



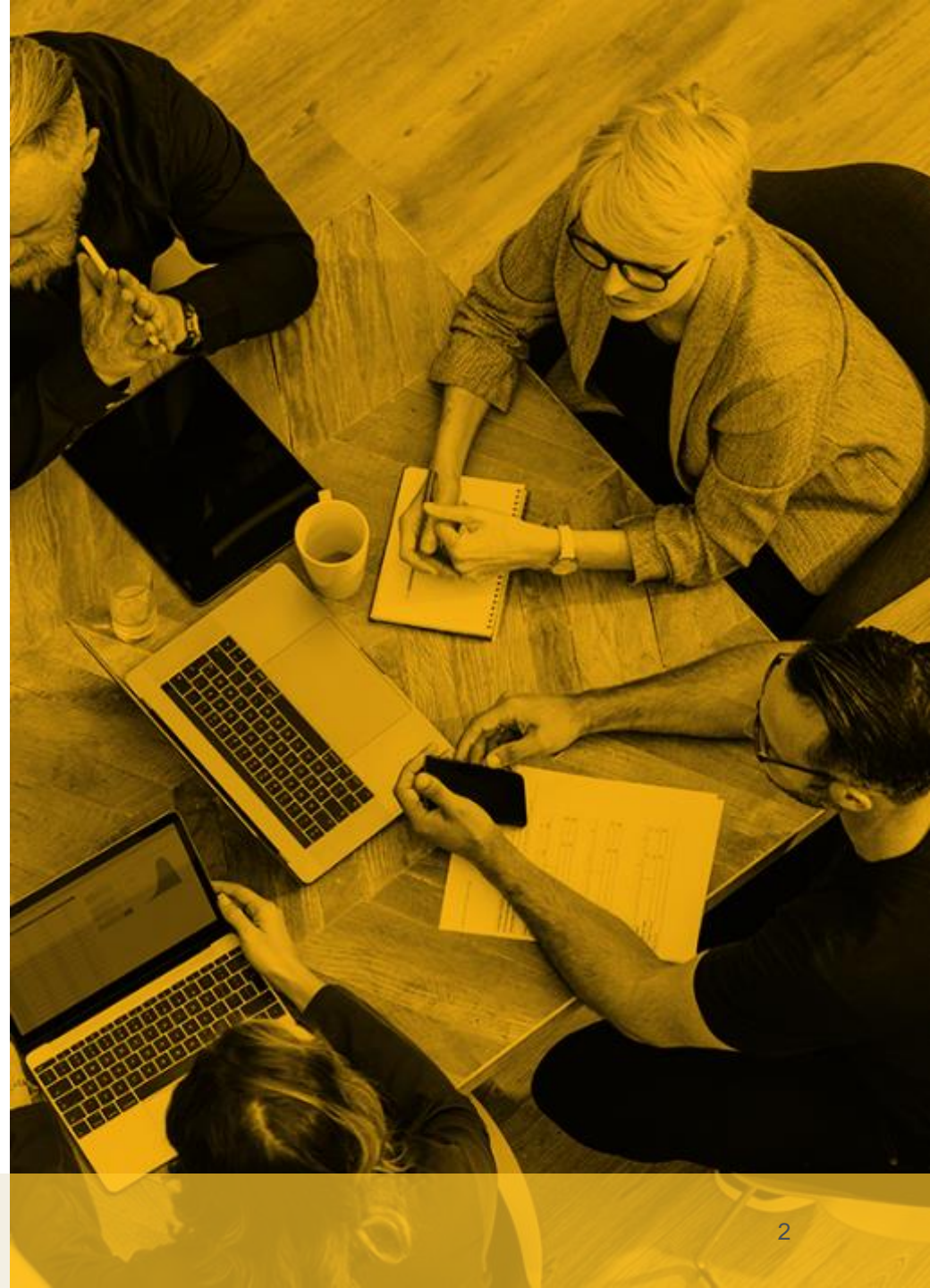
City of Jackson

2021 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



One instance of noncompliance with OMB Compliance Supplement requirements

Audit Results

2021 Audit Findings

- Preparation of Financial Statements
 - Internal Control Finding
- Utility Billing Rate Updates in Software
 - Internal Control Finding
- Material Audit Adjustments
 - Internal Control Finding
- Claims Approval
 - Legal Compliance Finding
- Uniform Guidance Written Policies and Procedures
 - OMB Compliance Finding



