization premiums for 48 pre-Medicare retirees and 33% of family premiums for 8 pre-Medicare retirees.

Post 65 retirees are covered by a "Medicare carve out" plan that provides similar benefits. The City pays 74% of individual medical and hospitalization premiums for no post 65 retirees with the PPO plan.

Claims in excess of \$100,000 are reinsured. The cost of retiree health care is recognized as an expenditure as claims are paid. For the fiscal year ended June 30, 2020, these costs are not separable from the costs for active employees.

Benefits provided

The City provides post-retirement life insurance benefits to all employees who retire from the City on or after attaining age 60 with 10 or more years of service; or those with 30 or more years of service regardless of age; or those Public Safety employees with 25 years of service and age 55. Currently, a total of 646 retirees of the City and Jackson Transit Authority meet these eligibility requirements. The cost of the retiree's life insurance benefit is recognized as an expenditure and, for the fiscal year ended June 30, 2020, is not separable from the costs for active employees.

Employees covered by benefit terms – At the measurement date of June 30, 2019, the following employees of the City were covered by the benefit terms of the plan:

Actives	622
Retirees and Surviving Spouses	79
Spouses of Current Retirees	21
	722

Annual OPEB Cost and Net OPEB Obligation

Actuarial assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF JACKSON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Measurement date	June 30, 2019
Actuarial valuation date	June 30, 2018
Cost method	Entry age normal
Discount rate	The discount rate used to measure the total OPEB liability was 3.87 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to AA 20-year municipal bonds. The GO Bond Buyer Index was used to approximate those yields as of June 30, 2018.
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017.
Inflation	2.30%
Salary scale	3.00%
Retirement age	Termination rates based on 2018 actuarial study
Utilization	80% of eligible employees who retire between age 50 and age 65 are assumed to elect medical coverage under the plan. Coverage ends when retirees become eligible for Medicare.
Valuation of assets	Not applicable
Trend	Medical costs were assumed to increase by 5.8% for 2018, gradually decreasing to an ultimate trend rate of 4.1% for 2078 and beyond.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at 6/30/18	<u>\$ 12,784,507</u>	<u>\$ -</u>	<u>\$ 12,784,507</u>
Changes for the year:			
Service cost	485,720	-	485,720
Interest	465,787	-	465,787
Changes of benefit terms	-	-	-
Contributions - employer	-	454,326	(454,326)
Differences between expected and actual experience	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	<u>(697,494)</u>	<u>(454,326)</u>	<u>(243,168)</u>
Net changes	<u>254,013</u>	<u>-</u>	<u>254,013</u>
Balance at 6/30/19	<u>\$ 13,038,520</u>	<u>\$ -</u>	<u>\$ 13,038,520</u>

Sensitivity of total OPEB liability to changes in the discount rate – The following represents the net OPEB liability calculated using the stated discount rate, as well as what the 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 rate:

CITY OF JACKSON, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 14,286,541	\$ 13,038,520	\$ 11,928,665

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate – The following represents the net OPEB liability calculated using the stated healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 11,781,234	\$ 13,038,520	\$ 14,522,895

OPEB Expense

Under GASB Statement 75, the annual OPEB expense is intended to recognize certain changes in the Net OPEB Liability compared to the previous measurement date. Changes not recorded as OPEB expense will be recorded and tracked separately as deferred inflows and outflows to be recognized in a future period's OPEB expense. Changes in the total OPEB Liability due to changes in assumptions are recognized over a closed period equal to the future remaining service of plan participants. Any changes due to plan amendment or other benefit changes will be recognized in the year of adoption.

OPEB Expense

Service cost	\$ 485,720
Interest on total OPEB liability	465,787
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	-
Recognition of assumption changes or inputs	(36,667)
OPEB Expense	\$ 914,840

As of June 30, 2020, the deferred outflows and inflows of resources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 266,938
Contributions subsequent to the measurement date of June 30, 2019	407,837	-
	\$ 407,837	\$ 266,938

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2019," will be recognized as a reduction (increase) to net OPEB liability (asset) in the following measurement period.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (36,667)
2022	(36,667)
2023	(36,667)
2024	(36,667)
2025	(36,667)
Thereafter	(83,603)

G. Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with several companies in the current fiscal year:

<u>Entity and Terms</u>	<u>Percentage of Taxes Abated During Year Ended June 30, 2020</u>	<u>Amount of Taxes Abated during Year Ended June 30, 2020</u>
Butler Manufacturing - Effective January 1, 2016 with a 60% real and personal property tax reduction then 40% reduction in 2017 through 2019 tax years	40% Real and Personal Property	26,629
CTP Transportation Products, LLC - Effective January 1, 2009 with a 90% tax reduction on real and tangible personal property and then reducing by 10% starting in 2021 until zero in 2029.	90% Real and Personal Property	174,743
Delta Faucet Company of TN - Effective January 1, 2006 through tax year 2019, a 25% reduction in a selection of tangible personal property.	25% Personal Property	3,549
Pacific Manufacturing Group - Effective 2016 tax year through tax year 2030, a 100% reduction in tangible personal property tax for 2017-2021 tax years, 90% the next two years, 85% the next three, 80% the next two, and 60% for tax year 2029, before an elimination of the abatement.	100% Personal Property	87,197
Pinnacle Foods Group - Effective January 1, 2010 through tax year 2019, a 40% reduction in tangible personal property tax for 2016-2017 tax years and a 20% reduction the following two years	20% Personal Property	8,902
Pringles Mfg. Co. - Multiple tax abatement agreements that abate between 33.7% to 100% of tangible personal property tax ending in either 2026 or 2027	33.7% - 100% Personal Property	248,527
US Farathane - Two different agreements: 1) Effective January 1, 2011 through 2017 tax year, a de-escalating abatement, which for tax year 2017 was a 30% reduction in tangible personal property tax; and 2) Effective January 1, 2012 through the 2019 tax year, a de-escalating abatement that for 2017 is 50% and will be 40% in 2018, 20% in 2019, and 0% in 2020.	40% Personal Property	6,902

H. Investigative Report – State of Tennessee Comptroller of the Treasury – Released June 4, 2020

An investigative report by the State of Tennessee Comptroller of the Treasury was released related to the periods December 1, 2016 through July 31, 2019. It found multiple internal control deficiencies

CITY OF JACKSON, TENNESSEE
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June 30, 2020

including: 1) Jackson City Court Clerk's Office had multiple deficiencies related to safeguarding cash, 2) Jackson City Court Clerk's Office did not have adequate computer application controls, 3) Jackson City Court Clerk's Office did not maintain accurate and detailed records of all transactions and affairs of the court, and 4) Jackson City Court Clerk's Office is not using the Uniform Affidavit of Indigency forms. For further details, see the investigative report released June 4, 2020. The report can be accessed at the state of Tennessee website, <http://www.comptroller.tn.gov/ia>.

NOTE 6 - LITIGATION

The City is involved in legal proceedings arising in the normal course of business. In the opinion of management, after consulting with counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the City as of June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC
EMPLOYEE PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 3,040,565	\$ 3,166,271	\$ 2,984,148	\$ 2,901,389	\$ 2,913,921	\$ 2,812,416
Interest	14,144,972	13,907,964	13,467,519	12,955,605	12,556,747	11,835,576
Changes in benefit terms	-	-	-	-	-	-
Differences between actual and expected experience	784,320	(4,083,521)	563,063	(355,294)	(1,930,126)	2,414,505
Change of assumptions	-	-	4,224,907	-	-	-
Benefit payments, including refunds of employee contributions	<u>(9,867,895)</u>	<u>(9,323,971)</u>	<u>(8,985,428)</u>	<u>(8,532,446)</u>	<u>(7,887,368)</u>	<u>(7,209,401)</u>
Net change in total pension liability	8,101,962	3,666,743	12,254,209	6,969,254	5,653,174	9,853,096
Total pension liability - beginning	196,996,441	193,329,698	181,075,489	174,106,235	168,453,061	158,599,965
Total pension liability - ending (a)	<u>\$ 205,098,403</u>	<u>\$ 196,996,441</u>	<u>\$ 193,329,698</u>	<u>\$ 181,075,489</u>	<u>\$ 174,106,235</u>	<u>\$ 168,453,061</u>
Plan fiduciary net position						
Contributions - employer	\$ 7,158,914	\$ 6,801,702	\$ 6,790,927	\$ 6,617,222	\$ 6,432,498	\$ 6,552,755
Contributions - employee	471	-	-	388	3,130	-
Net investment income	13,456,937	14,057,502	17,484,095	4,041,409	4,604,343	21,401,369
Benefit payments, including refunds of employee contributions	(9,867,895)	(9,323,971)	(8,985,428)	(8,532,446)	(7,887,368)	(7,209,401)
Administrative expense	<u>(68,229)</u>	<u>(71,099)</u>	<u>(64,160)</u>	<u>(56,020)</u>	<u>(37,025)</u>	<u>(33,628)</u>
Net change in plan fiduciary net position	10,680,198	11,464,134	15,225,434	2,070,553	3,115,578	20,711,095
Plan fiduciary net position - beginning	<u>182,116,288</u>	<u>170,652,154</u>	<u>155,426,720</u>	<u>153,356,167</u>	<u>150,240,589</u>	<u>129,529,496</u>
Plan fiduciary net position - ending (b)	<u>\$ 192,796,486</u>	<u>\$ 182,116,288</u>	<u>\$ 170,652,154</u>	<u># \$ 155,426,720</u>	<u>\$ 153,356,167</u>	<u>\$ 150,240,591</u>
Net Pension Liability (asset)-ending (a) - (b)	<u>\$ 12,301,917</u>	<u>\$ 14,880,153</u>	<u>\$ 22,677,544</u>	<u>\$ 25,648,769</u>	<u>\$ 20,750,068</u>	<u>\$ 18,212,470</u>
Plan fiduciary net position as a percentage of total pension liability	94.00%	92.45%	88.27%	85.84%	88.08%	89.19%
Covered - employee payroll	\$ 37,530,596	\$ 36,021,470	\$ 36,334,102	\$ 35,416,058	\$ 34,325,416	\$ 34,206,282
Net pension liability (asset) as a percentage of covered-employee payroll	32.78%	41.31%	62.41%	72.42%	60.45%	53.24%

**GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68* . The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes of assumptions - In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN
THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,841,322	\$ 7,149,006	\$ 6,801,702	\$ 6,790,927	\$ 6,617,222	\$ 6,432,498	\$ 6,552,755
Contributions in relation to the actuarially determined contribution	<u>6,841,322</u>	<u>7,149,006</u>	<u>6,801,702</u>	<u>6,790,927</u>	<u>6,617,222</u>	<u>6,432,498</u>	<u>6,552,755</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 37,994,999	\$ 37,530,596	\$ 36,021,470	\$ 36,334,102	\$ 35,416,058	\$ 34,325,416	\$ 34,206,282
Contributions as a percentage of covered payroll	18.01%	19.05%	18.88%	18.69%	18.68%	18.74%	19.16%

GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (static projection to 6 years beyond the valuation date)
Cost of Living Adjustments	2.25 percent

