



Lighting the path forward

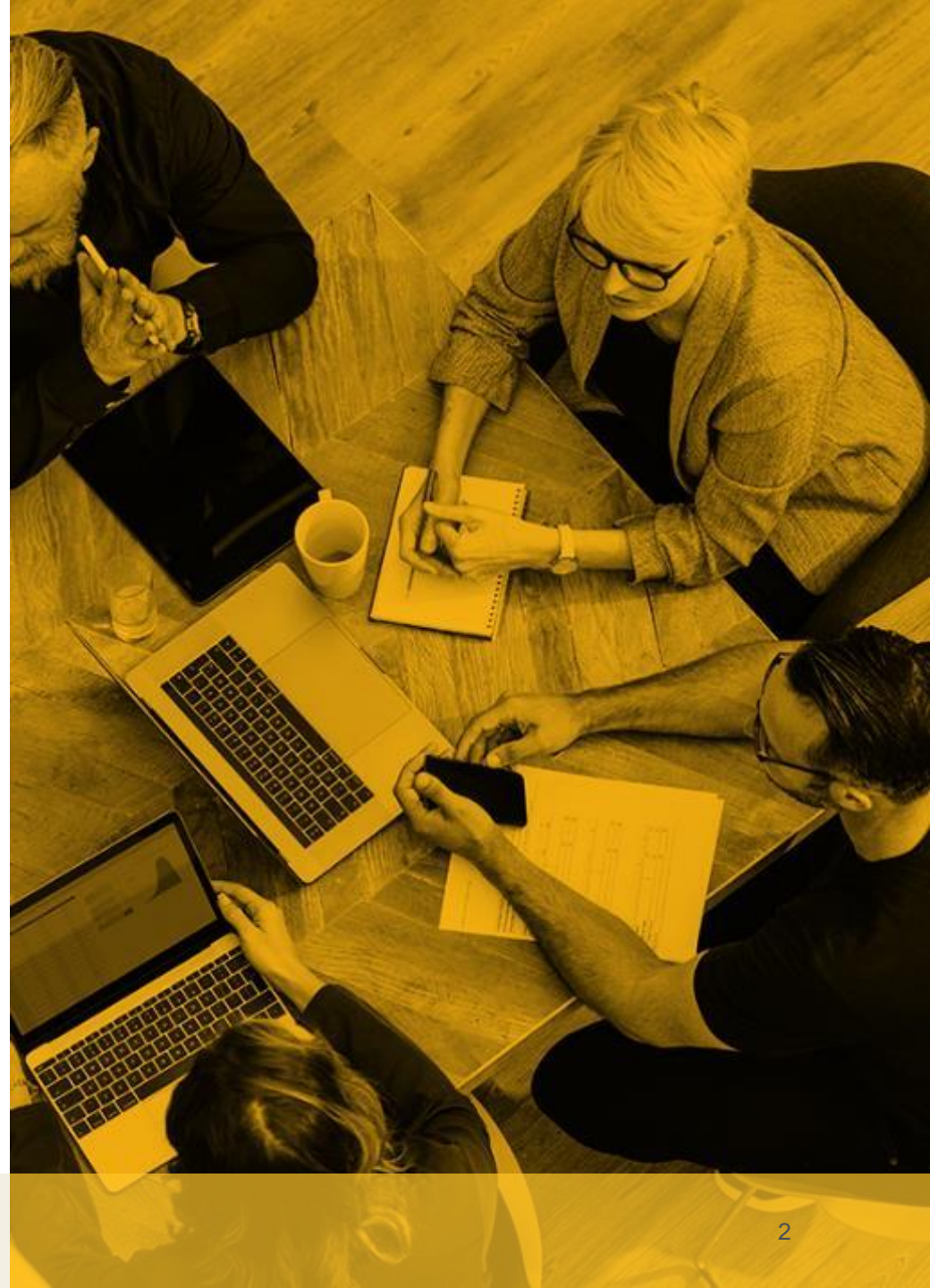
City of Jackson

2022 Financial Statement Audit



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion



Unmodified opinion under Yellow Book
Qualified Opinion under Yellow Book regarding GASB 75 and GASB 68 (Fire Relief)

Minnesota Legal Compliance



One instance of noncompliance

Single Audit Report



No instances of noncompliance with OMB Compliance Supplement requirements
One internal control issue noted

Audit Results

2022 Audit Findings

- Preparation of Financial Statements
 - Internal Control Finding
- Material Audit Adjustments
 - Internal Control Finding
- Uniform Guidance Written Policies and Procedures
 - Single Audit Internal Control Finding
- Insufficient Collateral Coverage
 - Legal Compliance Finding



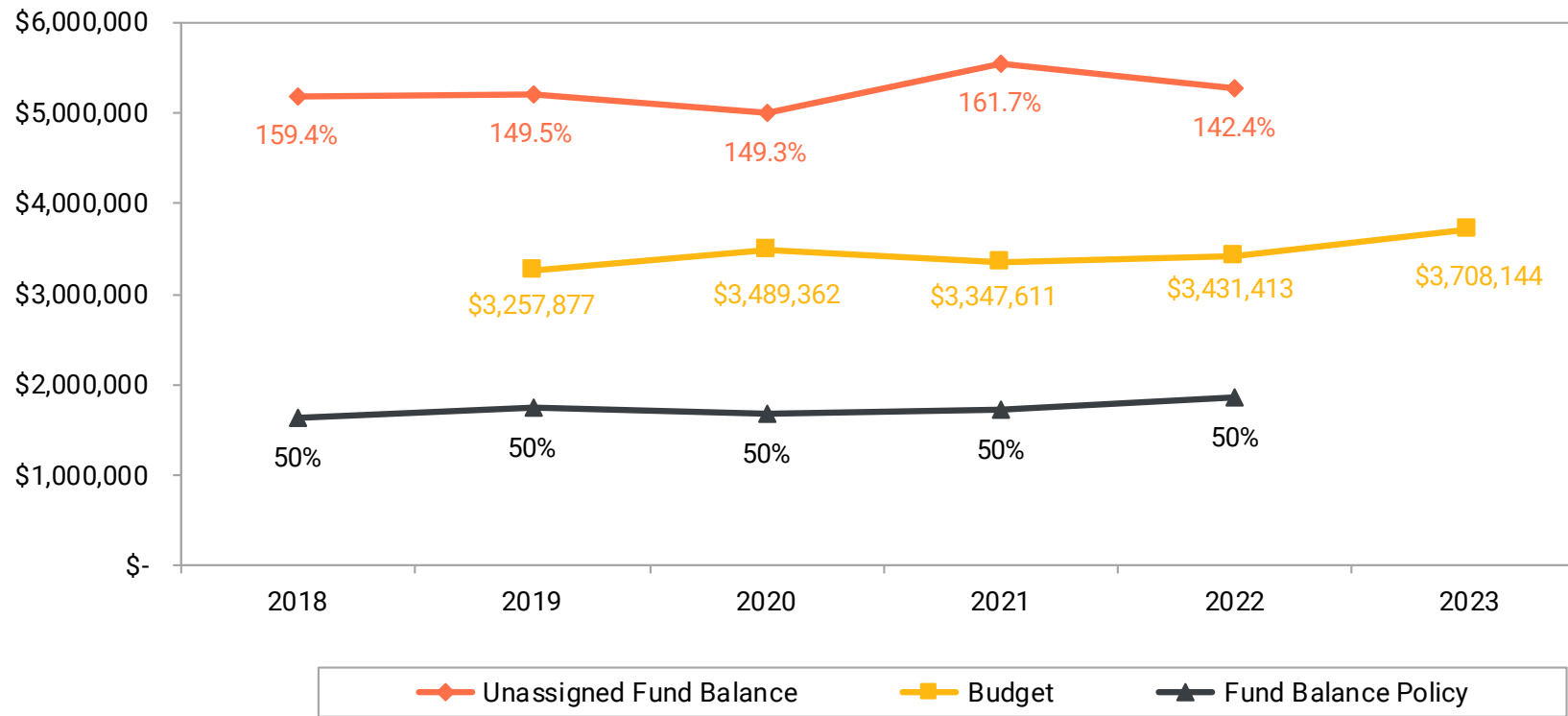
Auditor Recommendations

Long-term Capital Plan

- Consider implementing a long-term capital plan to outline future project needs and funding sources