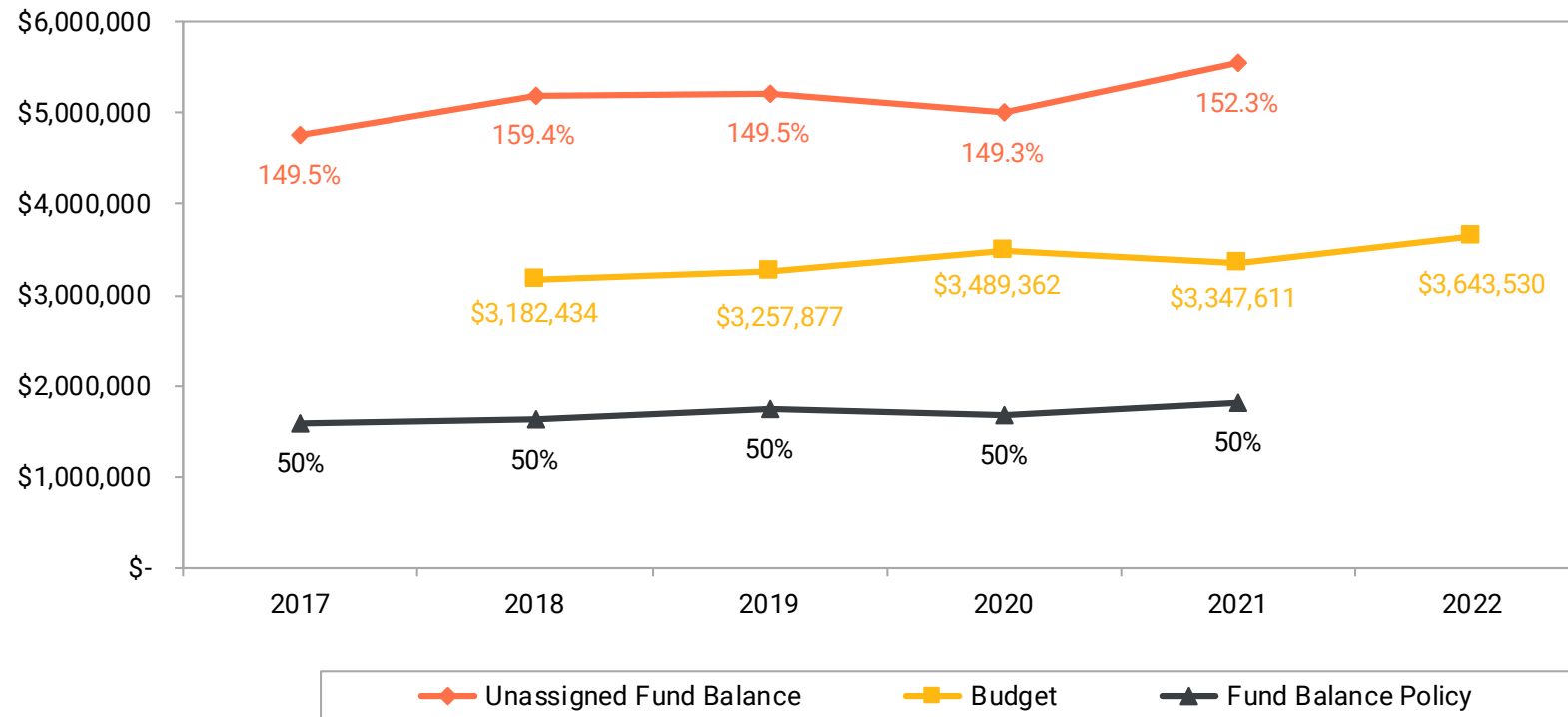
Auditor Recommendations

Long-term Capital Plan

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



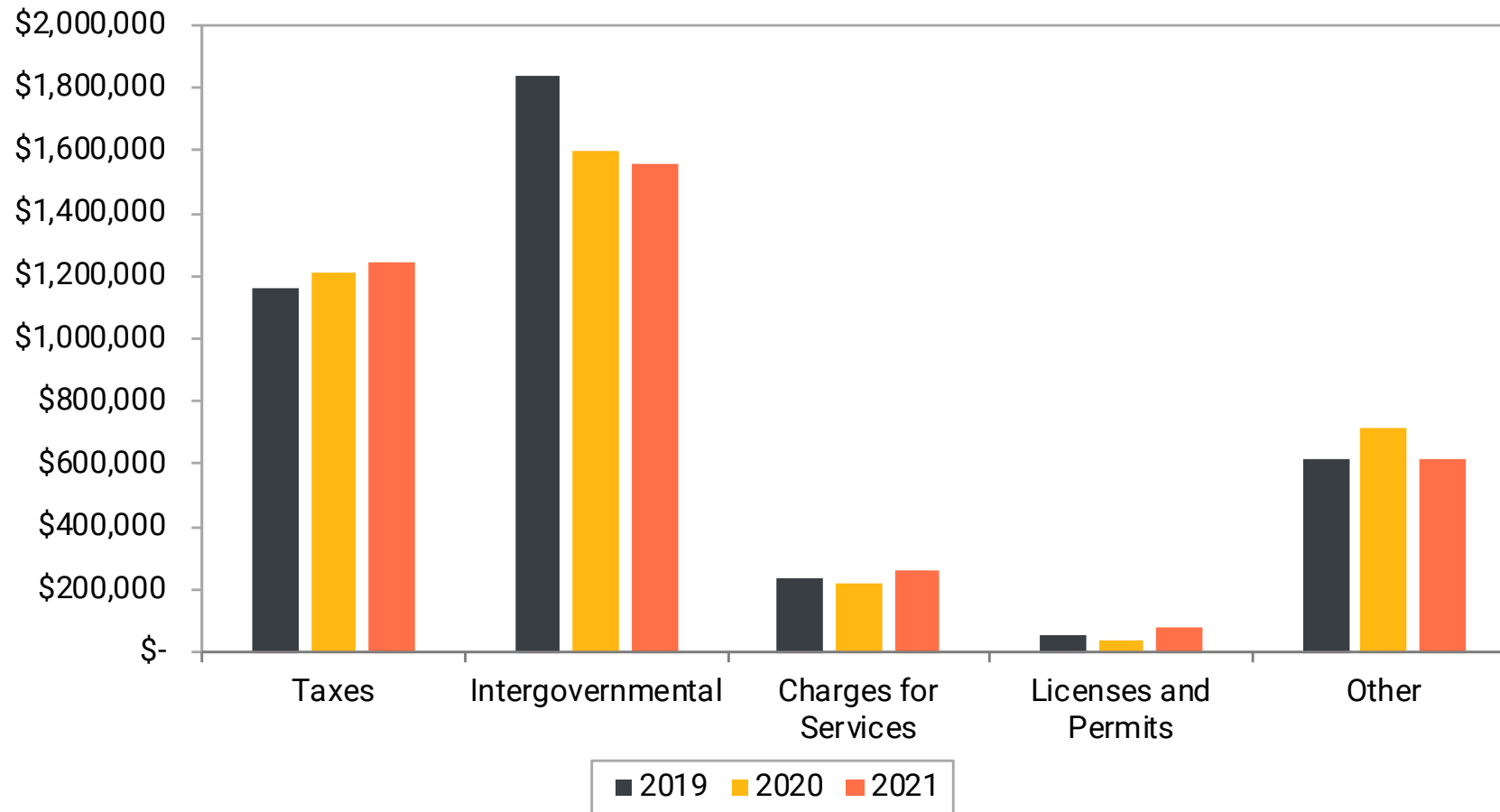
General Fund Fund Balances



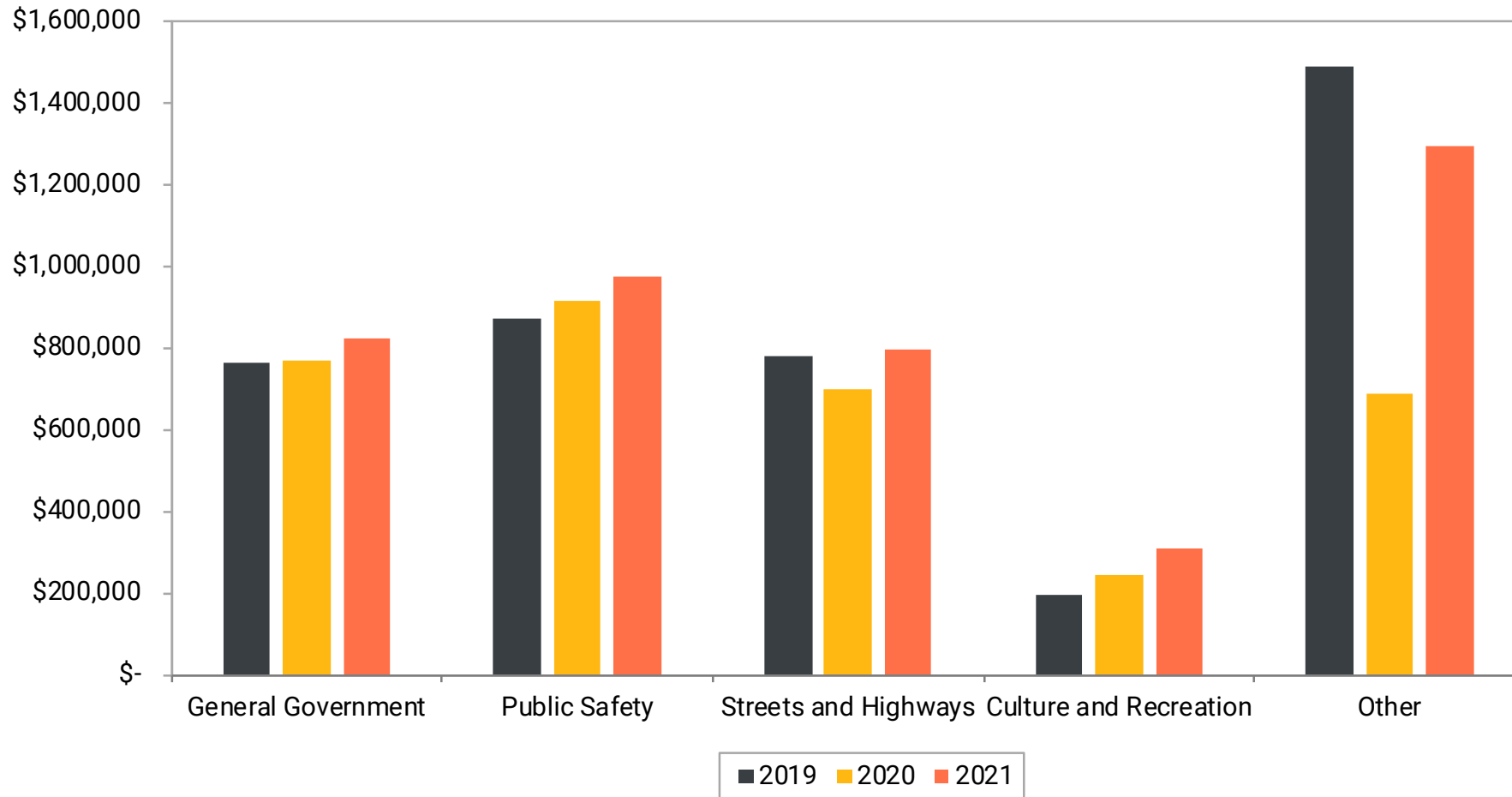
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 3,157,650	\$ 3,174,583	\$ 16,933
Expenditures	<u>3,347,611</u>	<u>3,078,188</u>	<u>269,423</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(189,961)</u>	<u>96,395</u>	<u>286,356</u>
Other Financing Sources (Uses)			
Transfers in	456,000	459,829	3,829
Transfers out	<u>(273,000)</u>	<u>(1,114,212)</u>	<u>(841,212)</u>
Total Other Financing Sources (Uses)	<u>183,000</u>	<u>(654,383)</u>	<u>(837,383)</u>
Net Change in Fund Balances	(6,961)	(557,988)	(551,027)
Fund Balances, January 1	<u>6,182,292</u>	<u>6,182,292</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 6,175,331</u></u>	<u><u>\$ 5,624,304</u></u>	<u><u>\$ (551,027)</u></u>