Changes of assumptions - In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS BASED ON PARTICIPATION IN THE CITY
OF JACKSON, TENNESSEE PENSION PLAN
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	158,262	158,262	206,174	206,174	240,196	266,292
Changes in benefit terms	-	-	-	-	-	-
Effect of economic/demographic gains or losses	-	(49,367)	-	(159,486)	(23,827)	-
Effect of assumption changes or inputs	-	489,280	-	-	-	-
Differences between actual and expected experience	-	-	-	322,397	166,523	386,166
Adjustments	-	(747,694)	-	-	-	-
Benefit payments, including refunds of employee contributions	(483,133)	(483,133)	(590,316)	(573,432)	(606,568)	(650,034)
Net change in total pension liability	<u>(324,871)</u>	<u>(632,652)</u>	<u>(384,142)</u>	<u>(204,347)</u>	<u>(223,676)</u>	<u>2,424</u>
Total pension liability - beginning	<u>4,204,494</u>	<u>4,837,146</u>	<u>5,221,288</u>	<u>5,425,635</u>	<u>5,649,311</u>	<u>5,646,887</u>
Total pension liability - ending (a)	<u>\$ 3,879,623</u>	<u>\$ 4,204,494</u>	<u>\$ 4,837,146</u>	<u>\$ 5,221,288</u>	<u>\$ 5,425,635</u>	<u>\$ 5,649,311</u>
		-				
Plan fiduciary net position						
Contributions - employer	\$ 536,272	\$ 483,685	\$ 592,336	\$ 572,207	\$ 605,568	\$ 650,934
Net investment income	1,284	1,284	144	42	110	6
Benefit payments, including refunds of employee contributions	(483,133)	(483,133)	(590,316)	(573,432)	(606,568)	(650,034)
Administrative expense	-	1,831	-	-	-	-
Net change in plan fiduciary net position	<u>54,423</u>	<u>3,667</u>	<u>2,164</u>	<u>(1,183)</u>	<u>(890)</u>	<u>906</u>
Plan fiduciary net position - beginning	<u>72,920</u>	<u>69,253</u>	<u>67,089</u>	<u>68,272</u>	<u>69,162</u>	<u>68,256</u>
Plan fiduciary net position - ending (b)	<u>\$ 127,343</u>	<u>\$ 72,920</u>	<u>\$ 69,253</u>	<u>\$ 67,089</u>	<u>\$ 68,272</u>	<u>\$ 69,162</u>
Net Pension Liability (asset)-ending (a) - (b)	<u>\$ 3,752,280</u>	<u>\$ 4,131,574</u>	<u>\$ 4,767,893</u>	<u>\$ 5,154,199</u>	<u>\$ 5,357,363</u>	<u>\$ 5,580,149</u>
Plan fiduciary net position as a percentage of total pension liability	3.28%	1.73%	1.43%	1.28%	1.26%	1.22%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will added to this schedule in future fiscal years until 10 years of information is available.

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN
THE CITY OF JACKSON, TENNESSEE PENSION PLAN
For the Fiscal Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 536,272	\$ 483,133	\$ 483,133	\$ 696,570	\$ 696,570	\$ 696,570	\$ 1,090,016
Contributions in relation to the actuarially determined contribution	536,272	483,133	483,133	590,316	573,432	606,568	650,934
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 106,254	\$ 123,138	\$ 90,002	\$ 439,082
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will added to this schedule in future fiscal years until 10 years of information is available.

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of June 30.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open (not to exceed 10 years)
Remaining amortization period	10
Asset valuation	No smoothing period
Inflation	2.50%
Salary increases	N/A
Investment rate of return	2.85%
Cost of living adjustments	2.50%
Retirement age	N/A
Mortality	RP-2000 (Healthy and Disabled) with generational projection per Scale AA for healthy participants

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
BASED ON PARTICIPATION IN THE CITY OF JACKSON OPEB PLAN
For the Fiscal Year Ended June 30

	2019	2018
Total OPEB liability		
Service cost	\$ 485,720	\$ 485,720
Interest	465,787	465,787
Effect of assumptions changes or inputs	-	(340,272)
Benefit payments	(697,494)	(697,494)
Net change in total OPEB liability	254,013	(86,259)
Total OPEB liability - beginning	12,784,507	12,870,766
Total OPEB liability - ending (a)	\$ 13,038,520	\$ 12,784,507
Plan fiduciary net position		
Contributions - employer	\$ 454,326	\$ 411,792
Benefit payments, including refunds of employee contributions	(454,326)	(411,792)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Net OPEB Liability (asset)-ending (a) - (b)	\$ 13,038,520	\$ 12,784,507
Plan Fiduciary Net Position as a % of the Total OPEB	0.00%	0.00%
Covered payroll	\$ 36,021,470	\$ 36,334,102
Net OPEB Liability as a % of covered payroll	36.20%	35.19%

Changes of assumptions : In 2018, amounts reported as changes of assumptions resulted from changes to the discount rate, from 3.58% in 2017 to 3.87% in 2018.

**GASB 75 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 75*. The information in this schedule is not required to be presented retroactively prior to the implementation date.

There are no assets accumulated in a trust for this plan.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CONTRIBUTIONS AND NOTES TO OPEB REQUIRED
SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30

	2020	2019	2018
Employer contributions	\$ 407,837	\$ 454,326	\$ 411,792
Covered payroll	\$ 37,994,999	\$ 36,021,470	\$ 36,334,102
Contributions as a percentage of covered payroll	1.07%	1.26%	1.13%

Notes to OPEB Required Supplementary Information

Valuation date: Actuarially determined contribution rates for 2019 were calculated based on the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Inflation	2.30%
Discount rate	The discount rate used to measure the total OPEB liability was 3.87 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to AA 20-year municipal bonds.
Salary increases	3.00% per annum
Retirement age	TCRS Political Subdivision retirement rates
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017.
Healthcare Cost Trend Rates	The healthcare trends used in this valuation are based on long-term healthcare trends generated by the Getzen Model. The Getzen Model is the research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. Medical costs were assumed to increase by various rates over the next 60 years ranging between 4.10% to 6.40%.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See independent auditor's report.

**SUPPLEMENTARY
AND OTHER INFORMATION
SECTION**

**CITY OF JACKSON, TENNESSEE
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
June 30, 2020**

	Special Revenue Funds:				Debt Service		Totals
	Police Drug	Metro Drug	Grant Fund #1 CDBG	Grant Fund #2 HOME	Community Redevelopmen		
Assets							
Cash and cash equivalents	\$ 114,539	\$ 196,919	\$ 97,146	\$ -	\$ -		\$ 408,604
Receivables							
Accounts (net of allowance for uncollectible accounts)	-	4,020	-	-	-		4,020
Grants	-	-	3,748	802	-		4,550
Court fines (net of allowance for uncollectible accounts)	8,326	3,905	-	-	-		12,231
Due from other funds	-	-	17	-	-		17
Total assets	<u>\$ 122,865</u>	<u>\$ 204,844</u>	<u>\$ 100,911</u>	<u>\$ 802</u>	<u>\$ -</u>		<u>\$ 429,422</u>
Liabilities, deferred inflows and fund balances							
Liabilities:							
Accounts payable and accrued expenses	3,338	8,036	4,116	785	-		16,275
Due to other funds	-	-	-	17	-		17
Total liabilities:	<u>3,338</u>	<u>8,036</u>	<u>4,116</u>	<u>802</u>	<u>-</u>		<u>16,292</u>
Deferred inflows:							
Unavailable court fines:	<u>5,923</u>	<u>3,905</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>9,828</u>
Fund balances:							
Restricted	<u>113,604</u>	<u>192,903</u>	<u>96,795</u>	<u>-</u>	<u>-</u>		<u>403,302</u>
Total fund balances:	<u>113,604</u>	<u>192,903</u>	<u>96,795</u>	<u>-</u>	<u>-</u>		<u>403,302</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 122,865</u>	<u>\$ 204,844</u>	<u>\$ 100,911</u>	<u>\$ 802</u>	<u>\$ -</u>		<u>\$ 429,422</u>

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds				Debt Service	Totals
	Police Drug	Metro Drug	Grant Fund #1 CDBG	Grant Fund #2 HOME	Community Redevelopment	
Revenues						
Fines, interest and penalties	\$ 14,689	\$ 13,198	\$ -	\$ -	\$ -	\$ 27,887
Use of money and property	1,821	5,324	-	-	50,000	57,145
Intergovernmental	-	-	502,880	200,752	-	703,632
Sales and service charges	-	15,942	-	-	-	15,942
Other	-	-	328	20,658	-	20,986
Total revenues	16,510	34,464	503,208	221,410	50,000	825,592
Expenditures						
Current:						
Public safety	17,672	143,635	-	-	-	161,307
Public welfare and community services	-	-	264,100	221,410	-	485,510
Capital outlay						
Public safety	-	83,085	-	-	-	83,085
Debt service:						
Principal	-	-	-	-	199,000	199,000
Interest	-	-	-	-	90,108	90,108
Total expenditures	17,672	226,720	264,100	221,410	289,108	1,019,010
Excess (deficiency) of revenues over (under) expenditures	(1,162)	(192,256)	239,108	-	(239,108)	(193,418)
Other financing sources (uses)						
Transfers in	-	-	-	-	239,108	239,108
Transfers out	-	-	(239,108)	-	-	(239,108)
Total other financing sources (uses)	-	-	(239,108)	-	239,108	-
Net changes in fund balances	(1,162)	(192,256)	-	-	-	(193,418)
Fund balances - beginning	114,766	385,159	96,795	-	-	596,720
Fund balances - ending	\$ 113,604	\$ 192,903	\$ 96,795	\$ -	\$ -	\$ 403,302

See independent auditor's report.

**CITY OF JACKSON, TENNESSEE
POLICE DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, interest and penalties:				
Fines, forfeits and penalties	\$ 29,000	\$ 29,000	\$ 14,689	\$ (14,311)
Use of money and property:				
Interest earned	1,500	1,500	1,821	321
Sales and service charges:				
Seized assets/unclaimed evidence	<u>14,500</u>	<u>14,500</u>	-	<u>(14,500)</u>
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>16,510</u>	<u>(28,490)</u>
Expenditures				
Current:				
Public Safety:				
Contractual services	7,000	7,000	-	(7,000)
Utilities	7,500	7,500	7,531	31
Special investigative funds	30,000	30,000	10,000	(20,000)
Court clerk fees	<u>500</u>	<u>500</u>	<u>141</u>	<u>(359)</u>
Total expenditures:	<u>45,000</u>	<u>45,000</u>	<u>17,672</u>	<u>(27,328)</u>
Net changes in fund balances:	<u>\$ -</u>	<u>\$ -</u>	(1,162)	<u>\$ (1,162)</u>
Fund balance - beginning			<u>114,766</u>	
Fund balance - ending			<u>\$ 113,604</u>	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
METRO DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