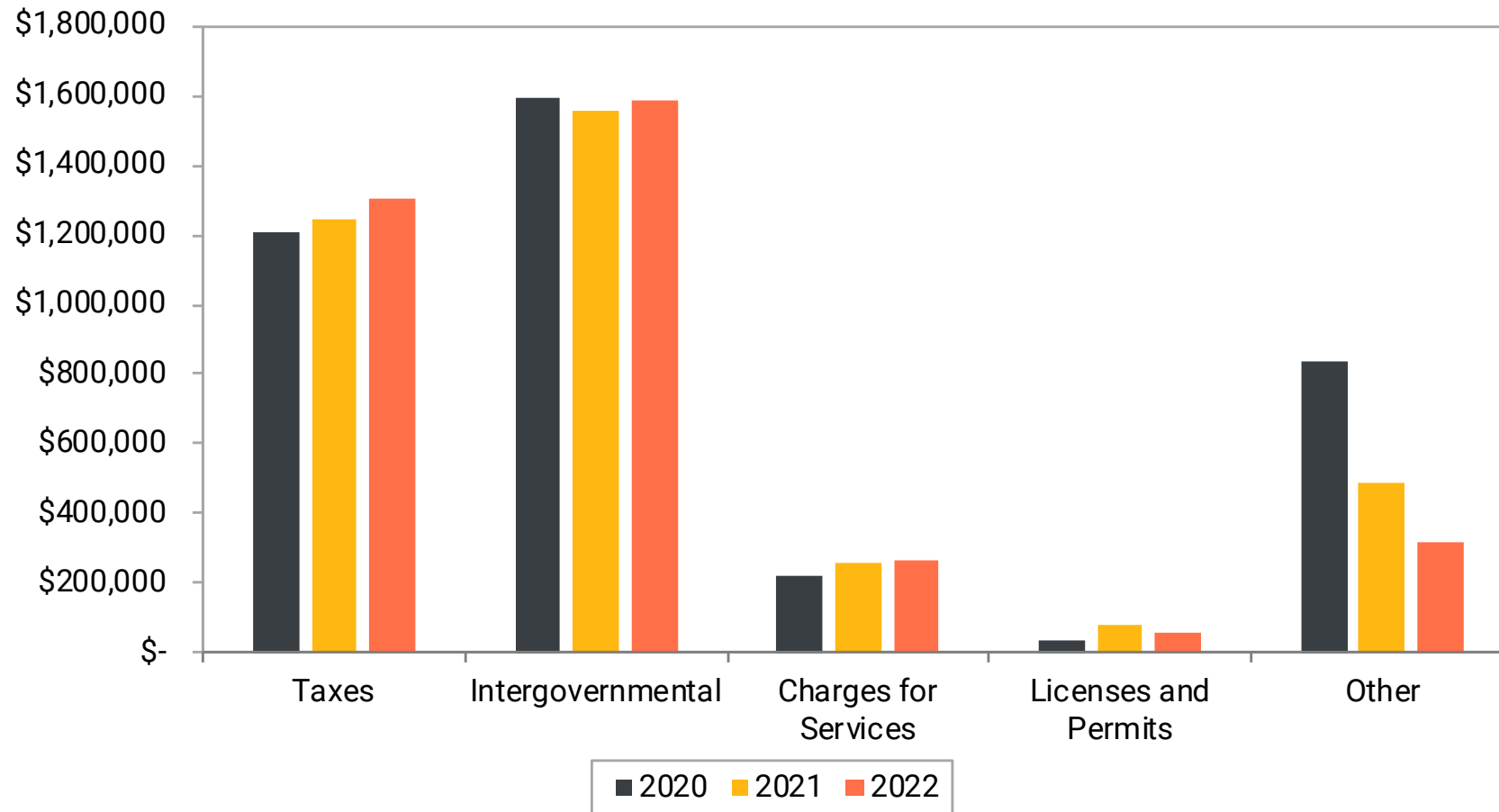
General Fund - Fund Balances



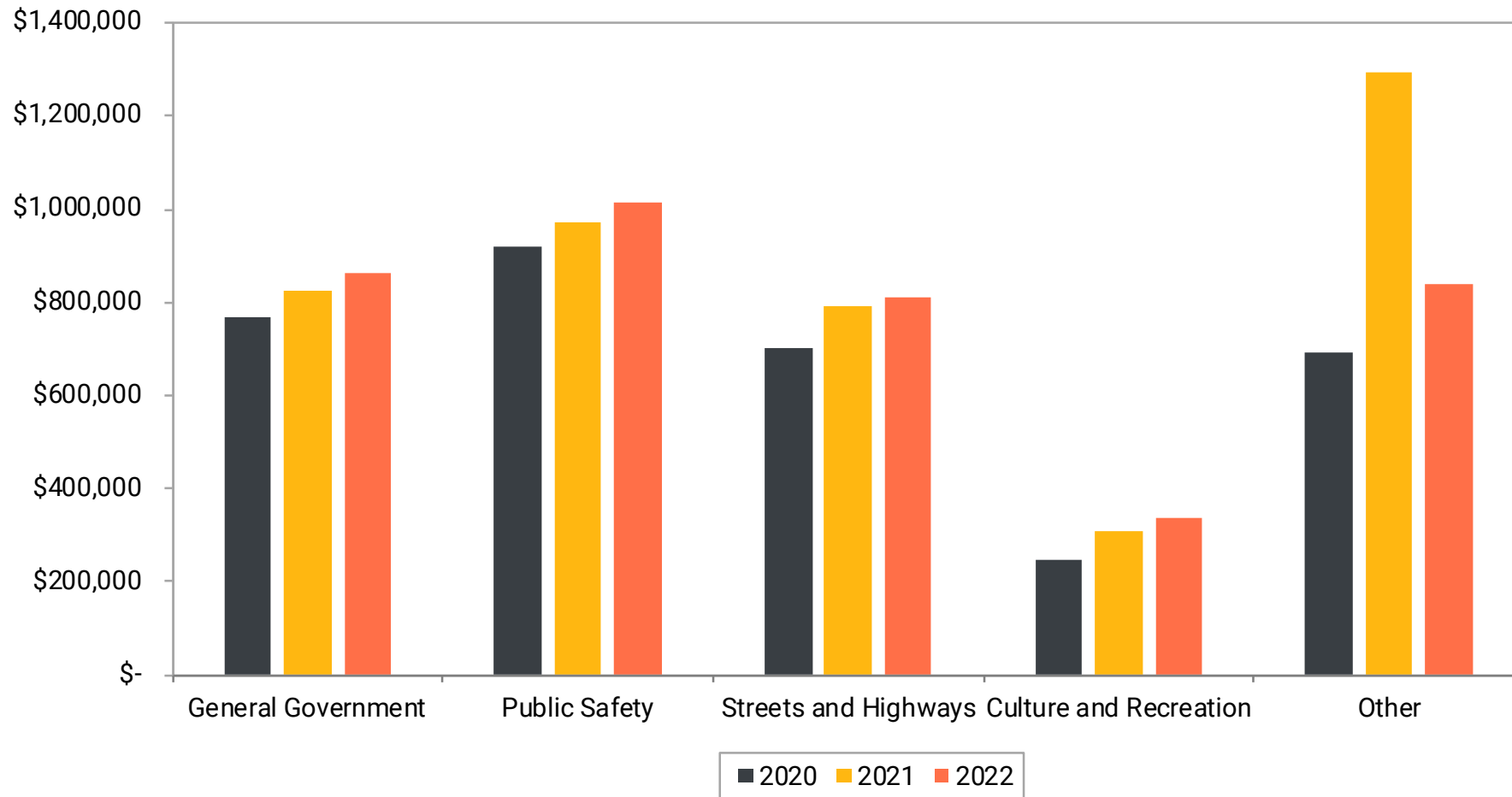
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 3,242,952	\$ 3,013,129	\$ (229,823)
Expenditures	<u>3,431,413</u>	<u>3,292,765</u>	<u>138,648</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(188,461)</u>	<u>(279,636)</u>	<u>(91,175)</u>
Other Financing Sources (Uses)			
Transfers in	506,000	506,000	-
Transfers out	<u>(283,000)</u>	<u>(571,536)</u>	<u>(288,536)</u>
Total Other Financing Sources (Uses)	<u>223,000</u>	<u>(65,536)</u>	<u>(288,536)</u>
Net Change in Fund Balances	34,539	(345,172)	(379,711)
Fund Balances, January 1	<u>5,624,304</u>	<u>5,624,304</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 5,658,843</u></u>	<u><u>\$ 5,279,132</u></u>	<u><u>\$ (379,711)</u></u>