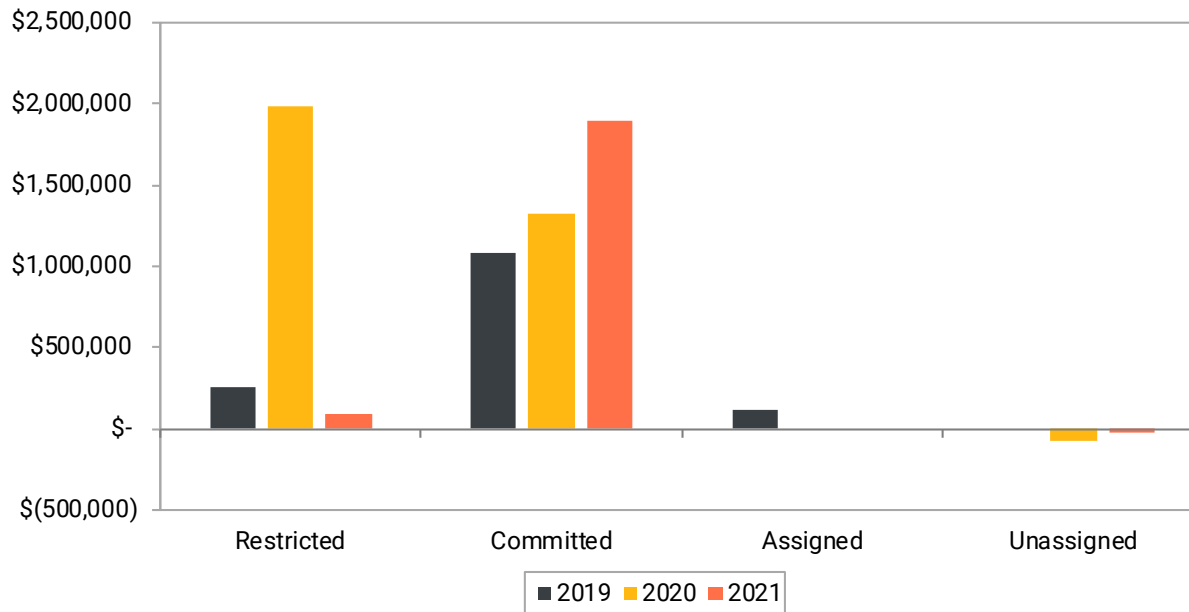
General Fund Revenues by Type



General Fund Expenditures by Type

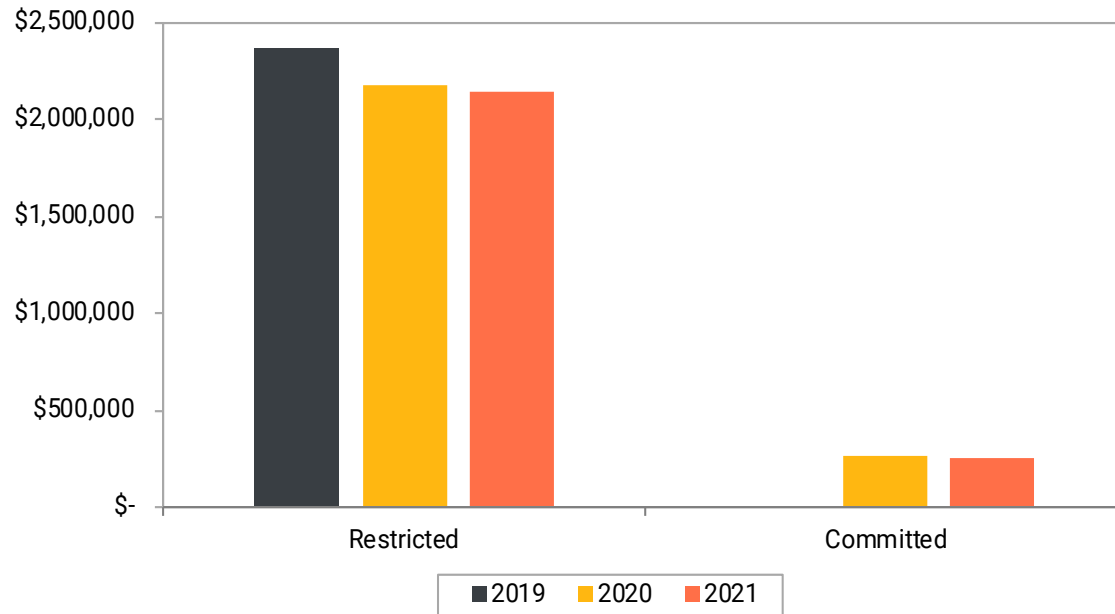


Fund	Fund Balances December 31		Increase (Decrease)
	2021	2020	
Major			
2020 Capital Projects	625,327	1,980,540	(1,355,213)
Nonmajor			
Capital Reserve	1,333,487	1,238,476	95,011
2019 Capital Projects	31,379	86,969	(55,590)
2021 Capital Projects	(16,712)	-	(16,712)
2019 Splash Pad Project	-	(72,193)	72,193
Total	\$ 1,973,481	\$ 3,233,792	\$ (1,260,311)