Revenues	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Fines, interest and penalties:				
Fines, forfeits and penalties	\$ 25,250	\$ 25,250	\$ 13,198	\$ (12,052)
Use of money and property:				
Interest earned	-	-	5,324	5,324
Sales and service charges:				
Controlled substance tax	-	-	1,075	1,075
Seizures	125,000	125,000	14,867	(110,133)
Total revenues	150,250	150,250	34,464	(115,786)
 Expenditures				
Current:				
Public Safety:				
Telephone	25,000	25,000	20,195	(4,805)
Vehicle tow-in/storage	1,000	1,000	(855)	(1,855)
Subscriptions and dues	1,000	1,000	-	(1,000)
Computer/IS services	7,000	7,000	7,440	440
Travel and training	15,000	15,000	8,530	(6,470)
Office supplies	10,500	10,500	10,627	127
Operating expenditures	20,000	20,000	17,474	(2,526)
Rent	6,000	6,000	-	(6,000)
Court clerk fees	1,000	1,000	(5)	(1,005)
Special investigative funds	40,000	40,000	21,891	(18,109)
Federal sharing expense	-	-	37,263	37,263
Utilities	11,000	11,000	14,552	3,552
Copier expense	4,000	4,000	1,394	(2,606)
Uniforms and clothing	8,000	8,000	5,129	(2,871)
Capital outlay	30,550	96,600	83,085	(13,515)
Total expenditures	180,050	246,100	226,720	(19,380)
Net changes in fund balances:	\$ (29,800)	\$ (95,850)	(192,256)	\$ (96,406)
Fund balance - beginning			385,159	
Fund balance - ending			\$ 192,903	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
GRANT FUND #1 - CDBG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

Revenues	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Intergovernmental:				
Block Grant - CDBG	\$ 526,940	\$ 869,466	\$ 502,880	\$ (366,586)
Other income	11,469	11,469	328	(11,141)
Total revenues	538,409	880,935	503,208	(377,727)
Expenditures				
Current				
Public Welfare and Community Services				
Administration and Program Delivery:				
Salaries	105,388	122,514	57,423	(65,091)
Employee benefits	-	-	15,179	15,179
Travel and training	-	-	92	92
Professional services	-	-	6,180	6,180
Dues and subscriptions	-	-	5,142	5,142
Telephone	-	-	846	846
Office supplies	-	-	1,678	1,678
Postage	-	-	43	43
Advertising	-	-	1,146	1,146
Computer	-	-	4,530	4,530
Miscellaneous	-	-	1,064	1,064
Repairs and maintenance	-	-	303	303
Insurance	-	-	1,342	1,342
	105,388	122,514	94,968	(27,546)
Program				
Housing	85,721	85,721	71,599	(14,122)
Public services	59,000	384,400	49,233	(335,167)
CHDO	48,300	48,300	48,300	-
	193,021	518,421	169,132	(349,289)
Total expenditures	298,409	640,935	264,100	(376,835)
Excess (deficiency) of				
revenues over (under) expenditures	240,000	240,000	239,108	(892)
Other financing sources (uses)				
Transfers out - Section 108 Loan Payments	(240,000)	(240,000)	(239,108)	(892)
Total other financing sources (uses)	(240,000)	(240,000)	(239,108)	(892)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			96,795	
Fund balance - ending			\$ 96,795	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
GRANT FUND #2 - HOME
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
HOME Grant	\$ 294,460	\$ 294,460	\$ 200,752	\$ (93,708)
Administration income	-	-	20,658	20,658
Program income	20,000	20,000	-	(20,000)
Other revenue	<u>20,000</u>	<u>20,000</u>	-	<u>(20,000)</u>
Total revenues	<u>334,460</u>	<u>334,460</u>	<u>221,410</u>	<u>(113,050)</u>
Expenditures				
Current				
Public Welfare and Community Services				
Administration:				
Salaries	29,446	29,446	16,047	(13,399)
Employee benefits	-	-	3,362	3,362
Insurance	-	-	365	365
Maintenance	<u>-</u>	<u>-</u>	<u>884</u>	<u>884</u>
	<u>29,446</u>	<u>29,446</u>	<u>20,658</u>	<u>(8,788)</u>
Program				
Housing	<u>305,014</u>	<u>305,014</u>	<u>200,752</u>	<u>(104,262)</u>
Total expenditures	<u>334,460</u>	<u>334,460</u>	<u>221,410</u>	<u>(113,050)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

See independent auditor's report.

**CITY OF JACKSON, TENNESSEE
COMMUNITY REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance over (under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Appropriation from CRA District	\$ -	\$ -	\$ 50,000	\$ 50,000
Total revenues	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Expenditures:				
Principal payments	143,000	143,000	199,000	56,000
Interest expense	<u>83,693</u>	<u>83,693</u>	<u>90,108</u>	<u>6,415</u>
Total expenditures	<u>226,693</u>	<u>226,693</u>	<u>289,108</u>	<u>62,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,693)</u>	<u>(226,693)</u>	<u>(239,108)</u>	<u>(12,415)</u>
Other financing sources (uses)				
Transfer from other funds	<u>226,693</u>	<u>226,693</u>	<u>239,108</u>	<u>12,415</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

Revenues	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Taxes:				
Property tax apportionments	\$ 7,951,324	\$ 7,951,324	\$ 8,032,480	\$ 81,156
Tax equivalent apportionments	1,432,451	1,432,451	1,520,576	88,125
Total taxes	9,383,775	9,383,775	9,553,056	169,281
Use of money & property:				
Interest income	20,000	20,000	35,126	15,126
Total use of money & property	20,000	20,000	35,126	15,126
Intergovernmental				
Madison County				
Local option sales tax - Pringles Park	30,000	30,000	24,103	(5,897)
State of Tennessee:				
Sales tax - Pringles Park	55,000	55,000	60,512	5,512
Total intergovernmental	85,000	85,000	84,615	(385)
Total revenues	9,488,775	9,488,775	9,672,797	184,022
Expenditures				
Principal	7,474,000	7,474,000	72,824,506	65,350,506
Interest	2,231,449	2,231,449	3,081,697	850,248
Other expenditures	-	-	3,561	3,561
Debt issuance costs	-	666,537	681,440	14,903
Total expenditures	9,705,449	10,371,986	76,591,204	66,219,218
Excess (deficiency) of revenues over (under) expenditures	(216,674)	(883,211)	(66,918,407)	(66,035,196)
Other financing sources (uses):				
Proceeds from sale of bonds	-	6,187,009	62,524,274	56,337,265
Premium from sale of bonds	-	-	10,509,101	(10,509,101)
Transfers from other funds	-	500,000	-	(500,000)
Transfers to other funds	-	(6,270,472)	(6,823,462)	552,990
Total other financing sources (uses)	-	416,537	66,209,913	45,881,154
Net changes in fund balance	\$ (216,674)	\$ (466,674)	(708,494)	\$ (20,154,042)
Fund balance - beginning			931,883	
Fund balance - ending			\$ 223,389	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
CAPITAL OUTLAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

Revenues	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Use of money and property:				
Interest	\$ -	\$ -	\$ 53,276	\$ 53,276
Insurance recoveries	20,000	28,590	-	(28,590)
Total use of money and property	20,000	28,590	53,276	24,686
Intergovernmental:				
Bulletproof vest grant	5,225	5,225	5,108	(117)
Reimbursement: 45 Bypass project	4,696,330	4,696,330	535,484	(4,160,846)
Transportation enhancement grants	4,539,900	4,539,900	3,096,005	(1,443,895)
Total intergovernmental	9,241,455	9,241,455	3,636,597	(5,604,858)
Taxes:				
Property taxes	1,411,602	1,440,743	1,056,482	(384,261)
Tax equivalents:				
IDB	3,980	3,980	12,961	8,981
Electric Department	38,190	38,190	106,270	68,080
Water Department	5,350	5,350	6,400	1,050
Gas Department	18,650	18,650	45,011	26,361
Telecom	5,170	5,170	12,975	7,805
West Tennessee Healthcare	-	-	15,500	15,500
JDRF	-	-	527	527
Other	740	740	-	(740)
Total taxes	1,483,682	1,512,823	1,256,126	(256,697)
Other:				
Donations: 7 Pillars	-	5,000	-	(5,000)
Total other	-	5,000	-	(5,000)
Total revenues	10,745,137	10,787,868	4,945,999	(5,841,869)
Expenditures				
General government:				
Office of mayor/city council	-	60,000	36,900	(23,100)
Animal Care Center	1,507,815	1,507,815	411,815	(1,096,000)
Information Systems	-	111,000	95,469	(15,531)
Planning	-	6,878	-	(6,878)
Municipal court building	2,000,000	2,614,523	1,718,901	(895,622)
Municipal building (Main/Liberty)	-	158,000	46,217	(111,783)
Total general government	3,507,815	4,458,216	2,309,302	(2,148,914)
Public safety:				
Police administration	-	26,156	25,831	(325)
Support services	-	397,800	397,788	(12)
Central dispatch	-	24,727	21,654	(3,073)
Law enforcement building	-	-	2,024	2,024
Annex building	-	5,000	-	(5,000)
Patrol	-	39,310	34,197	(5,113)
Police tactical unit	-	47,950	47,950	-
Gang control	-	7,500	-	(7,500)
Fire Dept buildings/operations	-	759,129	120,811	(638,318)
Total public safety	-	1,307,572	650,255	(657,317)

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
CAPITAL OUTLAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

Expenditures	Budgeted Amounts		Actual	Variance over (under)
	Original	Final		
Public works:				
Street resurfacing	\$ 1,352,814	\$ 3,827,814	\$ 730,628	\$ (3,097,186)
US 45 bypass southern extension	4,696,330	4,696,330	535,484	(4,160,846)
FE Wright improvements	5,214,319	5,214,319	3,870,078	(1,344,241)
Street maintenance	-	109,000	48,982	(60,018)
Municipal garage	-	38,534	43,936	5,402
Traffic signalization	-	262,000	43,966	(218,034)
Public works facility	-	-	18,598	18,598
Stormwater operations	-	170,000	43,650	(126,350)
Total public works	<u>11,263,463</u>	<u>14,317,997</u>	<u>5,335,322</u>	<u>(8,982,675)</u>
Public welfare and community services:				
Groundskeeping	-	25,000	-	(25,000)
T. R. White Sportsplex	-	5,000	2,420	(2,580)
Fairgrounds	-	50,000	36,152	(13,848)
Civic Center	-	60,000	46,972	(13,028)
Ned Center	-	35,953	35,201	(752)
Jackson Ballpark	-	24,178	17,155	(7,023)
Oman arena	-	250,000	-	(250,000)
Bemis Mill Memorial Park	-	-	13,166	13,166
Westwood Community Center & Pool	-	20,500	19,520	(980)
Malesus Park	-	28,000	28,000	-
Shirlene Mercer Park	-	87,042	29,399	(57,643)
Centennial Park	-	7,106	7,106	-
Recreation	-	-	14,065	14,065
Total public welfare and community services	<u>-</u>	<u>592,779</u>	<u>249,156</u>	<u>(343,623)</u>
Other:				
Jackson-Madison County Public Library	-	27,490	13,219	(14,271)
Emergency Management	-	20,000	15,223	(4,777)
Airport Authority	-	39,750	28,741	(11,009)
CRA District	138,412	138,412	60,000	(78,412)
Total other	<u>138,412</u>	<u>225,652</u>	<u>117,183</u>	<u>(108,469)</u>
Total expenditures	<u>14,909,690</u>	<u>20,902,215</u>	<u>8,661,218</u>	<u>(12,240,997)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,164,553)</u>	<u>(10,114,347)</u>	<u>(3,715,219)</u>	<u>6,399,128</u>
Other financing sources (uses)				
Transfer from other funds	-	5,949,794	5,949,794	-
Total other financing sources (uses)	<u>-</u>	<u>5,949,794</u>	<u>5,949,794</u>	<u>-</u>
Net changes in fund balances	<u>\$ (4,164,553)</u>	<u>\$ (4,164,553)</u>	<u>2,234,575</u>	<u>\$ 6,399,128</u>
Fund balance - beginning			2,577,429	
Fund balance - ending			<u>\$ 4,812,004</u>	