General Fund Revenues by Type



General Fund Expenditures by Type



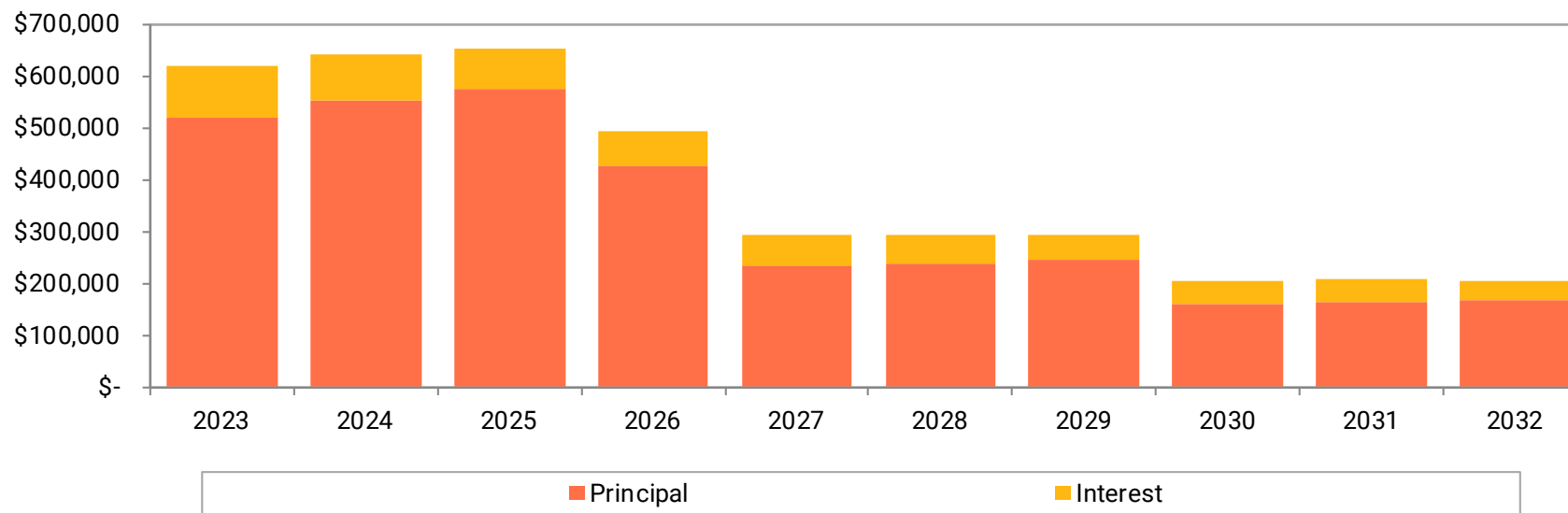
Capital Project and Special Revenue Fund Balances

Fund	Fund Balances December 31		Increase (Decrease)
	2022	2021	
Nonmajor			
Capital Reserve	\$ 1,540,025	\$ 1,333,487	\$ 206,538
2019 Capital Projects	-	31,379	(31,379)
2020 Capital Projects	380,935	625,327	(244,392)
2021 Capital Projects	472,195	(16,712)	488,907
Total	\$ 2,393,155	\$ 1,973,481	\$ 419,674

Fund	Fund Balances December 31		Increase (Decrease)
	2022	2021	
Nonmajor			
Coop/TSE TIF	\$ 51,880	\$ 53,716	\$ (1,836)
SWMNHP Housing TIF	11,970	8,670	3,300
COOP/TSE TIF	11,943	6,839	5,104
Westridge/Sunset TIF	133,946	121,208	12,738
FCA Bin TIF	22,739	18,792	3,947
Ashley Estate TIF	76,443	88,350	(11,907)
Economic Development Authority	250,687	248,291	2,396
American Rescue Plan	3,163	-	3,163
EDA Revolving Loan	1,405,943	1,847,604	(441,661)
Total	\$ 1,968,714	\$ 2,393,470	\$ (424,756)

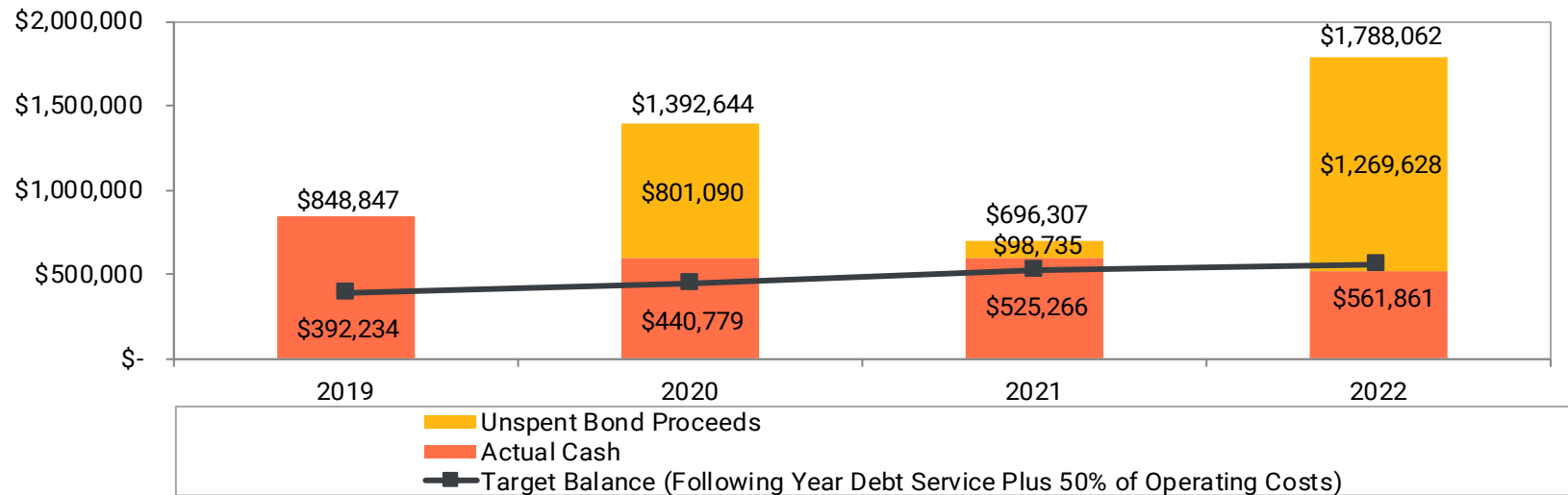
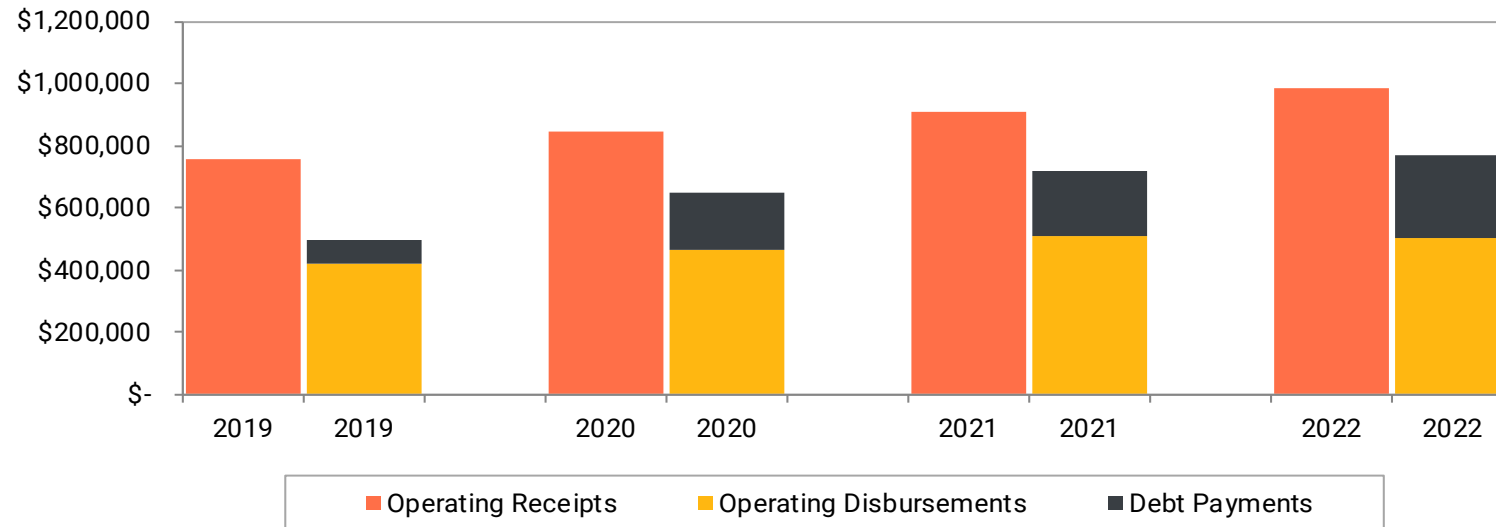
Debt Service