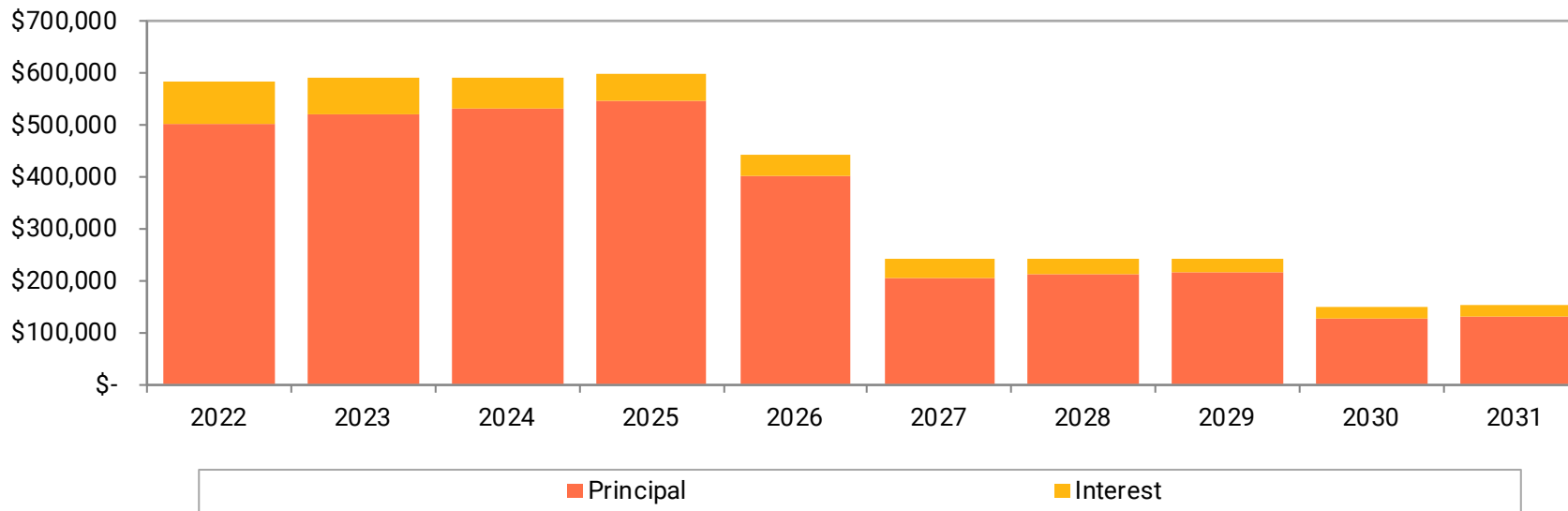
Capital Project Fund Balances

Fund	Fund Balances December 31		Increase (Decrease)
	2021	2020	
Major			
EDA Revolving Loan	\$ 1,847,604	\$ 1,816,735	\$ 30,869
Nonmajor			
Coop/TSE TIF	53,716	127,088	(73,372)
SWMNHP Housing TIF	8,670	19,552	(10,882)
Armory TIF	-	3,789	(3,789)
Westridge/Sunset TIF	121,208	109,425	11,783
FCA Bin TIF	18,792	6,242	12,550
Ashley Estate TIF	88,350	87,538	812
COOP/TSE TIF	6,839	6,226	613
Economic Development Authority	248,291	269,219	(20,928)
Total	\$ 2,393,470	\$ 2,445,814	\$ (52,344)



Special Revenue Fund Balances

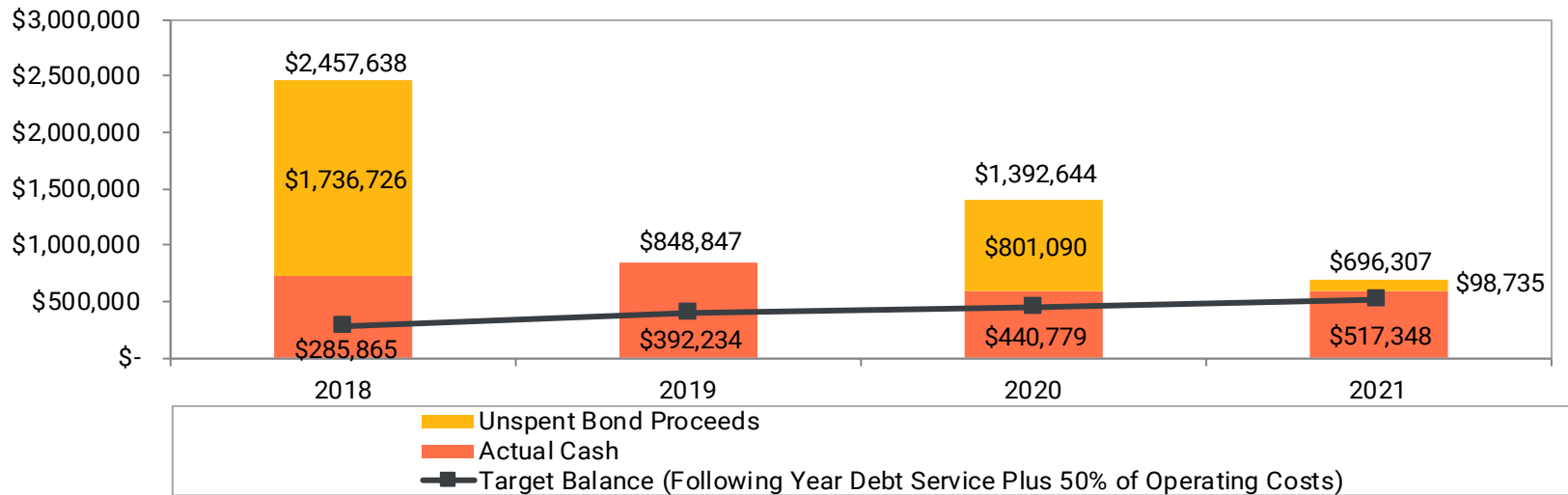
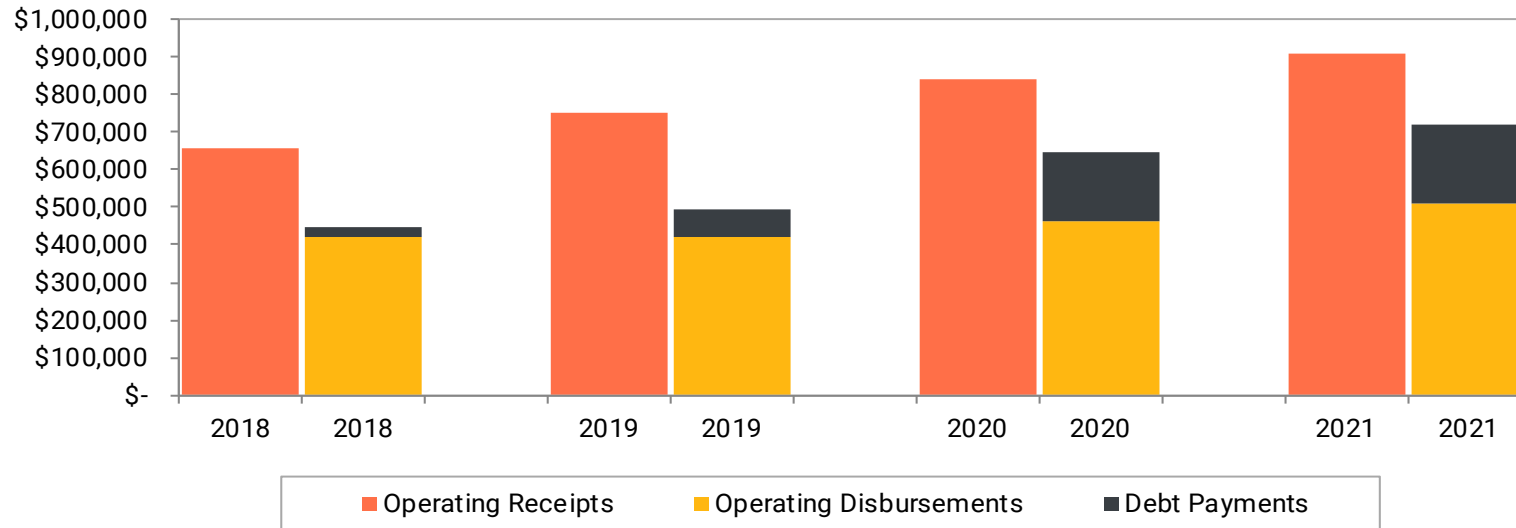
Debt Description	Total Cash and Investments	Total Assets	Outstanding Debt	Maturity Date
General Obligation Bonds				
2017A GO Refunding Bond	\$ 243,782	\$ 247,799	\$ 567,000	02/01/25
G.O. Special Assessment Bonds				
2011A GO Improvement Refunding	323,990	327,837	-	Matured
2012A GO Street and Utility Bond	(157,887)	(155,866)	950,000	02/01/26
2013B GO Street and Utility Bond	273,325	273,830	645,000	02/01/29
2020A GO Street and Utility Bond	158,205	159,584	2,625,000	02/01/41
Total G.O. Special Assessment Bonds	597,633	605,385	4,220,000	
Total All Debt Service Funds	\$ 841,415	\$ 853,184	\$ 4,787,000	
Future Interest on Debt			\$ 566,390	