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF INVESTMENTS
June 30, 2020

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Carrying Amount/ Market Value</u>
Fiduciary fund types				
Deferred Compensation Expendable Trust Fund	Various	Various	N/A	<u>\$ 21,210,303</u>
				<u><u>\$ 21,210,303</u></u>

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT
June 30, 2020

	General Obligation Bonds Series 2019		General Obligator Refunding Bonds Series 2019A (2)		Housing & Urban Development Section 108 Loan		Notes Payable			
							General Obligation Capital Outlay Note, Series 2014 ** (1)		General Obligation Capital Outlay Note, Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 170,000	\$ 227,300	\$ 6,790,000	\$ 2,793,850	\$ 156,000	\$ 73,272	\$ 62,500	\$ 5,160	\$ 200,000	\$ 55,750
2022	180,000	218,800	7,105,000	2,454,350	162,000	67,403	62,500	3,432	200,000	49,900
2023	190,000	209,800	7,440,000	2,099,100	169,000	61,510	62,500	1,716	200,000	43,750
2024	200,000	200,300	8,335,000	1,727,100	176,000	55,368	-	-	200,000	37,400
2025	205,000	190,300	2,760,000	1,310,350	184,000	49,102	-	-	200,000	30,950
2026	220,000	180,050	2,865,000	1,172,350	192,000	42,264	-	-	200,000	24,350
2027	230,000	169,050	3,800,000	1,029,100	200,000	35,286	-	-	200,000	17,550
2028	240,000	157,550	2,145,000	839,100	209,000	28,004	-	-	200,000	10,600
2029	250,000	145,550	2,220,000	731,850	218,000	20,469	-	-	200,000	3,550
2030	265,000	133,050	2,300,000	620,850	227,000	12,480	-	-	-	-
2031	280,000	119,800	2,385,000	505,850	238,000	4,202	-	-	-	-
2032	290,000	105,800	2,465,000	386,600	-	-	-	-	-	-
2033	305,000	94,200	2,540,000	288,000	-	-	-	-	-	-
2034	315,000	82,000	1,480,000	186,400	-	-	-	-	-	-
2035	330,000	69,400	1,525,000	127,200	-	-	-	-	-	-
2036	340,000	56,200	530,000	66,200	-	-	-	-	-	-
2037	355,000	42,600	550,000	45,000	-	-	-	-	-	-
2038	370,000	28,400	575,000	23,000	-	-	-	-	-	-
2039	340,000	13,600	-	-	-	-	-	-	-	-
	<u>\$ 5,075,000</u>	<u>\$ 2,443,750</u>	<u>\$ 57,810,000</u>	<u>\$ 16,406,250</u>	<u>\$ 2,131,000</u>	<u>\$ 449,360</u>	<u>\$ 187,500</u>	<u>\$ 10,308</u>	<u>\$ 1,800,000</u>	<u>\$ 273,800</u>

	General Obligation Capital Outlay Note, Series 2017 (3)		Jackson-Madison County General Hospital District		Total Requirements		
							Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 212,500	\$ 30,972	\$ 50,000	\$ -	7,641,000	3,186,304	10,827,304
2022	212,500	25,341	50,000	-	7,972,000	2,819,226	10,791,226
2023	212,500	19,709	50,000	-	8,324,000	2,435,585	10,759,585
2024	212,500	14,078	50,000	-	9,173,500	2,034,246	11,207,746
2025	212,500	8,447	-	-	3,561,500	1,589,149	5,150,649
2026	212,500	2,816	-	-	3,689,500	1,421,830	5,111,330
2027	-	-	-	-	4,430,000	1,250,986	5,680,986
2028	-	-	-	-	2,794,000	1,035,254	3,829,254
2029	-	-	-	-	2,888,000	901,419	3,789,419
2030	-	-	-	-	2,792,000	766,380	3,558,380
2031	-	-	-	-	2,903,000	629,852	3,532,852
2032	-	-	-	-	2,755,000	492,400	3,247,400
2033	-	-	-	-	2,845,000	382,200	3,227,200
2034	-	-	-	-	1,795,000	268,400	2,063,400
2035	-	-	-	-	1,855,000	196,600	2,051,600
2036	-	-	-	-	870,000	122,400	992,400
2037	-	-	-	-	905,000	87,600	992,600
2038	-	-	-	-	945,000	51,400	996,400
2039	-	-	-	-	340,000	13,600	353,600
	<u>\$ 1,275,000</u>	<u>\$ 101,363</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 68,478,500</u>	<u>\$ 19,684,831</u>	<u>\$ 88,163,331</u>

- (1) Notes have variable interest rates. The interest requirements are estimated, not exact.
(2) A portion of this debt is held by the Sportsplex Fund (\$1,048,036 at June 30, 2020).
(3) A portion of this debt is held by the Sportsplex Fund (\$336,380 at June 30, 2020).
** Obligations of the Sportsplex Fund, an Enterprise fund of the City.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2020

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 7/1/2019	Issued during period	Paid and/or		Outstanding 6/30/2020
							matured during period	Refunded during period	
Governmental Activities									
Bonds Payable									
Payable through the Debt Service Fund:									
General Obligation Bonds, Series 2009	\$ 6,000,000	2.00%	May 19, 2009	June 1, 2024	\$ 2,340,000	\$ -	\$ 435,000	\$ 1,905,000	\$ -
General Obligation Refunding Bonds, Series 2009	55,506,427	2.00%	February 6, 2009	March 1, 2024	24,570,196	-	4,505,007	20,065,189	-
General Obligation Loan Program Bonds, Series 2013	15,300,000	3.00%	July 25, 2013	June 1, 2033	13,395,000	-	-	13,395,000	-
General Obligation Loan Program Bonds, Series 2015	17,400,000	3.00%	August 13, 2015	June 1, 2035	15,621,000	-	-	15,621,000	-
General Obligation Refunding Bonds, Series 2011	10,000,000	3.44%	August 15, 2011	August 1, 2026	7,011,000	-	661,000	6,350,000	-
General Obligation Loan Program Bonds, Series 2018	9,000,000	3.39%	April 6, 2018	March 1, 2038	9,000,000	-	-	9,000,000	-
General Obligation Refunding Bonds, Series 2019A	57,449,274	1.71%	October 29, 2019	June 30, 2039	-	57,449,274	687,310	-	56,761,964
General Obligation Bonds, Series 2019	5,075,000	1.71%	October 29, 2019	June 30, 2039	-	5,075,000	-	-	5,075,000
Total Bonds Payable	\$ 175,730,701				\$ 71,937,196	\$ 62,524,274	\$ 6,288,317	\$ 66,336,189	\$ 61,836,964
Notes Payable									
Payable through the Community Redevelopment Fund:									
JMCGH District	\$ 650,000	0.00%	August 5, 2009	August 5, 2023	\$ 250,000	\$ -	\$ 50,000	\$ -	\$ 200,000
Department of Housing & Urban Development, Section 108	3,165,000	3.56%	August 1, 2011	August 1, 2030	2,280,000	-	149,000	-	2,131,000
Payable through the Debt Service Fund:									
Capital Outlay Note, Series 2016	2,400,000	2.45%	September 28, 2016	September 1, 2028	2,000,000	-	200,000	-	1,800,000
Capital Outlay Note, Series 2017	1,251,420	2.65%	December 28, 2017	December 1, 2025	1,095,020	-	156,400	-	938,620
Total Notes Payable	\$ 7,466,420				\$ 5,625,020	\$ -	\$ 555,400	\$ -	\$ 5,069,620
Business-Type Activities									
Bonds Payable									
Payable through the Sportsplex Fund:									
General Obligation Refunding Bonds, Series 2009	3,028,573	2.00%	February 6, 2009	March 1, 2024	1,499,804	-	274,993	1,224,811	-
General Obligation Refunding Bonds, Series 2019A	1,060,726	1.71%	October 29, 2019	June 30, 2038	-	1,060,726	12,690	-	1,048,036
Total Bonds Payable	\$ 4,089,299				\$ 1,499,804	\$ 1,060,726	\$ 287,683	\$ 1,224,811	\$ 1,048,036
Notes Payable									
Payable through the Sportsplex Fund:									
Capital Outlay Note, Series 2014	500,000	2.75%	June 9, 2014	July 9, 2022	250,000	-	62,500	-	187,500
Capital Outlay Note, Series 2017	448,580	2.65%	December 28, 2017	December 1, 2025	392,480	-	56,100	-	336,380
Total Notes Payable	\$ 12,334,064				\$ 642,480	\$ -	\$ 118,600	\$ -	\$ 523,880
Total Long-Term Debt					\$ 79,704,500	\$ 63,585,000	\$ 7,250,000	\$ 67,561,000	\$ 68,478,500

CITY OF JACKSON, TENNESSEE
SCHEDULE OF TRANSFERS
June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Jackson Transit Authority Fund	Operating/Capital Assistance	\$ 784,900
General Fund	Sportsplex Fund	Budgeted Interfund Repayment	239,535
General Fund	Solid Waste Collection Fund	Budgeted Interfund Repayment	40,638
Debt Service Fund	Capital Outlay Fund	Capital Outlay/Bond Refunding	5,949,794
Debt Service Fund	Sportsplex Fund	Bond Refunding	873,668
CDBG Grant Fund	Community Redevelopment Fund	Debt Service Payments	239,108

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
For the Fiscal Year Ended June 30, 2020

Year of Levy	Balance 7/1/19	Taxes Levied	Adjustments	Collections	Balance 6/30/20
2019	\$ -	\$ 33,584,034	\$ 182,990	\$ 32,862,061	\$ 904,963
2018	1,176,934	-	33,186	812,793	397,327
2017	319,731	-	1,195	135,226	185,700
2016	232,995	-	-	39,503	193,492
2015	230,313	-	-	20,733	209,580
2014	218,108	-	-	25,233	192,875
2013	215,573	-	-	13,313	202,260
2012	330,524	-	-	7,901	322,623
2011	160,837	-	-	10,019	150,818
2010	94,809	-	(1,236)	5,066	88,507
2009	64,338	-	-	1,666	62,672
2008	67,488	-	(67,488)	-	-
	<u>\$ 3,111,650</u>	<u>\$ 33,584,034</u>	<u>\$ 148,647</u>	<u>\$ 33,933,514</u>	<u>\$ 2,910,817</u>

Property taxes receivable allocated as follows:

	<u>General Fund</u>	<u>Debt Services</u>	<u>Capital</u>	<u>Total</u>
Considered current receivable	\$ 145,327	\$ 51,230	\$ 6,136	\$ 202,693
Allowance for uncollectibles	1,084,557	362,478	-	1,447,035
Unavailable revenues	<u>948,725</u>	<u>276,030</u>	<u>36,334</u>	<u>1,261,089</u>
	2,178,609	689,738	42,470	2,910,817
Estimated 2020 tax levy due October 1, 2020 considered as deferred inflow	<u>25,111,767</u>	<u>9,156,005</u>	-	<u>34,267,772</u>
Total taxes receivable	<u>\$ 27,290,376</u>	<u>\$ 9,845,743</u>	<u>\$ 42,470</u>	<u>\$ 37,178,589</u>

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF TAX RATES AND ASSESSMENTS
 Last Ten Fiscal Years

<u>Year of Levy</u>	<u>Tax Rate*</u>	<u>Assessed Valuation</u>
2019	1.96	\$ 1,711,522,294
2018	1.96	1,719,467,687
2017	1.96	1,603,308,247
2016	1.96	1,564,300,034
2015	1.96	1,564,832,429
2014	1.96	1,532,815,538
2013	1.97	1,532,815,538
2012	1.97	1,482,624,991
2011	1.97	1,431,434,365
2010	2.10	1,431,434,365

*Per \$100 of assessed valuation.