Debt Description	Total Cash and Investments	Total Assets	Outstanding Debt	Maturity Date
General Obligation Bonds				
2017A GO Refunding Bond	\$ 289,139	\$ 291,351	\$ 435,000	02/01/25
G.O. Special Assessment Bonds				
2011A GO Improvement Refunding	333,844	333,866	-	Matured
2012A GO Street and Utility Bond	(144,391)	(143,206)	770,000	02/01/26
2013B GO Street and Utility Bond	278,315	278,602	570,000	02/01/29
2020A GO Street and Utility Bond	159,026	159,970	2,510,000	02/01/41
2022A GO Street and Utility Bond	10,010	10,010	740,950	02/01/43
Total G.O. Special Assessment Bonds	636,804	639,242	4,590,950	
Total All Debt Service Funds	\$ 925,943	\$ 930,593	\$ 5,025,950	
Future Interest on Debt			\$ 833,229	

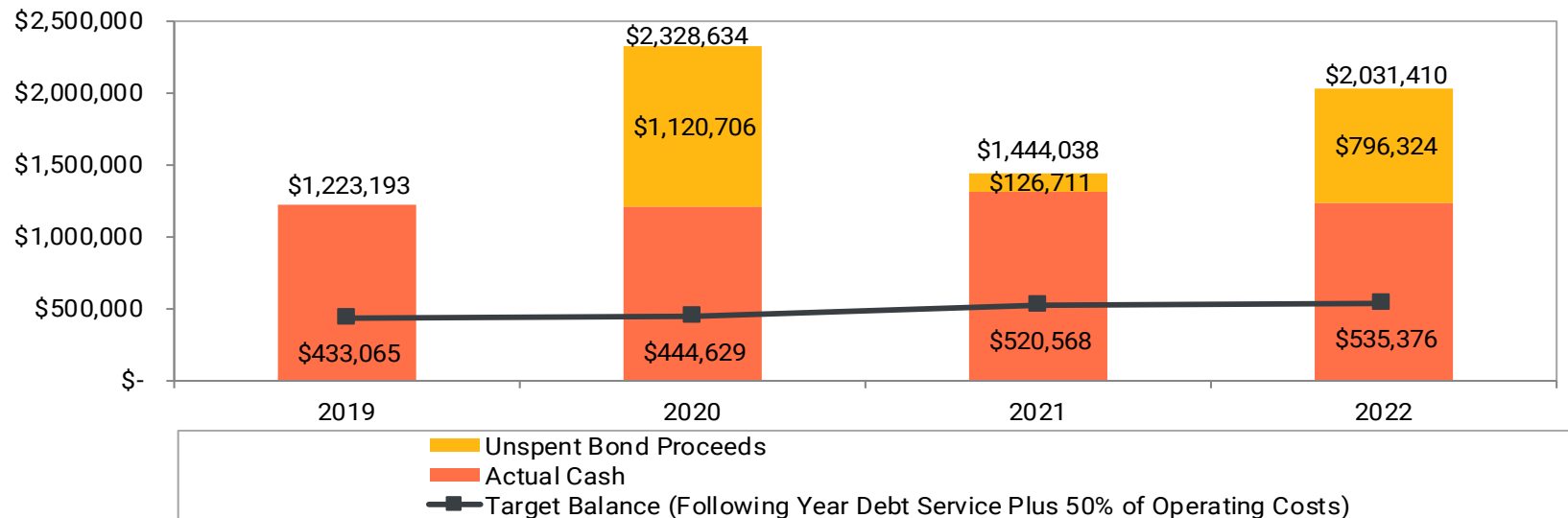
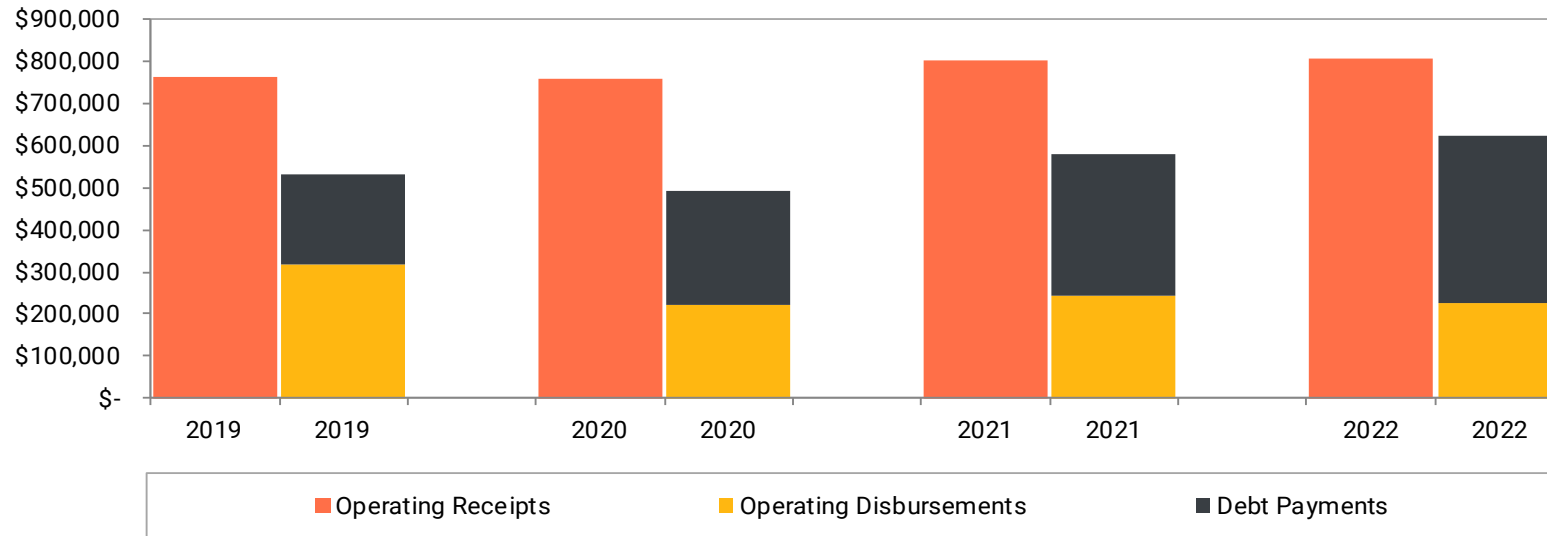


Water Fund

Cash Flows from Operations and Cash Balances



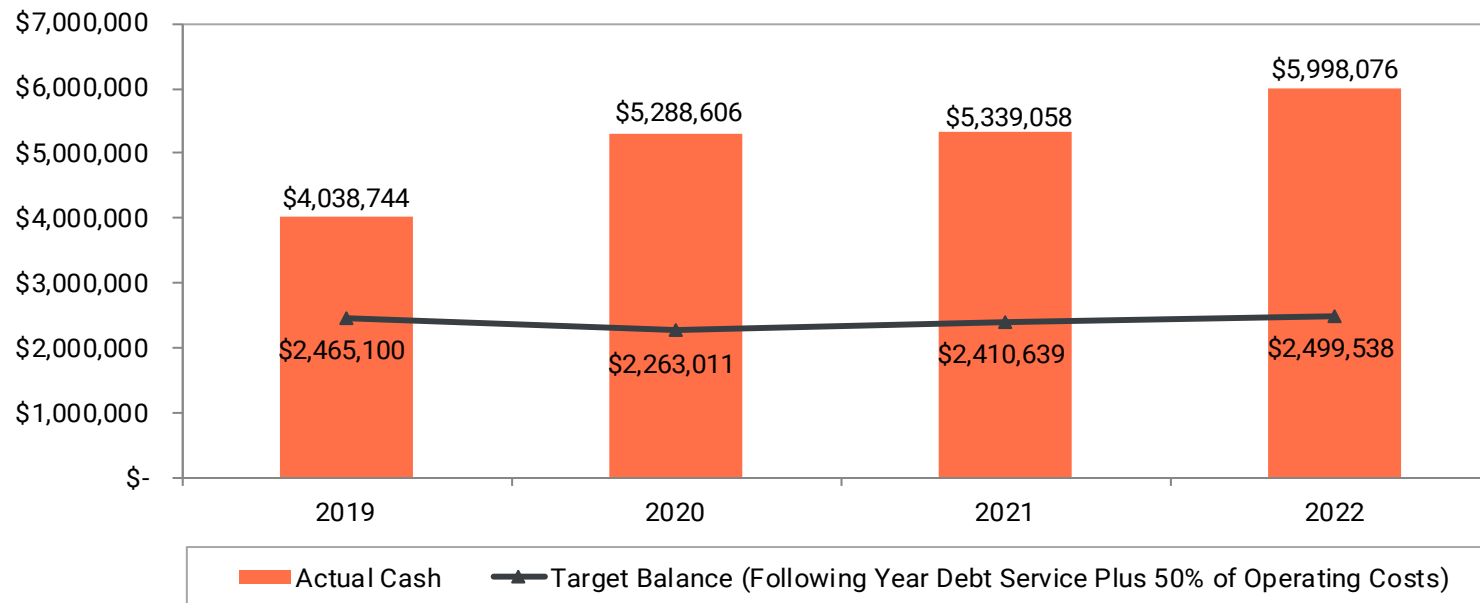
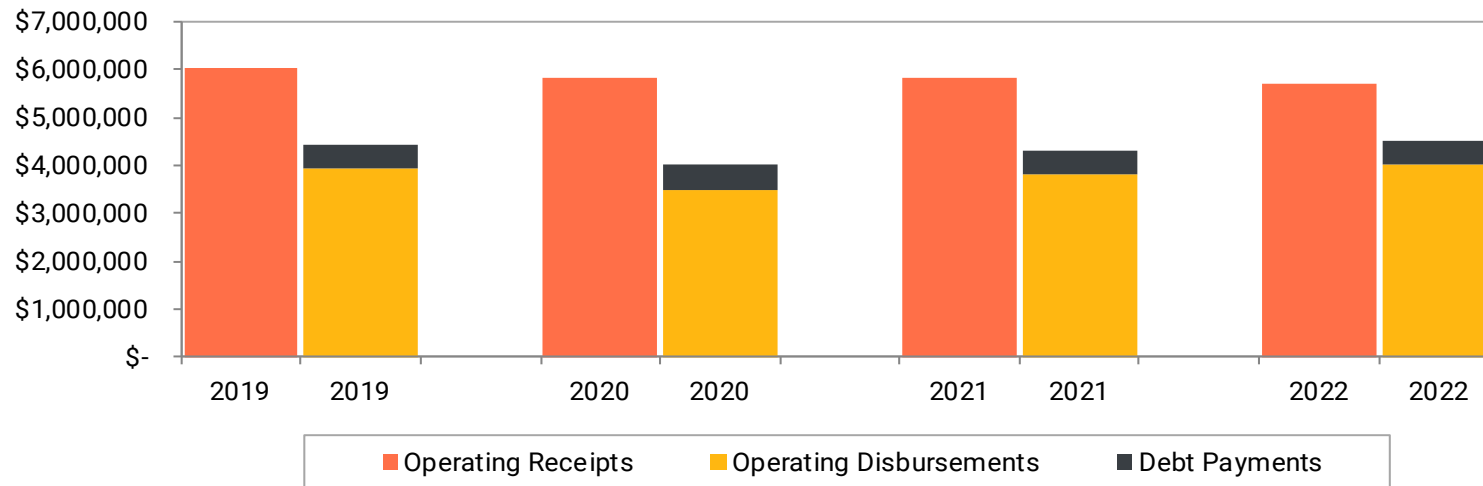
Sewer Fund