Debt Service

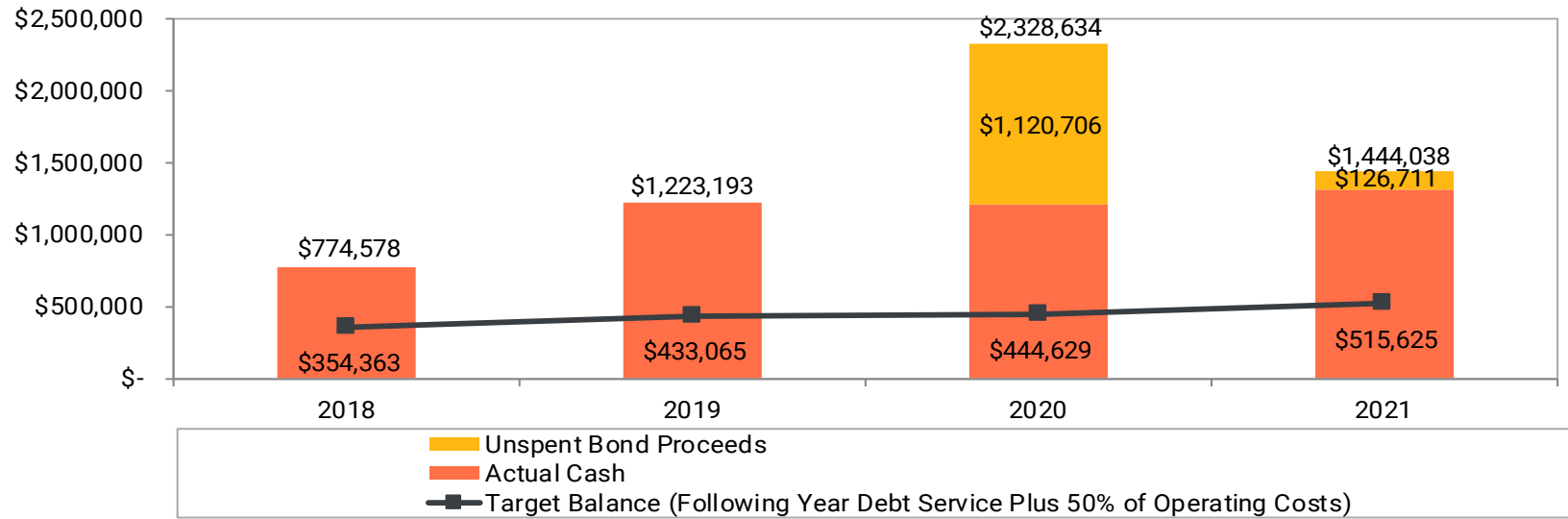
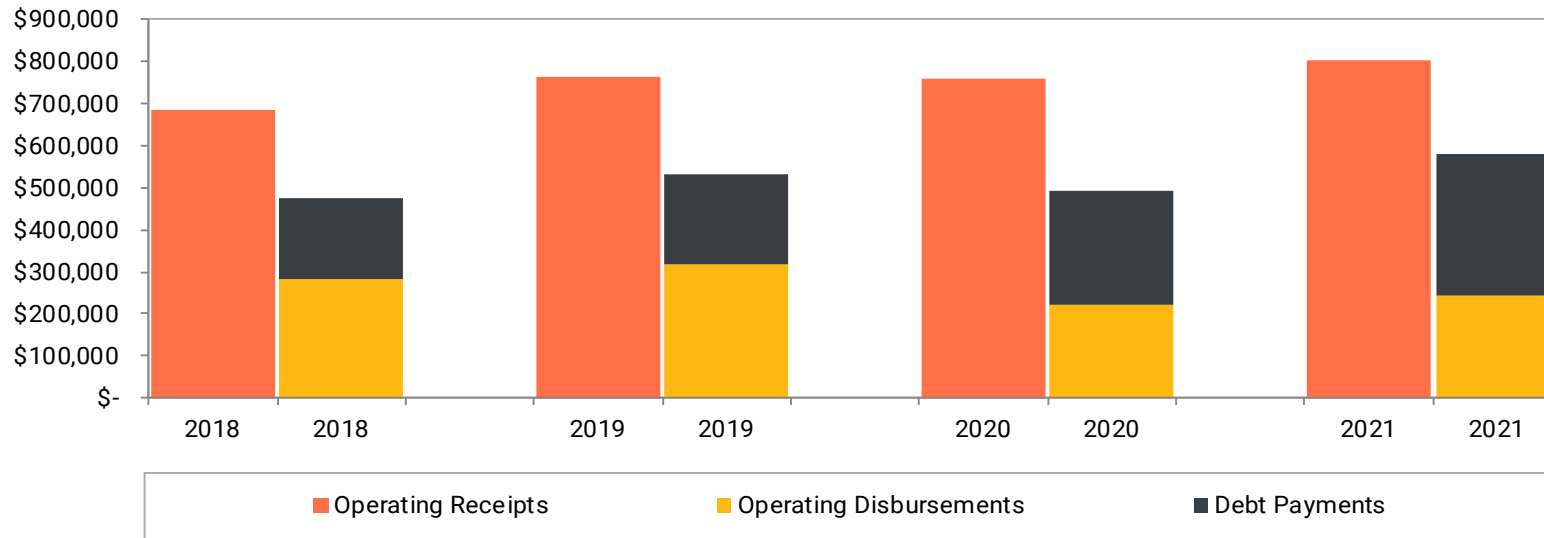
Water Fund