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Amounts provided to subreceptients</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Office of Community Planning and Development:				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants	B19MC470011	14.218	\$ 485,520	
Community Development Block Grants	B18MC470011	14.218	5,891	
Community Development Block Grants	B17MC470011	14.218	<u>11,469</u>	
Total CDBG Entitlement Cluster			<u>502,880</u>	<u>169,132</u>
HOME Investment Partnerships Program	M16MC470207	14.239	14,175	
HOME Investment Partnerships Program	M17MC470207	14.239	62,433	
HOME Investment Partnerships Program	M18MC470207	14.239	130,246	
HOME Investment Partnerships Program	M19MC470207	14.239	<u>14,556</u>	
			<u>221,410</u>	<u>200,752</u>
<u>Total U.S. Department of Housing & Urban Development</u>			<u>724,290</u>	<u>369,884</u>
National Endowment for the Arts				
Passed through Tennessee Arts Commission:				
Promotion of the Arts Partnership Agreements	31625-08460	45.025	<u>\$ 4,500</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Amounts provided to subrecipients</u>
U.S. DEPARTMENT OF JUSTICE				
Violence Against Women Office				
Passed through Tennessee Department of Finance and Administration				
Office of Criminal Justice				
Violence Against Women Formula Grant				
	35603	16.588	\$ 57,246	\$ -
Safe Hope Center Navigator				
Passed through the Tennessee Department of Finance and Administration				
Office of Criminal Justice				
Crime Victim Assistance/Safe Hope Center Formula Grants (VOCA)				
	32106	16.575	40,001	
	35604	16.575	29,047	
			<u>69,048</u>	-
Passed through Tennessee Department of Finance and Administration				
Office of Criminal Justice				
Bulletproof Vest Partnership Program				
	2017BUBX14072412	16.607	5,108	
Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Grant Program				
	2019-DJ-BX-0765	16.738	41,403	
Edward Byrne Memorial Justice Assistance Grant Program				
	2018-DJ-BX-0711	16.738	746	
Edward Byrne Memorial Justice Assistance Grant Program				
	2017-DJ-BX-0303	16.738	2,799	
			<u>44,948</u>	-
Passed through the Tennessee Department of Finance and Administration,				
Office of Criminal Justice Programs:				
Edward Byrne Memorial Justice Assistance Grant Program (GRIT)				
	32078	16.738	74,775	
Edward Byrne subtota				
			<u>119,723</u>	
Equitable Sharing Funds				
	N/A	16.922	28,295	
			<u>28,295</u>	-
<u>Total U.S. Department of Justice</u>			<u>\$ 279,420</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

	Grant Number	CFDA Number	Expenditures	Amounts provided to subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Passed through the Tennessee Department of Transportation:				
Highway Planning and Construction FE Wright	57-LPLM-F3-017	20.205*	\$ 3,096,005	
Highway Planning and Construction	40100-02519	20.205*	68,381	
Highway Planning and Construction MPO SPR	56735	20.205*	5,878	
Highway Planning and Construction - Southern Bypass	HPP-NHE-1(225)	20.205*	428,388	
Total Highway Planning and Construction Cluster			3,598,652	33,657
National Highway Traffic Safety Administration:				
Passed through the Tennessee Department of Transportation:				
Highway Safety Cluster:				
Alcohol Open Container Requirements ACT	Z-19-THS-136	20.600	6,249	
Alcohol Open Container Requirements ACT	Z-20-THS-118	20.600	16,144	
			22,393	-
Total U.S. Department of Transportation			3,621,045	33,657
U.S. DEPARTMENT OF DEFENSE				
Passed through the State of Tennessee				
Donations/Loans of Obsolete DOD Property	N/A	12.700	283,360	
Total U.S. Department of Homeland Security			283,360	
Total Expenditures of Federal Awards			\$ 4,912,615	\$ 403,541

* Denotes a major program

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award and state financial assistance activity of the City under programs of the federal government and State of Tennessee for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

* Grants of the Jackson Transit Authority other than the one being passed through the City of Jackson are not included in this schedule due to the fact that they are included in a separately issued report audited by other auditors as noted in the independent auditors' report.

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2020

Source/Grant Name	State Grant Number	Expenditures	Amounts provided to subreceptients
TENNESSEE DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	40100-02519	\$ 4,207	
Highway Planning and Construction - Southern Bypass	57LPLM-F0-005	<u>107,097</u>	
		<u>111,304</u>	<u>4,207</u>
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT			
FastTrack Economic Development Grant - Black & Decker Site Development	56610 12979	295,411 <u>67,470</u>	
		<u>362,881</u>	<u>295,411</u>
TENNESSEE DEPARTMENT OF TOURISM DEVELOPMENT			
Tourism Enhancement Grant	56940	<u>7,258</u>	<u>-</u>
TENNESSEE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES			
Drug Court	62789	<u>69,970</u>	<u>-</u>
TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION & OCJP			
Tennessee Counts	65194	<u>10,000</u>	<u>-</u>
 Total State Financial Assistance		 <u>\$ 561,413</u>	 <u>\$ 299,618</u>

See independent auditor's report.

**STATISTICAL AND OTHER
INFORMATION SECTION**

**CITY OF JACKSON, TENNESSEE
FINANCIAL TRENDS INFORMATION
NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:										
Net investment in capital assets	\$ 58,240,966	\$ 59,190,616	\$ 57,613,743	\$ 50,662,923	\$ 63,901,448	\$ 57,159,718	\$ 57,923,130	\$ 57,186,099	\$ 32,237,522	\$ 38,258,669
Restricted For:										
Self insurance	-	-	-	-	-	-	-	-	-	-
State Street Aid	-	-	-	-	-	-	-	96,209	292,165	247,021
Drug litigation tax	-	-	-	-	-	-	1,384	54,595	95,011	146,600
Sex offender	58,792	53,528	49,432	44,893	39,445	33,590	28,708	24,131	22,555	17,016
Property fund reserve	197,171	197,050	149,818	119,762	90,674	-	-	-	-	-
Police drug	113,604	114,766	231,729	213,385	217,693	250,202	285,188	191,469	152,387	102,238
Metro drug	192,903	385,159	331,332	278,634	345,259	383,679	211,969	286,410	340,687	295,817
Grant funds	96,795	96,795	97,315	97,315	94,726	94,726	237,513	967,900	1,201,545	3,802,918
Solid Waste Collection	-	-	-	-	313,945	59,934	-	657,516	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,109,190</u>	<u>(5,351,110)</u>	<u>(11,192,985)</u>	<u>1,974,625</u>	<u>(8,120,253)</u>	<u>(1,848,472)</u>	<u>20,391,515</u>	<u>23,850,330</u>	<u>47,508,348</u>	<u>46,778,762</u>
Total net position	<u>60,937,807</u>	<u>54,686,804</u>	<u>47,280,384</u>	<u>53,391,537</u>	<u>56,882,937</u>	<u>56,133,377</u>	<u>79,079,407</u>	<u>83,314,659</u>	<u>81,850,220</u>	<u>89,649,041</u>
Business-type activities:										
Net investment in capital assets	13,944,724	12,869,960	12,964,312	12,315,973	9,008,707	9,526,134	9,175,382	10,258,341	10,609,844	10,611,583
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>637,874</u>	<u>(696,298)</u>	<u>(551,995)</u>	<u>525,355</u>	<u>637,410</u>	<u>1,002,880</u>	<u>1,989,933</u>	<u>1,196,520</u>	<u>1,268,992</u>	<u>1,760,836</u>
Total net position	<u>14,582,598</u>	<u>12,173,662</u>	<u>12,412,317</u>	<u>12,841,328</u>	<u>9,646,117</u>	<u>10,529,014</u>	<u>11,165,315</u>	<u>11,454,861</u>	<u>11,878,836</u>	<u>12,372,419</u>
Primary government:										
Net investment in capital assets	72,185,690	72,060,576	70,578,055	62,978,896	72,910,155	66,685,852	67,098,512	67,444,440	42,847,366	48,870,252
Restricted For:										
Self insurance	-	-	-	-	-	-	-	-	-	-
State street aid	-	-	-	-	-	-	-	96,209	292,165	247,021
Drug litigation tax	-	-	-	-	-	-	1,384	54,595	95,011	146,600
Sex offender	58,792	53,528	49,432	44,893	39,445	33,590	28,708	24,131	22,555	17,016
Property fund reserve	197,171	197,050	149,818	119,762	90,674	-	-	-	-	-
Police drug	113,604	114,766	231,729	213,385	217,693	250,202	285,188	191,469	152,387	102,238
Metro drug	192,903	385,159	331,332	278,634	345,259	383,679	211,969	286,410	340,687	295,817
Grant funds	96,795	96,795	97,315	97,315	94,726	94,726	237,513	967,900	1,201,545	3,802,918
Solid Waste Collection	928,386	-	-	-	313,945	59,934	-	657,516	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,747,064</u>	<u>(6,047,408)</u>	<u>(11,744,980)</u>	<u>2,449,980</u>	<u>(7,482,843)</u>	<u>(845,592)</u>	<u>22,381,448</u>	<u>25,046,850</u>	<u>48,777,340</u>	<u>48,539,598</u>
Total net position	<u>\$ 75,520,405</u>	<u>\$ 66,860,466</u>	<u>\$ 59,692,701</u>	<u>\$ 66,182,865</u>	<u>\$ 66,529,054</u>	<u>\$ 66,662,391</u>	<u>\$ 90,244,722</u>	<u>\$ 94,769,520</u>	<u>\$ 93,729,056</u>	<u>\$ 102,021,460</u>

**CITY OF JACKSON, TENNESSEE
FINANCIAL TRENDS INFORMATION
CHANGE IN NET POSITION - LAST TEN FISCAL YEARS**

(Prepared using the accrual basis of accounting)

Primary Government

Governmental activities:

Revenues:

Program revenues:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Charges for services	\$18,957,786	\$20,030,514	\$19,283,143	\$19,209,946	\$19,111,393	\$18,158,458	\$18,142,785	\$18,757,566	\$16,182,113	\$16,083,308
Operating grants & contributions	8,108,436	7,793,090	5,907,519	4,171,449	4,440,305	6,112,059	6,325,667	4,742,903	5,399,312	9,056,003
Capital grants & contributions	419,096	2,239,488	1,437,514	2,188,005	2,503,563	1,142,853	2,846,467	994,760	1,947,785	412,817

General Revenues:

Property taxes - levied for general government	34,185,718	34,171,626	32,162,494	31,236,336	30,580,859	30,705,467	29,764,448	29,739,661	28,458,635	28,526,409
In lieu of property taxes	6,873,768	6,089,425	6,184,665	6,017,236	5,819,195	5,213,125	4,972,381	4,710,100	4,552,400	4,109,278
Sales taxes	27,014,315	26,247,643	25,392,216	19,418,303	18,448,435	17,508,484	16,666,185	16,452,302	16,185,845	15,711,381
Franchise and excise taxes	133,976	86,573	206,969	221,260	171,040	112,288	101,186	68,445	58,623	85,103
Alcoholic beverage taxes	3,008,200	2,880,306	2,899,449	2,961,178	3,039,990	2,970,067	2,933,526	3,149,498	3,142,867	3,006,707
Business taxes	2,211,961	2,115,451	2,076,457	2,105,999	1,934,842	1,856,714	1,700,285	1,973,142	1,780,010	1,794,468
Income taxes	293,126	547,440	455,866	471,681	867,920	765,047	665,961	605,058	399,160	363,289
TVA taxes	803,618	773,789	741,019	737,332	766,812	757,366	723,030	745,213	754,980	672,772
Hotel-motel taxes	465,109	642,243	622,263	467,443	429,052	410,073	387,040	408,358	308,290	405,877
Rental and reimbursements	620,719	527,030	788,596	755,661	664,434	609,984	520,011	844,134	403,693	274,092
Other sources/uses	257,238	375,226	181,670	216,305	350,366	63,290	78,709	174,625	498,271	864,628
Unrestricted grants and contributions	37,382	111,339	15,532	40,811	84,921	35,393	130,600	6,331	9,669	26,117
Unrestricted interest income	265,506	464,914	211,438	102,620	199,076	61,810	98,535	124,809	236,583	213,617
Transfers	(1,898,103)	(782,425)	(912,030)	(587,807)	(824,903)	(721,537)	(1,023,781)	(1,086,746)	(817,278)	120,437
Total general revenues and transfers	<u>74,272,533</u>	<u>74,250,580</u>	<u>71,026,604</u>	<u>64,164,358</u>	<u>62,532,039</u>	<u>60,347,571</u>	<u>57,718,116</u>	<u>57,914,930</u>	<u>55,971,748</u>	<u>56,174,175</u>

Expenses:

General government	27,988,609	38,157,080	27,841,426	26,672,930	25,322,132	24,781,907	25,045,466	22,684,091	25,158,473	21,219,517
Public safety	40,595,968	37,819,610	36,771,603	38,782,268	35,638,253	35,902,248	38,401,202	35,651,998	36,474,004	35,270,913
Public works	14,426,061	9,278,976	16,270,744	16,052,662	14,999,426	10,767,419	10,984,081	10,158,970	10,552,273	12,381,594
Public Welfare and community service	9,097,841	8,281,760	8,852,479	8,225,809	8,244,911	8,641,898	9,272,810	9,651,532	9,940,450	5,388,415
Other	802,184	368,982	182,822	517,104	117,470	88,134	226,084	182,586	201,423	190,338
Interest on debt	2,596,185	2,511,925	2,630,181	2,431,154	2,461,835	2,474,298	2,564,607	2,646,108	2,597,226	2,463,089
Total expenses	<u>95,506,848</u>	<u>96,418,333</u>	<u>92,549,255</u>	<u>92,681,927</u>	<u>86,784,027</u>	<u>82,655,904</u>	<u>86,494,250</u>	<u>80,975,285</u>	<u>84,923,849</u>	<u>76,913,866</u>
Change in net position	<u>6,251,003</u>	<u>7,895,339</u>	<u>5,105,525</u>	<u>(2,948,169)</u>	<u>1,803,273</u>	<u>3,105,037</u>	<u>(1,461,215)</u>	<u>1,434,874</u>	<u>(5,422,891)</u>	<u>4,812,437</u>

UNAUDITED

**CITY OF JACKSON, TENNESSEE
FINANCIAL TRENDS INFORMATION
CHANGE IN NET POSITION - LAST TEN FISCAL YEARS**

(Prepared using the accrual basis of accounting)

Primary Government	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-Type activities:										
Program revenues:										
Charges for services	\$ 1,574,548	\$ 2,407,093	\$ 2,359,945	\$ 3,044,981	\$ 3,187,894	\$ 3,162,841	\$ 3,385,122	\$ 3,026,734	\$ 3,102,868	\$ 2,765,595
Operating Grants and Contributions	3,068,855	2,404,027	2,233,286	2,505,360	1,534,302	2,736,795	2,266,620	2,244,165	2,451,921	2,172,852
Capital Grants and Contributions	1,378,964	84,358	900,783	21,774	587,716	587,716	228,478	-	22,447	2,327,470
General Revenues:										
Other Sources	-	-	-	-	-	-	-	(8,617)	-	(199,453)
Unrestricted interest income	3,366	10,510	(2,543)	1,923	1,920	9,158	1,497	75,257	26,701	3,708
Transfers	1,898,103	782,425	912,030	587,807	584,210	547,863	890,704	1,082,718	611,000	918,355
Total general revenues and transfers	1,901,469	792,935	909,487	589,730	62,532,039	557,021	892,201	1,149,358	637,701	722,610
Expenses:										
Solid waste	7,379	69,146	137,573	30,053	4,930	35,647	22,415	20,383	99,327	32,191
Jackson Transit Authority	3,965,833	3,833,887	3,841,984	3,868,858	4,459,746	4,306,766	4,549,674	4,491,481	4,325,609	3,366,436
Sportsplex	1,541,688	1,964,274	1,894,449	2,232,789	2,204,200	2,304,555	2,489,878	2,275,654	2,283,584	2,098,534
Community development	-	59,761	93,591	74,934	110,063	-	-	56,714	-	21,003
Total business-type activities	5,514,900	5,927,068	5,967,597	6,206,634	6,778,939	6,646,968	7,061,967	6,844,232	6,708,520	5,518,164
Change in net position	2,408,936	(238,655)	435,904	(44,789)	(882,897)	397,405	(289,546)	(423,975)	(493,583)	2,470,363
Total change in net position	8,659,939	7,656,684	5,541,429	(2,992,958)	920,376	3,502,442	(1,750,761)	1,010,899	(5,916,474)	7,282,800

UNAUDITED

CITY OF JACKSON, TENNESSEE
FINANCIAL TRENDS INFORMATION -
FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

(Prepared using the accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Funds:										
Nonspendable:										
Inventory	\$ 366,415	\$ 370,696	\$ 317,892	\$ 351,307	\$ 362,556	\$ 322,288	\$ 332,611	\$ 335,805	\$ 329,851	\$ 228,670
Prepays	64,628	-	2,897	1,089	13,458	550	4,185	-	-	-
Restricted:										
State street aid	-	-	-	-	-	-	-	96,209	292,165	247,021
Drug litigation tax	-	-	-	-	-	-	1,384	54,595	95,011	146,600
Sex Offender	58,792	53,528	49,432	44,893	39,445	33,590	28,708	24,131	22,555	17,016
Property fund reserve	197,171	197,050	149,818	119,762	90,674	62,383	41,510	19,856	16,769	-
Police drug	113,604	114,766	231,729	213,385	217,693	250,202	285,188	191,469	152,387	102,238
Metro drug	192,903	385,159	331,332	278,634	345,259	383,679	211,969	286,410	340,687	295,817
Grant funds	96,795	96,795	97,315	97,315	94,726	94,726	237,513	967,900	1,201,545	3,802,918
Solid Waste Collection	928,386	-	-	-	313,945	59,934	-	657,516	-	-
Committed:										
Community redevelopment agency	-	-	-	-	-	-	-	-	-	1,574,264
Capital outlay	4,812,004	-	-	-	-	-	-	-	-	-
Debt Service	223,389	931,883	1,071,643	5,675,240	7,344,964	1,320,964	2,118,764	1,448,764	5,528,107	708,266
Assigned:										
Robertson Trust	-	-	-	-	-	-	-	866,607	866,607	866,607
Capital outlay	-	2,577,429	1,436,120	3,024,971	1,688,775	2,549,774	664,469	1,949	-	-
Solid waste collection	-	-	-	-	-	-	-	-	654,130	836,110
Self insurance	-	-	-	-	-	1,099,143	1,299,546	1,520,960	1,120,960	1,900,000
Provision for subsequent year's budget	-	-	846,203	-	3,239,950	-	-	-	-	-
Midnight Basketball	6,917	6,617	7,022	7,475	6,575	5,275	5,775	5,125	3,625	3,525
Federal Equitable Sharing	192,288	287,434	76,771	134,178	133,534	64,484	-	-	-	-
Fire Training	20,160	9,102	1,287	-	35,596	61,581	-	-	-	-
Traffic Safety	18,056	13,166	6,205	-	-	17,680	20,179	27,745	32,609	30,008
Drug Court	17,357	17,841	17,664	18,775	18,342	17,398	17,004	15,460	16,249	16,313
Cypress Grove	-	-	-	-	-	65,799	70,250	-	-	-
Keep Jackson Beautiful	-	-	-	-	-	-	3,420	-	-	-
Health Fair	1,891	-	-	-	-	-	-	-	-	-
Shirlene Mercer	5,000	-	-	-	-	-	-	-	-	-
Scott Miracle Grow	-	-	-	-	733	-	-	-	-	-
Earth Day	6,808	6,808	6,794	7,648	9,487	8,378	-	-	-	-
JIFAF	-	-	-	3,795	6,025	2,302	-	-	-	-
Drill Field	39,560	49,877	45,316	44,486	-	-	-	-	-	-
Liberty Gardens	4,285	4,091	3,769	298	63,007	80,488	71,069	24,657	22,052	20,950
Jackson Idol	2,611	3,519	4,918	5,659	4,603	3,941	3,133	1,357	845	-
Unassigned:	<u>19,467,325</u>	<u>16,509,785</u>	<u>16,559,004</u>	<u>14,963,080</u>	<u>14,719,799</u>	<u>18,011,428</u>	<u>18,922,912</u>	<u>20,017,909</u>	<u>17,928,715</u>	<u>19,659,197</u>
Total Fund Balances	<u>\$26,836,345</u>	<u>\$21,635,546</u>	<u>\$21,263,131</u>	<u>\$24,991,990</u>	<u>\$28,749,146</u>	<u>\$24,515,987</u>	<u>\$24,339,589</u>	<u>\$26,564,424</u>	<u>\$28,624,869</u>	<u>\$ 30,455,520</u>