Cash Flows from Operations and Cash Balances

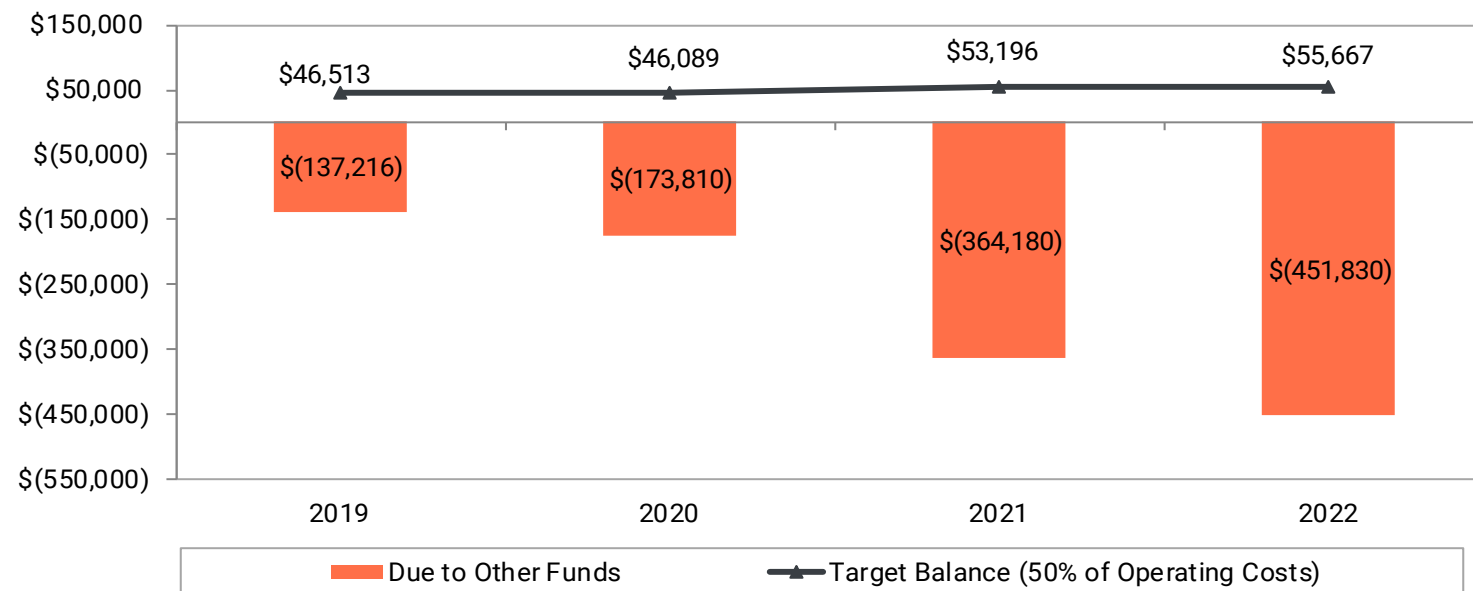
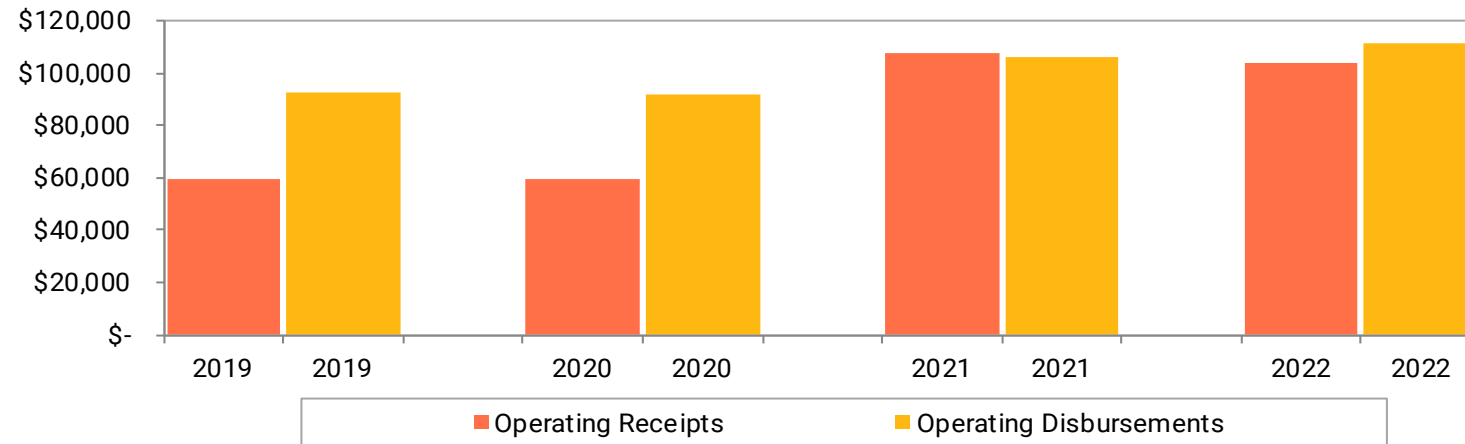
Electric Fund