Cash Flows from Operations and Cash Balances



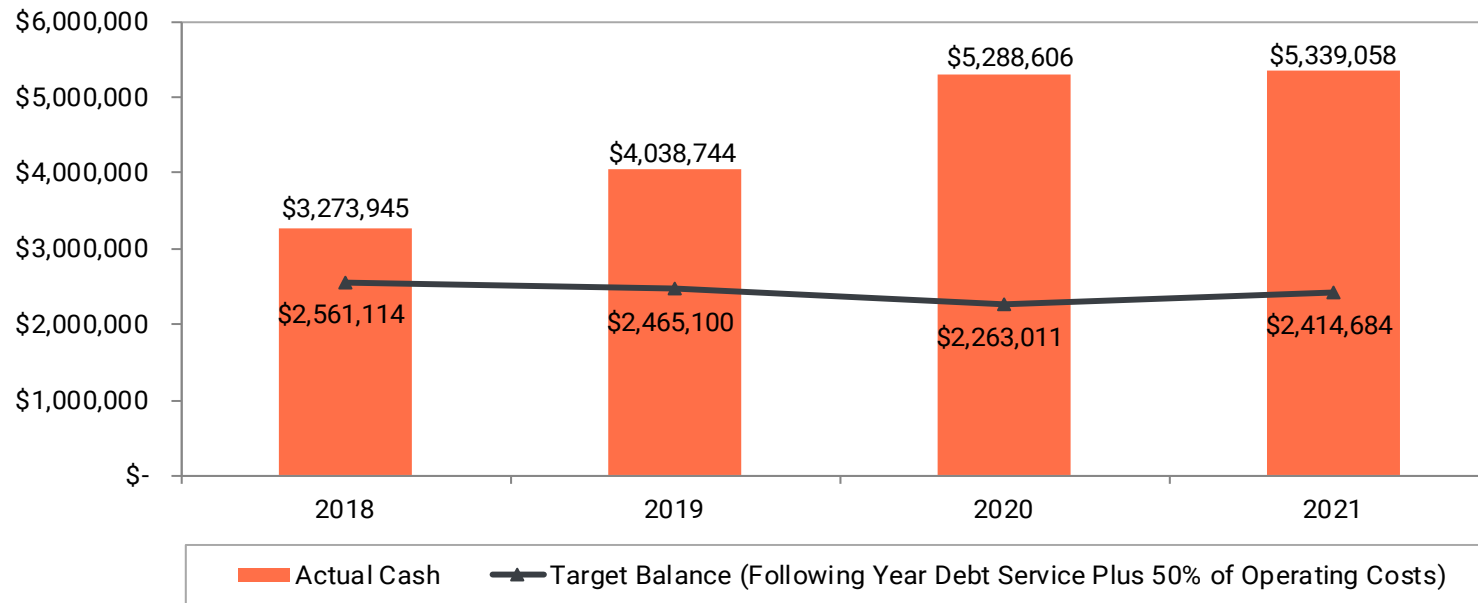
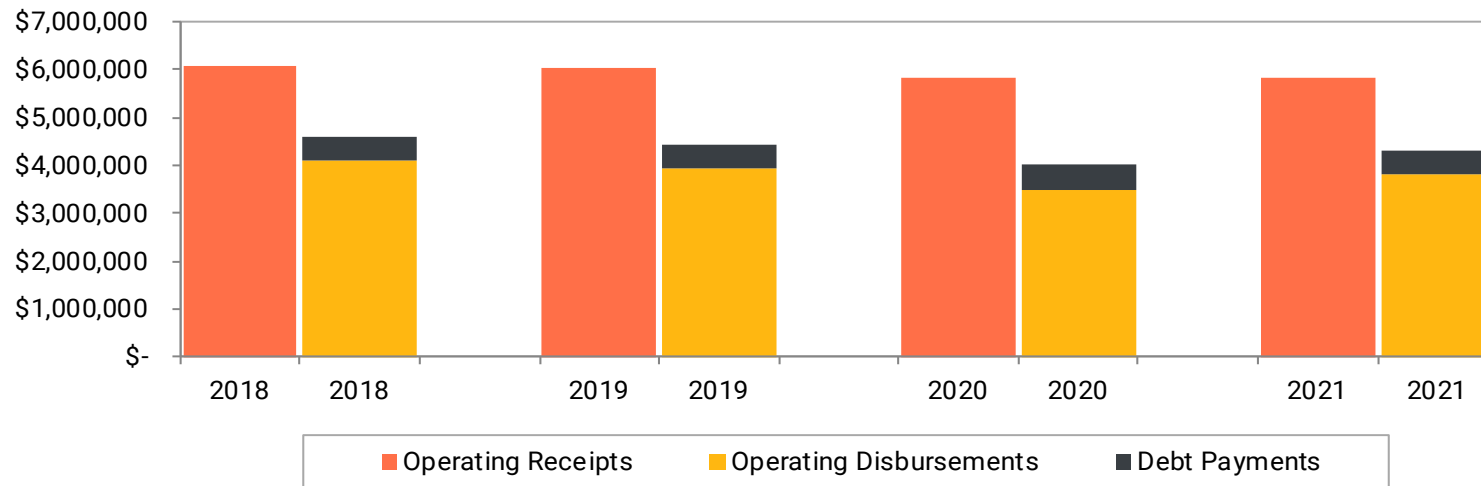
Sewer Fund

Cash Flows from Operations and Cash Balances



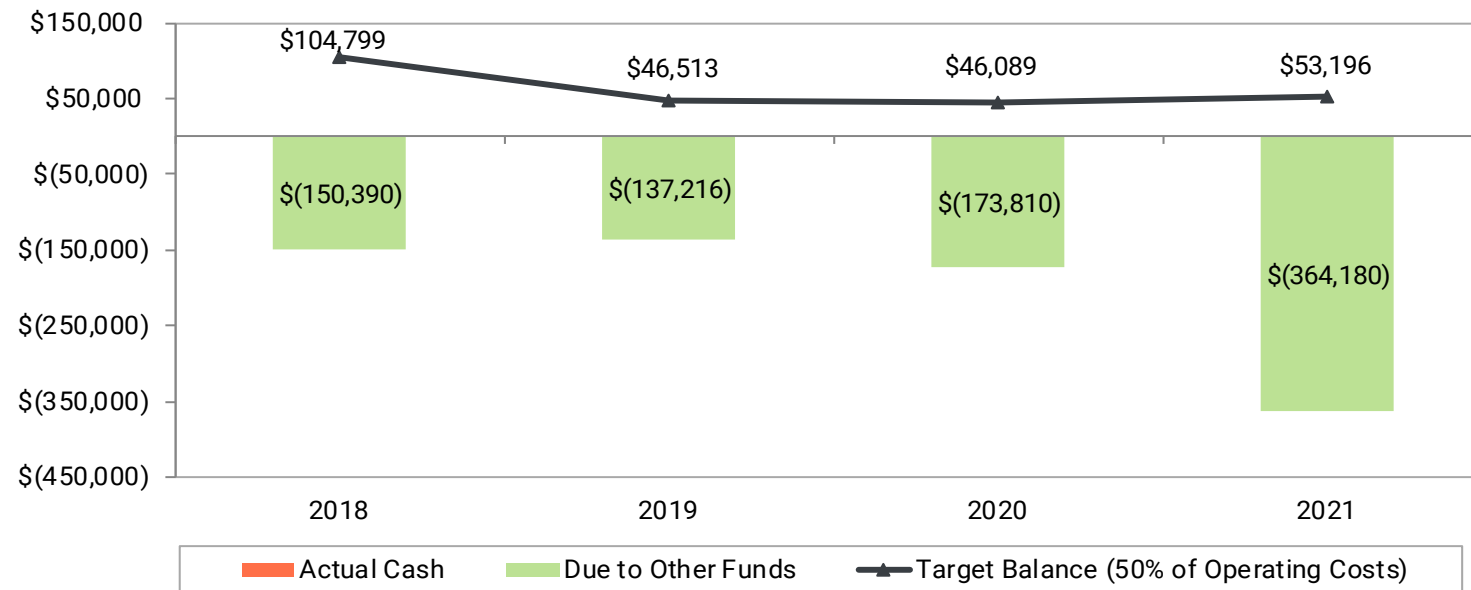
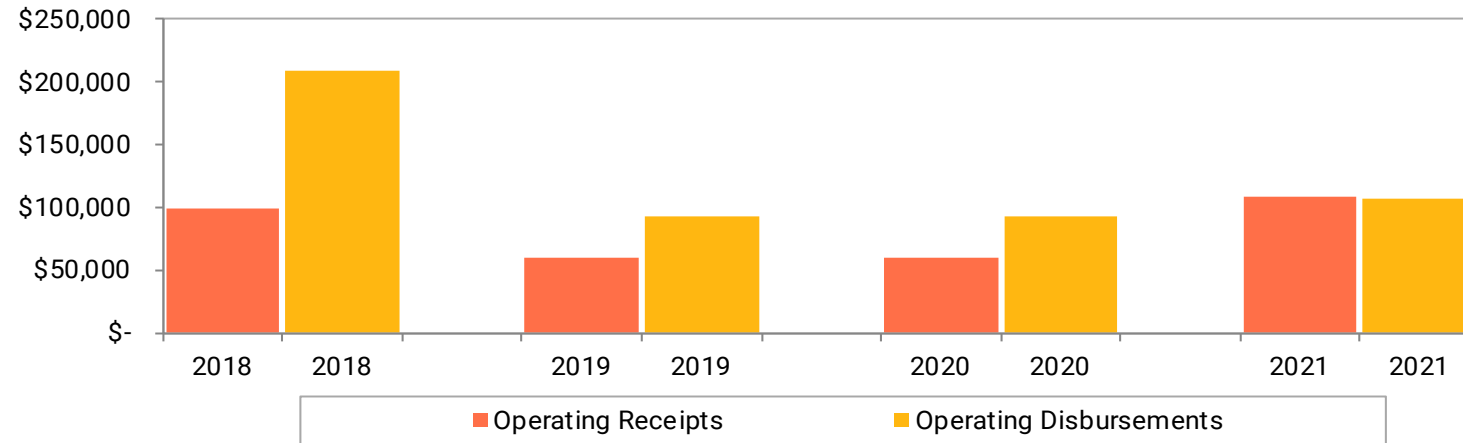
Electric Fund