**CITY OF JACKSON, TENNESSEE
FINANCIAL TRENDS INFORMATION -
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS**

(Prepared using the accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues										
Taxes	\$ 42,711,751	\$ 41,872,603	\$ 39,233,013	\$ 38,888,338	\$38,397,620	\$ 37,546,041	\$ 36,651,044	\$ 35,732,505	\$ 34,314,956	\$33,861,993
Licenses and permits	5,472,553	5,550,498	5,501,941	5,304,717	4,886,165	4,747,749	4,421,460	4,949,878	4,477,943	4,496,601
Fines, interest and penalties	1,047,339	1,314,210	1,007,850	1,124,359	1,466,077	1,383,875	1,307,520	1,412,135	1,739,362	2,056,261
Use of money and property	1,139,957	1,635,468	1,382,250	3,515,536	3,132,293	1,058,117	1,111,536	1,317,406	1,539,504	1,562,595
Intergovernmental	36,738,951	36,510,199	33,019,492	25,303,536	25,019,838	25,741,800	24,615,793	23,343,197	24,830,708	27,302,169
Sales and service charges	14,988,609	15,350,554	14,650,222	14,331,126	14,388,360	13,624,672	13,244,956	13,671,042	11,267,735	11,100,784
Other	1,629,056	1,846,086	1,964,157	2,031,363	2,159,879	1,890,848	1,825,092	2,002,958	1,924,011	1,350,958
Total revenues	<u>103,728,216</u>	<u>104,079,618</u>	<u>96,758,925</u>	<u>90,498,975</u>	<u>89,450,232</u>	<u>85,993,102</u>	<u>83,177,401</u>	<u>82,429,121</u>	<u>80,094,219</u>	<u>81,731,361</u>
Expenditures										
Current:										
General Government	16,879,865	18,033,855	15,226,292	13,430,824	13,459,329	12,454,250	14,155,073	11,711,991	15,326,086	11,824,788
Public Safety	40,278,303	40,439,208	39,070,250	41,725,992	41,539,569	37,110,370	38,460,084	35,668,075	37,063,197	34,282,313
Public works	9,640,741	18,375,383	11,813,529	12,939,816	11,474,568	11,985,377	12,281,080	9,703,875	10,346,992	14,682,509
Solid waste collection	12,609,006	13,505,325	13,021,622	13,706,232	12,154,539	12,217,185	10,820,346	10,546,710	10,494,226	8,734,703
Public welfare and community services	8,585,225	9,995,303	10,177,357	9,697,857	9,776,884	9,808,900	9,124,857	8,637,549	9,500,786	8,361,546
Other	117,183	300,353	34,695	457,709	115,850	87,291	110,860	96,834	367,620	298,064
Capital Outlay:										
Public Works	-	-	-	-	-	-	-	-	1,575,324	1,582,570
Public Safety	83,085	164,342	73,142	133,607	230,597	89,755	102,230	164,032	-	-
Solid waste collection	-	255,468	248,673	629,229	371,179	294,500	102,171	30,765	125,104	126,118
Debt Service:										
Principal	73,179,906	8,069,622	8,389,900	5,908,164	5,735,043	5,887,200	4,187,777	4,173,723	3,863,410	3,745,130
Interest	3,198,812	2,561,890	2,702,220	2,482,588	2,428,600	2,532,048	2,623,361	2,668,387	2,475,126	2,492,290
Other	685,001	68,629	148,127	59,395	1,620	843	4,616	30,444	21,679	1,596
Total Expenditures	<u>169,662,689</u>	<u>111,769,378</u>	<u>100,905,807</u>	<u>101,171,413</u>	<u>97,287,778</u>	<u>92,467,719</u>	<u>91,972,455</u>	<u>83,432,385</u>	<u>91,159,550</u>	<u>86,131,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,934,473)</u>	<u>(7,689,760)</u>	<u>(4,146,882)</u>	<u>(10,672,438)</u>	<u>(7,837,546)</u>	<u>(6,474,617)</u>	<u>(8,795,054)</u>	<u>(1,003,264)</u>	<u>(11,065,331)</u>	<u>(4,400,266)</u>
Other financing sources (uses):										
Sale of bonds	62,524,274	8,844,600	155,400	5,646,320	12,400,000	-	-	-	-	-
Issuance of debt	-	-	1,251,420	2,400,000	-	7,614,200	7,594,000	-	10,051,958	3,208,926
Premium on bond issue	10,509,101	-	-	-	-	-	-	-	-	-
Transfers in	6,229,540	9,792,597	6,972,705	9,883,757	6,878,453	9,372,623	11,308,548	7,050,832	6,925,606	4,088,792
Transfers out	<u>(8,127,643)</u>	<u>(10,575,022)</u>	<u>(7,884,735)</u>	<u>(10,471,564)</u>	<u>(7,703,356)</u>	<u>(10,335,808)</u>	<u>(12,332,329)</u>	<u>(8,137,578)</u>	<u>(7,742,884)</u>	<u>(3,968,355)</u>
Total other financing sources (uses)	<u>71,135,272</u>	<u>8,062,175</u>	<u>494,790</u>	<u>7,458,513</u>	<u>11,575,097</u>	<u>6,651,015</u>	<u>6,570,219</u>	<u>(1,086,746)</u>	<u>9,234,680</u>	<u>3,329,363</u>
Net changes in fund balances	<u>\$ 5,200,799</u>	<u>\$ 372,415</u>	<u>\$ (3,652,092)</u>	<u>\$ (3,213,925)</u>	<u>\$ 3,737,551</u>	<u>\$ 176,398</u>	<u>\$ (2,224,835)</u>	<u>\$ (2,090,010)</u>	<u>\$ (1,830,651)</u>	<u>\$ (1,070,903)</u>
Debt service as a % of noncapital expenditures	45.44%	9.61%	11.17%	8.42%	8.45%	9.14%	7.43%	8.26%	7.11%	7.39%

**CITY OF JACKSON, TENNESSEE
REVENUE CAPACITY INFORMATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY -
LAST TEN TAX YEARS**

TAX YEAR	APPRAISED VALUE			ASSESSED VALUE			TOTAL DIRECT TAX RATE*
	REAL AND PERSONAL PROPERTY	PUBLIC UTILITIES	TOTAL APPRAISED VALUE	REAL AND PERSONAL PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	
2019	\$ 5,336,693,651	\$ 63,151,180	\$ 5,399,844,831	\$ 1,676,789,145	\$ 34,733,149	\$ 1,711,522,294	\$ 1.96
2018	5,364,098,763	62,336,151	5,426,434,914	1,685,299,709	34,167,978	1,719,467,687	1.96
2017	5,015,058,972	68,247,107	5,083,306,079	1,565,772,338	37,535,909	1,603,308,247	1.96
2016	4,893,883,190	68,246,816	4,962,130,006	1,526,764,285	37,535,749	1,564,300,034	1.96
2015	4,893,883,190	69,214,814	4,963,098,004	1,526,764,285	38,068,144	1,564,832,429	1.96
2014	4,779,103,285	92,869,110	4,871,972,395	1,495,667,894	37,147,644	1,532,815,538	1.96
2013	4,779,103,285	92,869,110	4,871,972,395	1,495,667,894	37,147,644	1,532,815,538	1.97
2012	4,634,445,589	146,089,540	4,780,535,129	1,446,102,606	36,522,385	1,482,624,991	1.97
2011	4,433,985,999	148,590,576	4,582,576,575	1,394,286,721	37,147,644	1,431,434,365	1.97
2010	4,433,985,999	148,590,576	4,582,576,575	1,394,286,721	37,147,644	1,431,434,365	2.10

*Per \$100 of assessed valuation.

Note - Property of the City is reappraised periodically. For this reason appraised value is considered equal to actual value. All information was pulled from the tax levies by the year noted.

See independent auditor's report.

CITY OF JACKSON, TENNESSEE
SUMMARY OF CERTAIN FUND BALANCES / NET POSITION

Fiscal Years Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund	\$ 20,469,264	\$ 17,719,512	\$ 17,248,789	\$ 17,116,966	\$ 18,743,784	\$ 19,856,708	\$ 20,964,473
Special Revenue and							
Capital Outlay Funds	6,143,692	2,984,151	2,942,699	2,199,784	2,660,398	3,338,315	1,256,352
Debt Service Fund	223,389	931,883	1,071,643	5,675,240	7,344,964	1,320,964	2,118,764

SCHEDULE OF LOCAL OPTION SALES TAX

Fiscal Years Ended June 30

<u>Year</u>	<u>Collections</u>	<u>Percent Change</u>
2020	\$ 20,893,768	3.22%
2019	20,242,850	3.28%
2018*	19,600,453	41.01%
2017	13,899,991	2.38%
2016	13,577,434	6.03%
2015	12,805,307	0.60%
2014	11,897,150	1.62%
2013	11,826,624	0.02%
2012	11,637,731	2.83%
2011	11,635,059	1.54%

Source: Tennessee Department of Revenue

*Included \$5,973,614 of Local Option Sales Tax per July 2017 City/County Agreement

**CITY OF JACKSON, TENNESSEE
REVENUE CAPACITY INFORMATION
PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>ASSESSED VALUATION</u>	<u>TOTAL TAX LEVY</u>	<u>COLLECTED WITHIN TAX YEAR OF LEVY</u>	<u>PERCENT COLLECTED</u>	<u>COLLECTIONS IN SUBSEQUENT YEARS</u>	<u>TOTAL COLLECTIONS</u>	<u>TOTAL COLLECTIONS AS PERCENT OF TOTAL LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENT OF CURRENT LEVY</u>
2020	\$ 1,711,522,294	\$ 33,584,034	\$ 32,862,061	97.85%	\$ -	\$ 32,862,061	97.85%	\$ 904,963	2.69%
2019	1,719,467,687	33,734,234	32,990,065	97.79%	346,842	33,336,907	98.82%	397,327	1.18%
2018	1,603,308,247	31,397,370	30,699,032	97.78%	512,638	31,211,670	99.41%	185,700	0.59%
2017	1,564,300,034	31,249,418	30,332,173	97.06%	723,753	31,055,926	99.38%	193,492	0.62%
2016	1,564,832,429	30,449,875	29,995,928	98.51%	244,367	30,240,295	99.31%	209,580	0.69%
2015	1,532,815,538	30,069,122	29,392,621	97.75%	483,626	29,876,247	99.36%	192,875	0.64%
2014	1,532,815,538	29,392,172	28,671,121	97.55%	518,791	29,189,912	99.31%	202,260	0.69%
2013	1,482,624,991	29,128,047	28,277,072	97.08%	528,352	28,805,424	98.89%	322,623	1.11%
2012	1,431,434,365	27,405,300	26,931,839	98.27%	322,643	27,254,482	99.45%	150,818	0.55%
2011	1,431,434,365	27,194,850	26,605,068	97.83%	501,275	27,106,343	99.67%	88,507	0.33%

Assessed valuation amount was taken from the property tax levy for the year noted.

CITY OF JACKSON, TENNESSEE
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
 Last Ten Fiscal Years
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Public Welfare</u>	<u>Debt Service(1)</u>	<u>Capital Projects</u>	<u>Total</u>
2011	\$ 11,739	\$ 32,976	\$ 10,930	\$ 8,109	\$ 6,239	\$ 7,219	\$ 77,212
2012	15,206	33,693	7,059	864	6,360	9,320	72,502
2013	11,722	35,688	20,251	8,638	6,872	261	83,432
2014	14,155	38,460	23,101	9,125	6,816	315	91,972
2015	12,454	37,110	24,203	9,809	8,420	472	92,468
2016	13,459	41,540	23,629	9,777	8,165	718	97,288
2017	13,431	41,726	26,646	9,698	8,450	1,221	101,172
2018	15,226	39,070	24,835	10,177	11,240	357	100,905
2019	18,034	40,439	31,881	9,995	10,700	720	111,769
2020	16,880	40,278	22,250	8,585	10,728	4,523	103,243

(1) Excludes debt refundings

CITY OF JACKSON, TENNESSEE
GENERAL GOVERNMENT REVENUES BY SOURCE
 Last Ten Fiscal Years
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines, Interest & Penalties</u>	<u>Use of Money and Property</u>	<u>Intergovernmental</u>	<u>Sales and Service Charges</u>	<u>Other</u>	<u>Total</u>
2011	\$ 33,862	\$ 4,497	\$ 2,056	\$ 1,563	\$ 27,302	\$ 11,101	\$ 1,351	\$ 81,732
2012	34,315	4,478	1,739	1,540	24,831	11,268	1,924	80,095
2013	35,733	4,950	1,412	1,317	23,343	13,671	2,003	82,429
2014	36,651	4,421	1,308	1,112	24,616	13,425	1,825	83,358
2015	37,546	4,748	1,384	1,058	25,742	13,625	1,891	85,994
2016	38,398	4,886	1,466	3,132	25,020	14,388	2,160	89,450
2017	38,888	5,305	1,124	3,516	25,304	14,331	2,031	90,499
2018	39,233	5,502	1,008	1,382	33,019	14,650	1,964	96,758
2019	41,873	5,550	1,314	1,635	36,510	15,351	1,846	104,079
2020	42,712	5,473	1,047	1,140	36,739	14,989	1,629	103,728

CITY OF JACKSON, TENNESSEE

GENERAL DESCRIPTION

The City of Jackson, Tennessee (the City), the county seat of Madison County, was founded in 1822. Located approximately 85 miles northeast of Memphis and 120 miles southwest of Nashville, the City is the largest city in rural West Tennessee. Jackson encompasses a land area of approximately 49 square miles and serves as West Tennessee's economic, cultural and healthcare center. The population is approximately 67,000.