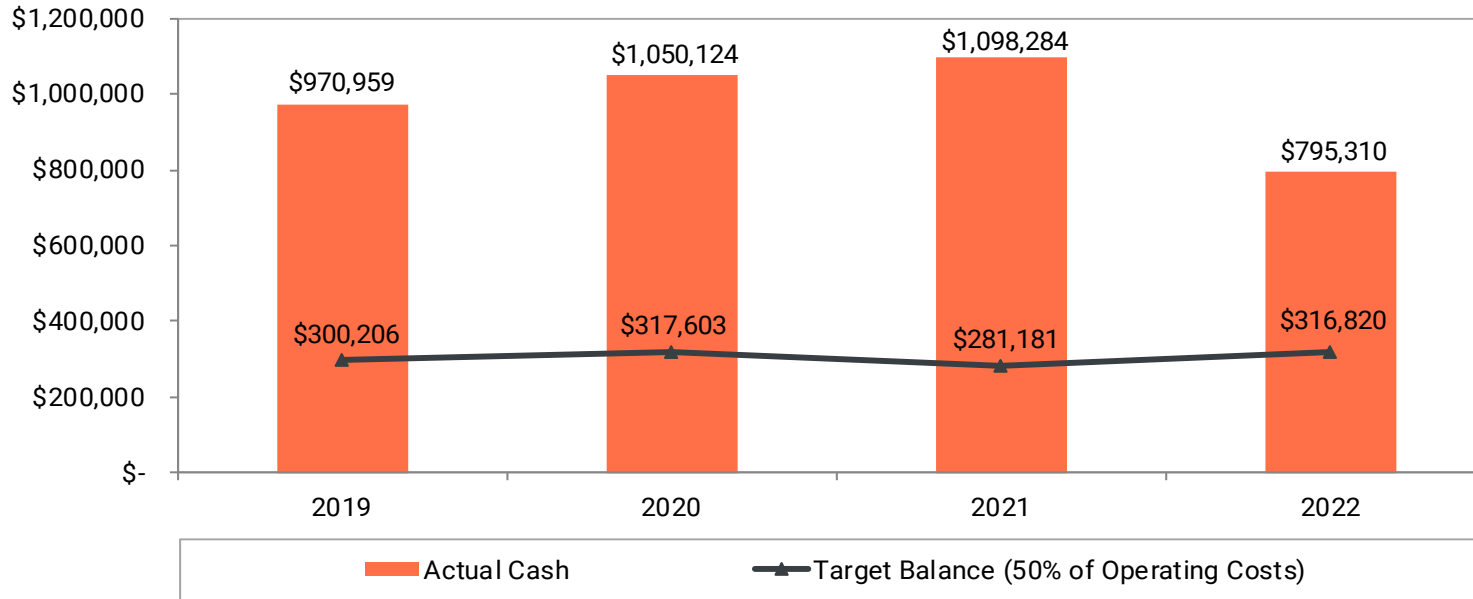
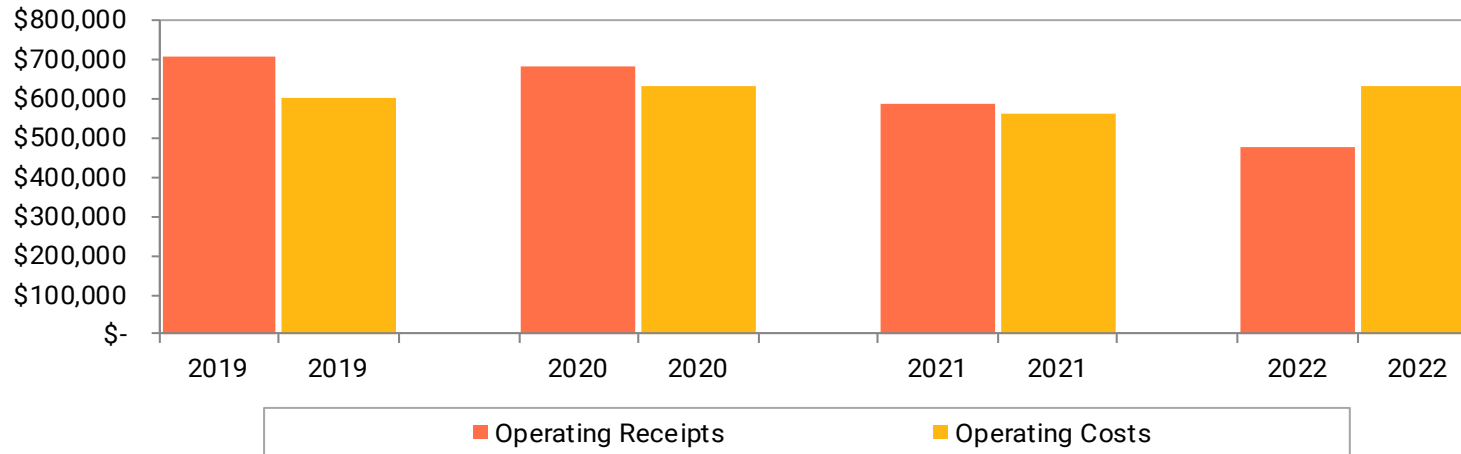
Cash Flows from Operations and Cash Balances



Airport Fund

Cash Flows from Operations and Cash Balances



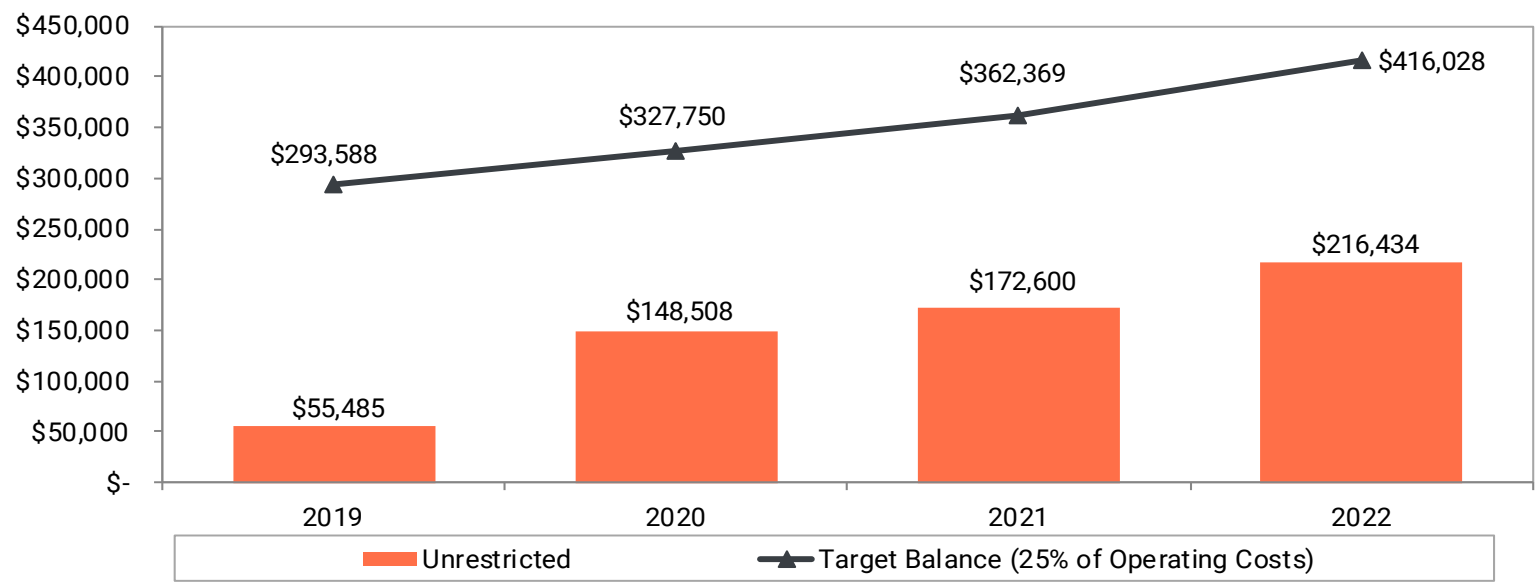
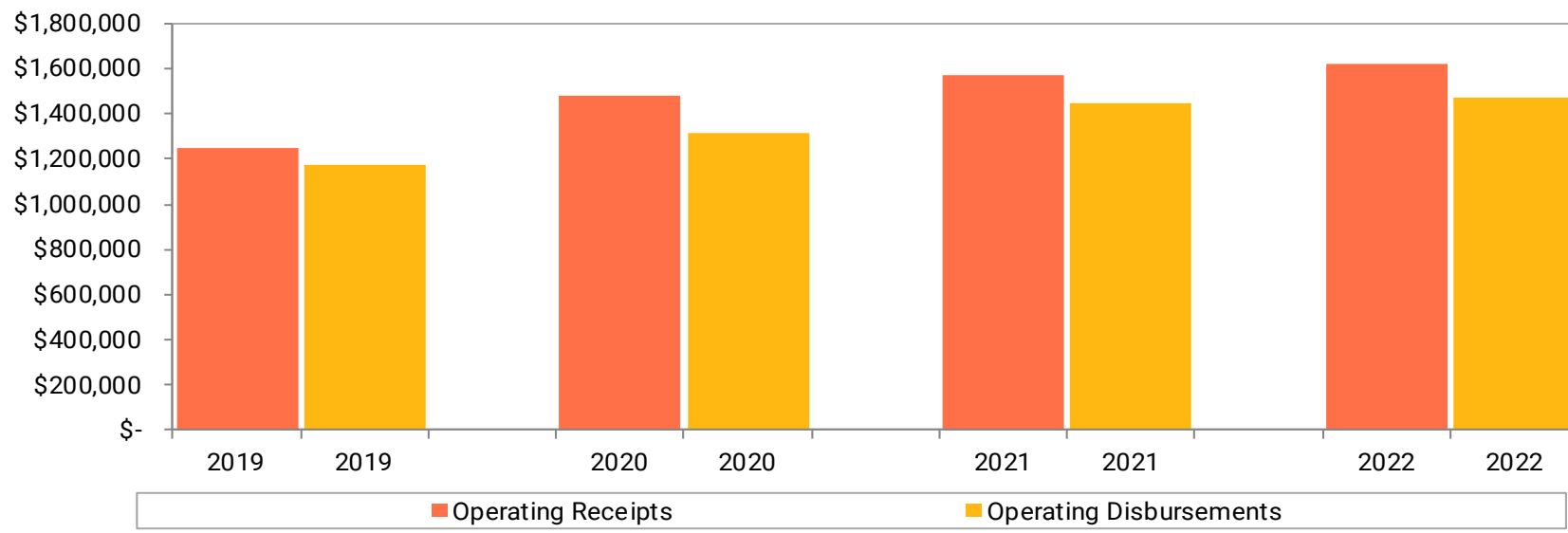