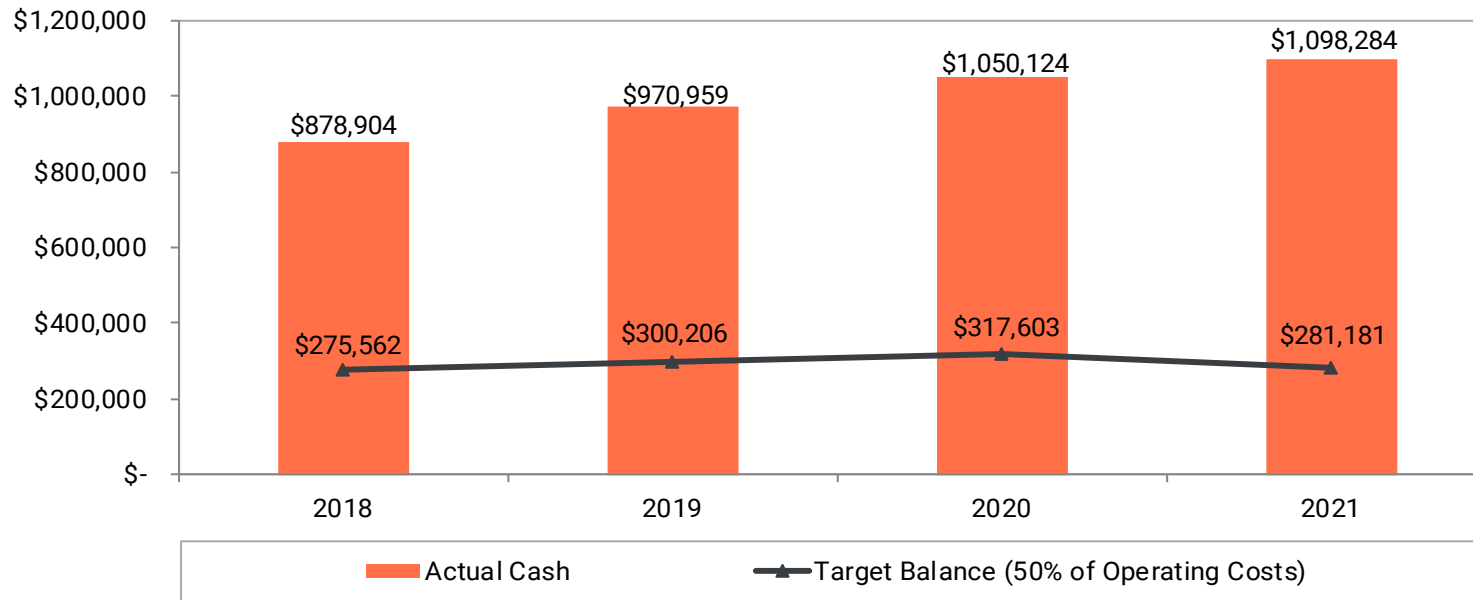
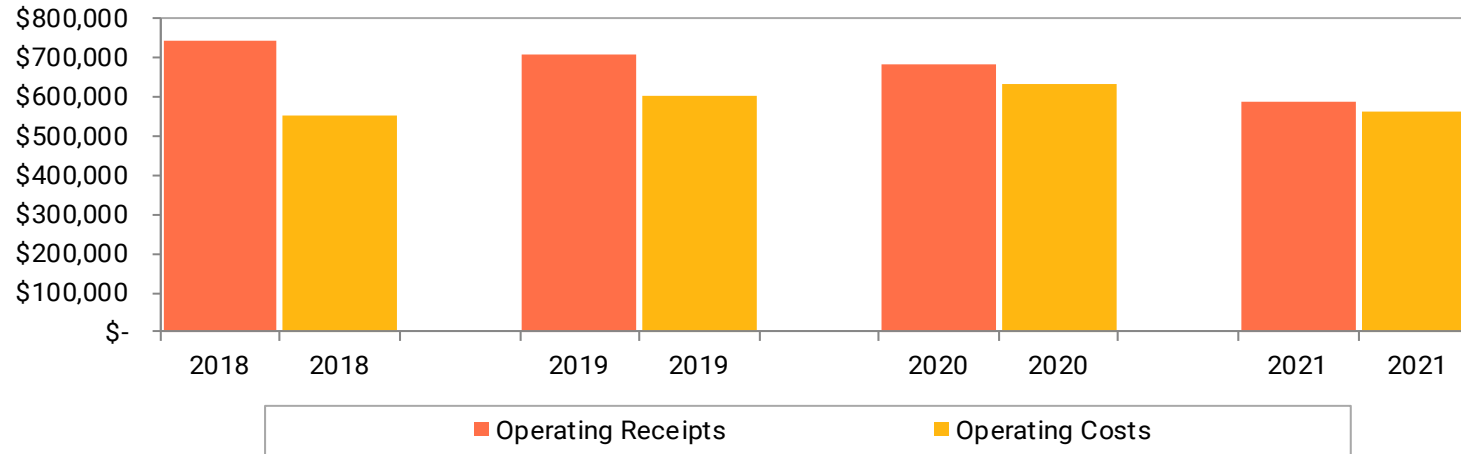
Cash Flows from Operations and Cash Balances