Government

The City operates under a Mayor and Council form of government. The Mayor, elected to four-year terms directly by the voters, is the Chief Administrative Officer of the City and serves as the presiding officer of the City Council. The City Council is comprised of nine members elected to four-year terms by district.

The City provides a wide range of services to its citizens including police and fire protection, solid waste disposal, public transportation, recreation, libraries and public meeting facilities. Currently, there are approximately 650 regular full-time employees. The Jackson Energy Authority provides water, sewer, gas and electrical utilities, and telecommunications. The Authority is governed by a Board of Directors appointed by the City.

Economy

The City enjoys a diverse economy based on retail trade, manufacturing, agriculture and service-related businesses. The unemployment rate is consistently below the state average. Major corporations currently operating manufacturing or distribution facilities in the City include Kellogg's, Carlisle Transportation Products, TBDN, Pinnacle Foods, Stanley Black and Decker, and Delta Faucet.

Transportation

Major highway transportation is provided by U.S. Interstate 40, three federal highways and two state highways. Railroad transportation is provided by CSX and West Tennessee Railroad. The City jointly owns and operates McKellar-Sipes Regional Airport with Madison County. The airport has a 6,000 foot runway and provides general aviation and charter services. Air Choice One, offers flights to Nashville and St. Louis on a daily basis.

Education

The Jackson and Madison County school systems were consolidated in 1990. The system currently consists of twelve elementary schools, two intermediate schools, four middle schools, five high schools, and two alternative schools. There are also six private schools. The City is home to six institutions of higher learning, including Jackson State Community College, University of Memphis, Lane College, Union University, West Tennessee Business College, and Tennessee Technology Center.

Healthcare

The City is served by Jackson-Madison County General Hospital, a 766-bed general acute care facility operated by a Board appointed by Madison County and the City. There are 44 medical clinics, 19 retirement, nursing, and/or assisted living homes, plus more than 450 physicians practicing in the Jackson area.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Independent Auditor's 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***

Honorable Scott Conger, Mayor
Members of the Council
City of Jackson, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jackson, Tennessee (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents, and have issued our report thereon dated December 22, 2020.

Our report includes a reference to other auditors who audited the financial statements of Jackson Transit Authority (JTA), as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditors testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors identified no deficiencies in internal control that we consider to be a material weakness. We and the other auditors

did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, and 2020-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we and the other auditors 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 and those of the other auditors, disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-003.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 22, 2020



**Independent Auditor's Report on Compliance for Each Major Program and
Report on Internal Control over Compliance
Required by the Uniform Guidance**

Honorable Scott Conger, Mayor
Members of the Council
City of Jackson, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Jackson, Tennessee'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 June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct a material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Alexander Thompson Arnold PLLC

Jackson, Tennessee
December 22, 2020

CITY OF JACKSON, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2020

SECTION I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	_____ yes	_____ <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ <u>X</u> yes	_____ none reported
Noncompliance material to financial statements noted?	_____ <u>X</u> yes	_____ no

Federal Awards

Internal Control over major programs:		
Material weaknesses identified?	_____ yes	_____ <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR 200.516(a)?	_____ yes	_____ <u>X</u> no
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no
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CITY OF JACKSON, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

SECTION II – Financial Statement Findings

2020-001 – Exceeding Budgeted Expenditures (Noncompliance and Significant Deficiency)

Condition: We noted the following major function in the general fund had expenditures exceeding appropriations: public safety by \$221,530. We also noted that total expenditures in the solid waste collection fund exceeded appropriations by \$1,251,624 due primarily to commercial garbage charges and residential garbage charges which exceeded appropriations by \$607,450 and \$534,487, respectively. We also noted that total expenditures in the Community Redevelopment Fund exceeded appropriations by \$62,415, due to principal payments of \$56,000 in excess of budget amounts and interest payments of \$6,415 in excess of budgeted amounts. We also noted that total expenditures in the Debt Service Fund exceeded appropriations by \$66,219,218 due to the principal payments related to refunding of the old bonds payable not being budgeted for.

Cause: The City had multiple occurrences of unbudgeted expenditures due to needs of the various departments mentioned.

Criteria: Tennessee Code Annotated (TCA) 6-56-203 states “notwithstanding any other provision or law, no municipality may expend any monies regardless of their source except in accordance with a budget ordinance adopted under this section.”

Effect: The City failed to comply with the TCA 6-56-203 by expending monies that were not budgeted.

Recommendation: We recommend that all expenditures, including transfers, be authorized by the City’s budget in the future. Potential budget overruns should be anticipated in advance so that appropriate action may be taken by the City Council.

Response: The City understands the requirements of TCA 6-56-203 and will make every effort to comply with these requirements. The City has implemented and will continue to implement new policies and processes addressing planning, budgeting, financial management and accountability to ensure our compliance with TCA 6-56-203.

2020-002 – Capital Asset Records (Significant Deficiency)

Condition: The City keeps a subsidiary ledger to record capital asset purchases as additions to the records on an ongoing basis. During the audit, while trying to reconcile current year additions, it was determined that there were additions that were not recorded including \$235 thousand of police vehicles that were not capitalized. Also, due to changes in employment in the Engineering Department, the City’s infrastructure schedule was not properly maintained. There were projects of \$4.41 million that were added to construction in process through adjustment during the audit.

Cause: The City’s capital assets schedules were found to not be properly maintained throughout the course of the year.

Criteria: A good system of internal control is part of generally accepted accounting principles.

Effect: Maintaining inaccurate capital asset records causes the government-wide financial statements to be materially misstated during the year.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Recommendation: We recommend that the City work to properly maintain the capital asset records by tracking capital purchases and construction in process throughout the year.

Response: The City will work to properly reconcile capital asset records to ensure that the pre-audit financial statements are free of material misstatement.

2020-003 – Investigative Report – State of Tennessee Comptroller of the Treasury – Released June 4, 2020 (Significant Deficiency and Noncompliance)

Condition: The State of Tennessee Comptroller of the Treasury performed an investigative audit of the Jackson City Court Clerk's office of the City of Jackson, Tennessee, for the period from December 1, 2016 through July 31, 2019. The investigative report revealed the following findings:

1. Jackson City Court Clerk's Office had multiple deficiencies related to safeguarding cash. Investigators observed the City Court Clerk using computers and cash drawers assigned to various deputy clerks to execute transactions and collect funds. Investigators observed the drawers unlocked even when the responsible clerk was not in the office area. Investigators observed cash and checks receipted from the prior day were openly left out on the counter and openly accessible to anyone who entered the administrative area of the office.
2. Jackson City Court Clerk's Office did not have adequate application controls. All staff have full access to the computer system, including the ability to void any transactions, including their own. In addition, usernames and passwords of former employees remain active in the computer software system. Management should implement proper user rights to ensure the reliability and integrity of the transactions maintained by the system.
3. Jackson City Court Clerk's Office did not maintain accurate and detailed records of all transactions and affairs of the court. The City Court Clerk could not provide an accurate and detailed report of all financial transactions and affairs of the court as required by TCA, Section 16-18-310(b). Investigators requested documentation from the City Court Clerk to substantiate how the office disposed of certain cases, and the City Court Clerk stated that the office no longer had the documents.
4. Jackson City Court Clerk's Office is not using the Uniform Affidavit of Indigency forms. The Tennessee Administrative Office of the Courts had produced a Uniform Civil and Criminal Affidavit of Indigency form to be used when determining a person's indigent status. Jackson City Court does not utilize the form set forth by the administrative office nor do they verify any information given to them by the offender before determining the indigency status.

Cause: The Jackson City Court Clerk's office had various issues as noted by the Comptroller's Investigate Audit.

Criteria: Tennessee Code Annotated Section 16-18-310(b), Tennessee Administrative Office of the Courts, the Internal Control and Compliance Manual for Tennessee Municipalities as noted in the State of Tennessee Comptroller of the Treasury investigative report.

Effect: The lack of policies and procedures and management oversight allowed for the issues noted to occur.

Recommendation: We recommend that the City, and specifically the City Court Clerk's office, comply with all of the recommendations noted in the investigative report.

Response: Management is making every effort to implement necessary controls to be in compliance.

SECTION III – Federal Award Findings and Questioned Costs

None reported.

CITY OF JACKSON, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2020

Financial Statement Findings

Finding Number	Finding Title	Status/Current Year Finding
2019-001	Exceeding Budgeted Expenditures (Noncompliance and Significant Deficiency) (original finding #2013-001)	Repeated as 2020-001; See explanation on Corrective Action Plan
2019-002	Failure to Receive Authorization for Issuance of Debt (Noncompliance and Significant Deficiency) (original finding #2016-003)	Corrected
2019-003	Reconciliations Not Performed (original finding #2019-003)	Corrected
2019-004	Three-Day Deposit Rule (original finding #2019-004)	Corrected

Federal Award Findings and Questioned Costs

None noted.



MANAGEMENT'S CORRECTIVE ACTION PLAN

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

Cognizant agency:
Department of Transportation

Name and address of independent public accounting firm:

Alexander Thompson Arnold PLLC
227 Oil Well Road
Jackson, TN 38305

Audit period:

June 30, 2020

The findings from the June 30, 2020, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2020-001 – Exceeding Budgeted Expenditures (Noncompliance and Significant Deficiency)

Person Responsible for Implementing the Correction Action: Bobby Arnold, City Recorder

Anticipated Completion Date of Corrective Action: June 30, 2021

Repeat Finding: Yes

Reason Why Corrective Action was Not Taken – PY: The City failed to make the proper appropriations to cover expenditures made near the end of the fiscal year.

Planned Corrective Action: City Council will take the appropriate action in advance of any funds being spent above the budgeted amounts. This will provide the proper authorization for all expenditures in the future.

2020-002 – Capital Asset Records (Significant Deficiency)

Person Responsible for Implementing the Correction Action: Bobby Arnold, City Recorder

Anticipated Completion Date of Corrective Action: June 30, 2021

Repeat Finding: No

Action Taken: The City is planning to make the necessary changes to properly track capital assets throughout the year

2020-003 – Investigative Report – State of Tennessee Comptroller of the Treasury – Released June 4, 2020 (Significant Deficiency and Noncompliance)

Person Responsible for Implementing the Correction Action: Daryl Hubbard, City Court Clerk

Anticipated Completion Date of Corrective Action: June 30, 2021

Repeat Finding: No

Action Taken: The City is planning to make the necessary changes to bring the Jackson City Court office into compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Betty Arnold". The signature is written in a cursive style with a large initial "B" and "A".