Ambulance Fund

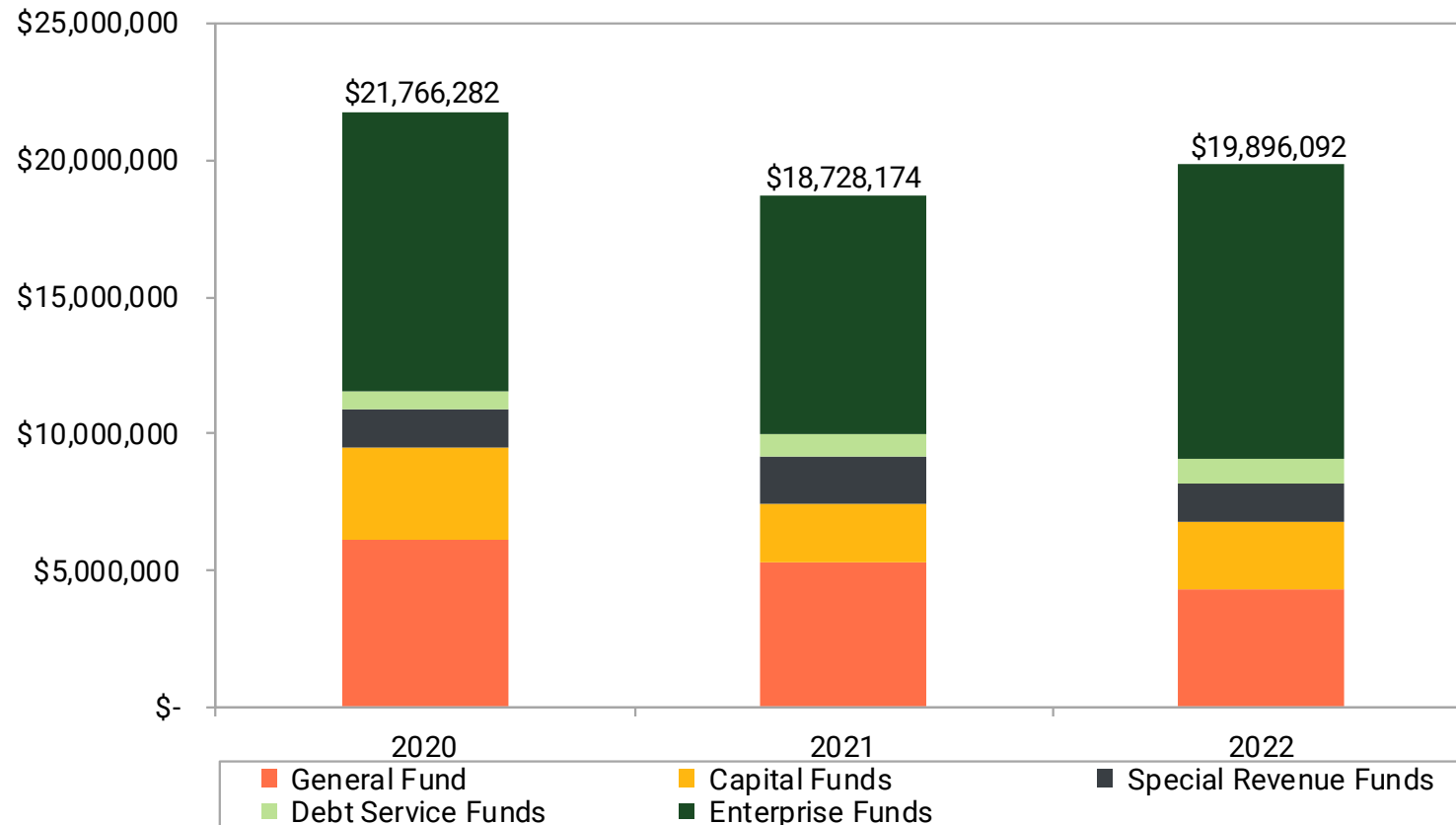
Cash Flows from Operations and Cash Balances

Liquor Fund

Cash Flows from Operations and Cash Balances



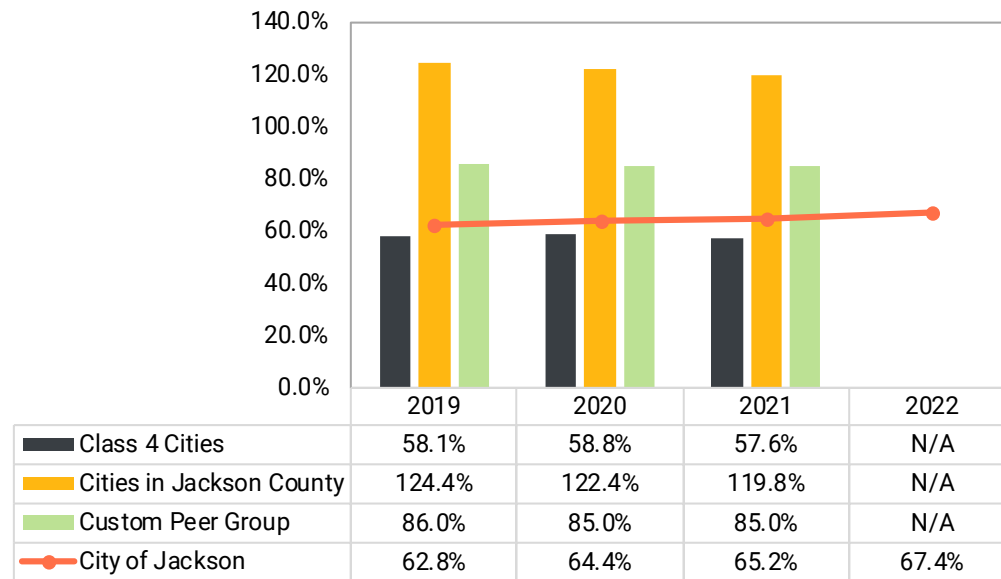
Cash and Investments Balances by Fund Type



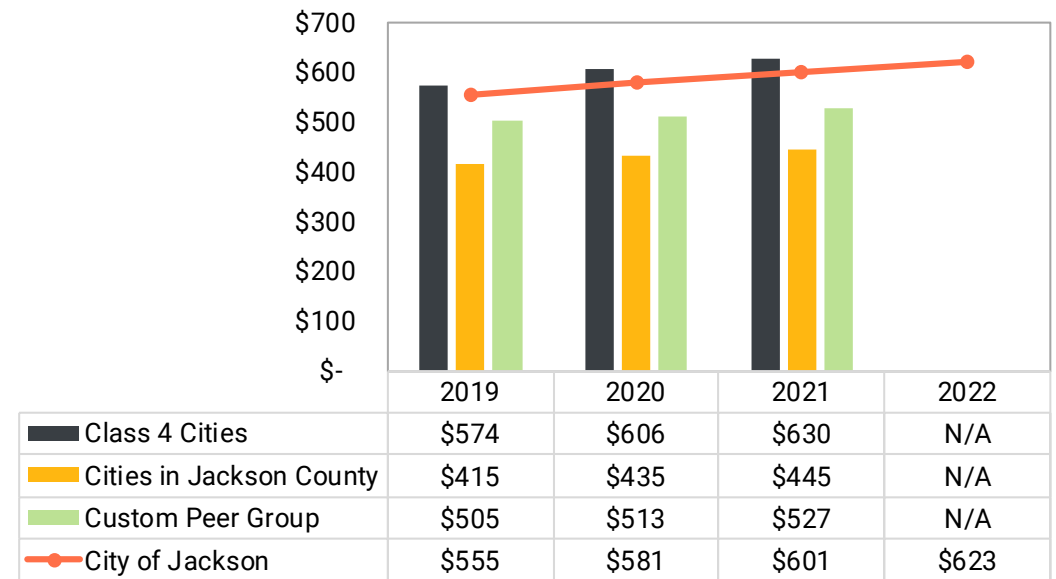
Taxes

Key Performance Indicators

Tax Rate



Taxes - Per Capita

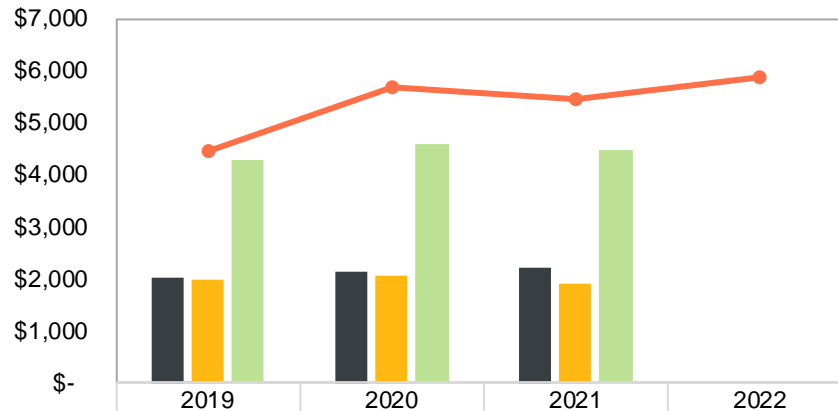


Custom Peer Group includes information for the following cities: Benson, Blue Earth, Breckenridge, Granite Falls, Lakefield, Luverne, Olivia, Pipestone, Sleepy Eye, St. James, Staples and Windom

Debt

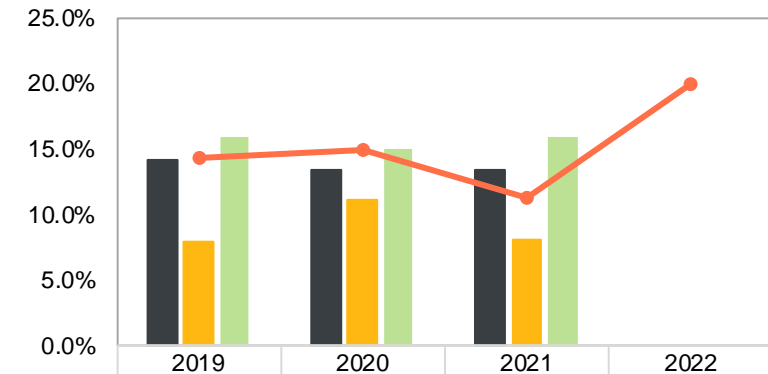
Key Performance Indicators

Long Term Debt - Per Capita



	2019	2020	2021	2022
Class 4 Cities	\$2,005	\$2,150	\$2,198	N/A
Cities in Jackson County	\$1,996	\$2,074	\$1,900	N/A
Custom Peer Group	\$4,283	\$4,588	\$4,466	N/A
City of Jackson	\$4,468	\$5,682	\$5,452	\$5,861

Debt Service Expenditures as a Percent of Total Expenditures



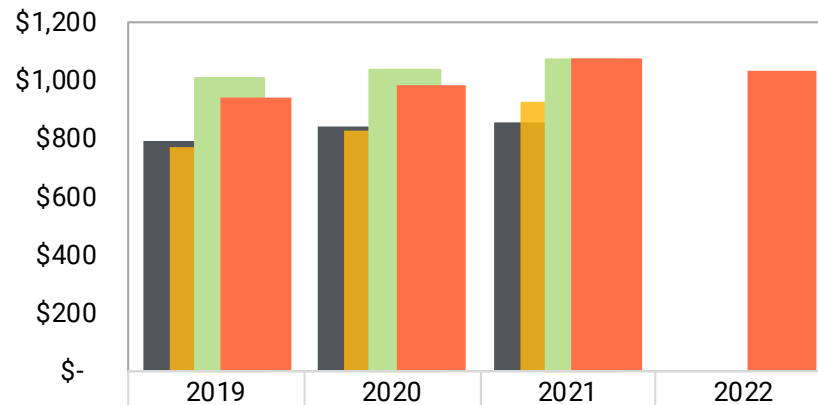
	2019	2020	2021	2022
Class 4 Cities	14.2%	13.4%	13.4%	N/A
Cities in Jackson County	7.9%	11.1%	8.0%	N/A
Custom Peer Group	16.0%	15.0%	16.0%	N/A
City of Jackson	14.3%	14.9%	11.2%	19.9%

Custom Peer Group includes information for the following cities: Benson, Blue Earth, Breckenridge, Granite Falls, Lakefield, Luverne, Olivia, Pipestone, Sleepy Eye, St. James, Staples and Windom

Expenditures

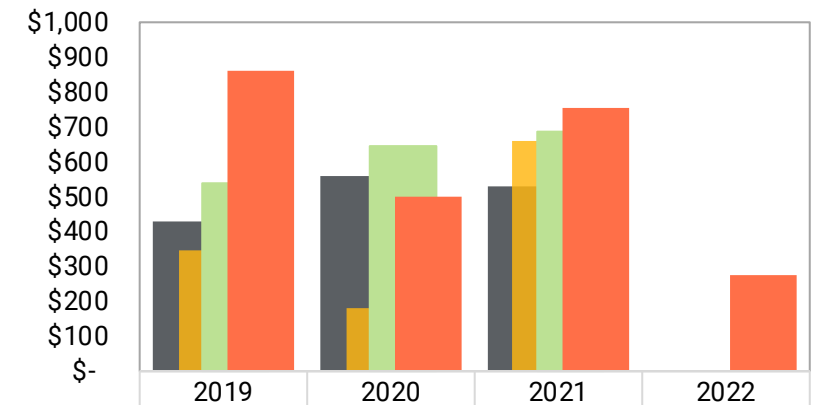
Key Performance Indicators

Current Expenditures - Per Capita



	2019	2020	2021	2022
Class 4 Cities	\$791	\$839	\$856	N/A
Cities in Jackson County	\$772	\$830	\$931	N/A
Custom Peer Group	\$1,011	\$1,036	\$1,073	N/A
City of Jackson	\$943	\$983	\$1,081	\$1,033

Capital Expenditures - Per Capita



	2019	2020	2021	2022
Class 4 Cities	\$426	\$558	\$527	N/A
Cities in Jackson County	\$344	\$178	\$661	N/A
Custom Peer Group	\$539	\$643	\$686	N/A
City of Jackson	\$865	\$501	\$757	\$276

Custom Peer Group includes information for the following cities: Benson, Blue Earth, Breckenridge, Granite Falls, Lakefield, Luverne, Olivia, Pipestone, Sleepy Eye, St. James, Staples and Windom

Liquor Fund – City

Key Performance Indicators

City of Jackson						
	2020		2021		2022	
	Total	Percent	Total	Percent	Total	Percent
Sales	\$ 1,481,354	100.0 %	\$ 1,570,787	100.0 %	\$ 1,616,408	100.0 %
Cost of Sales	(1,073,364)	(72.5)	(1,137,119)	(72.4)	(1,177,854)	(72.9)
Gross Profit	407,990	27.5	433,668	27.6	438,554	27.1
Other Operating Revenues	1,514	0.1	3,466	0.2	2,908	0.2
Operating Expenses	(257,064)	(17.4)	(293,037)	(18.7)	(335,176)	(20.7)
Operating Income	152,440	10.2	144,097	9.1	106,286	6.6
Nonoperating Income (Expense)	(16,759)	(1.1)	(17,672)	(1.1)	(15,080)	(0.9)
Income Before Transfers	135,681	9.1	126,425	8.0	91,206	5.7
Transfers out	(41,000)	(2.8)	(56,000)	(3.6)	(56,000)	(3.5)
Change in Net Position	<u>\$ 94,681</u>	<u>6.3 %</u>	<u>\$ 70,425</u>	<u>4.4 %</u>	<u>\$ 35,206</u>	<u>2.2 %</u>

Liquor Fund – Statewide

Key Performance Indicators

	Off-Sale - Statewide Average		
	2019	2020	2021
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of Sales	73.6	73.5	73.5
Gross profit	26.4	26.5	26.5
Operating Expenses	18.7	17.2	17.8
Operating income	7.7	9.3	8.7
Nonoperating Revenues (Expenses)	0.4	0.4	0.1
Income before transfers	8.1 %	9.7 %	8.8 %

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2021.
Published by the Minnesota Office of the State Auditor.

Your Abdo Team



Tom Olinger, CPA
Partner

thomas.olinger@abdosolutions.com



Abby Schmidt, CPA
Manager

abby.schmidt@abdosolutions.com



Jake Homan
Associate

jake.homan@abdosolutions.com



Zach Rome
Intern

zach.rome@abdosolutions.com