Airport Fund

Cash Flows from Operations and Cash Balances



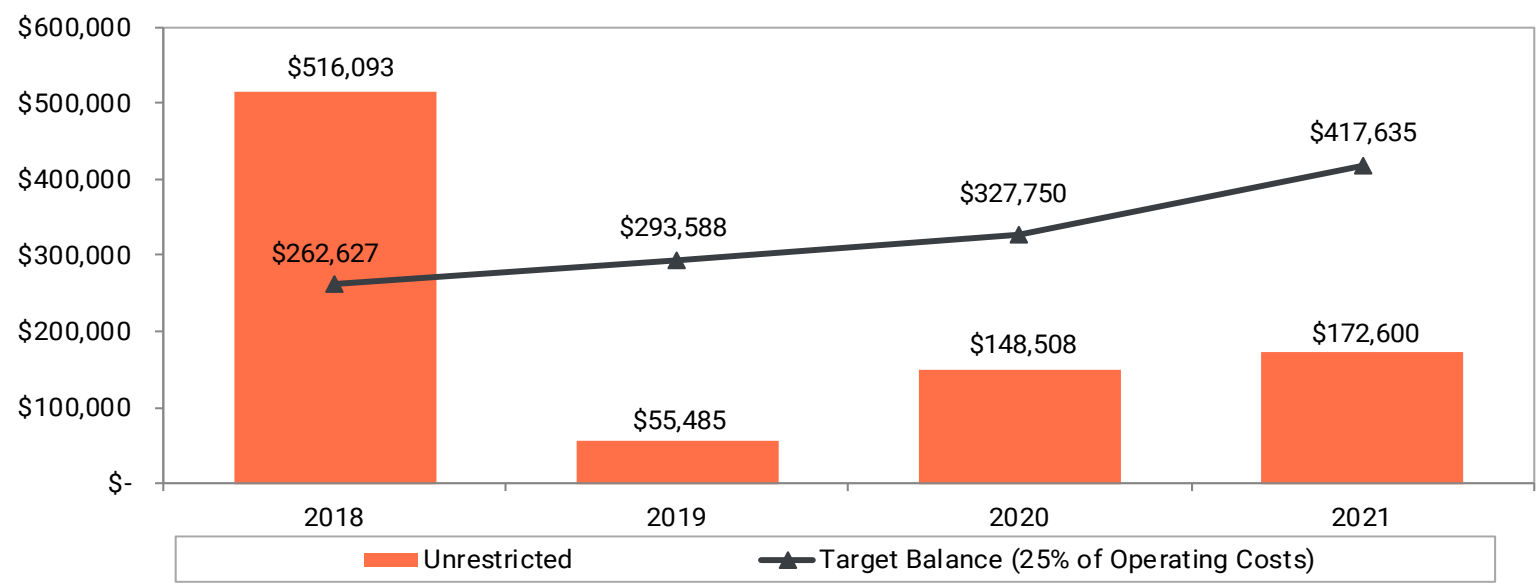
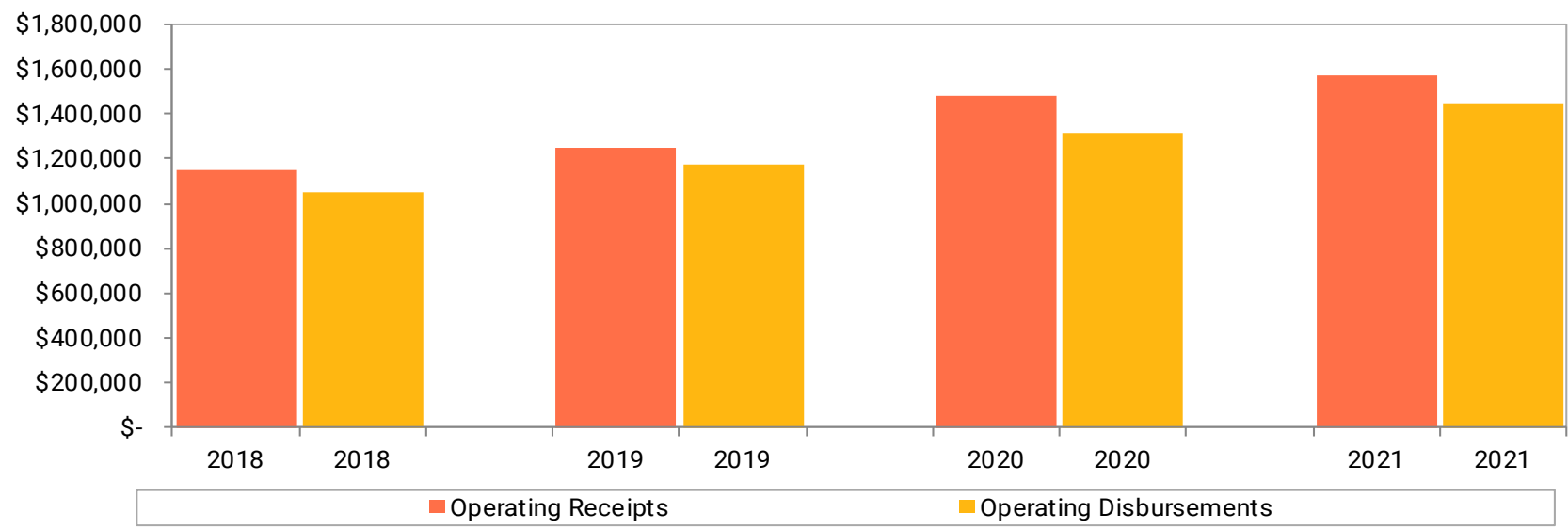


Ambulance Fund

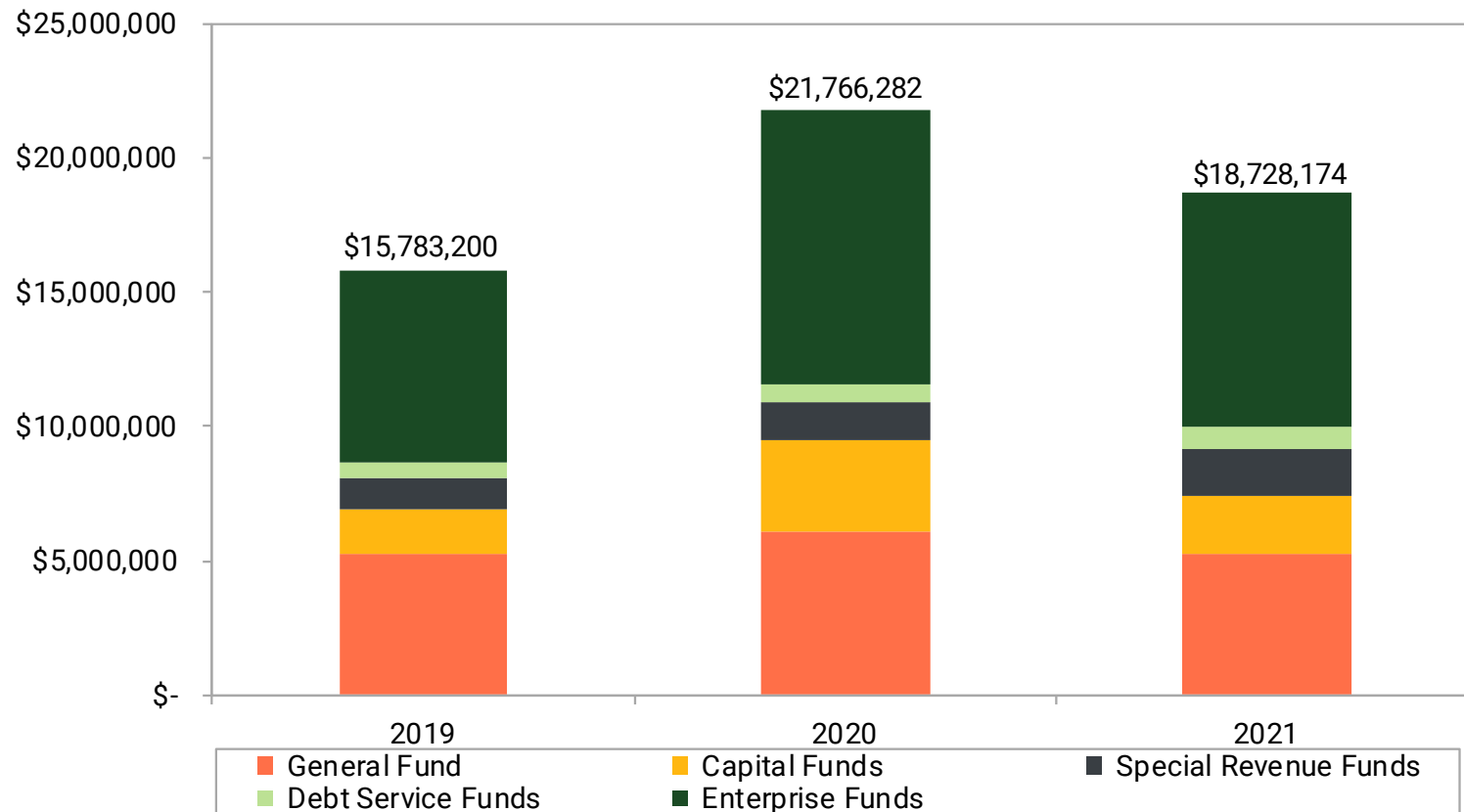
Cash Flows from Operations and Cash Balances

Liquor Fund

Cash Flows from Operations and Cash Balances



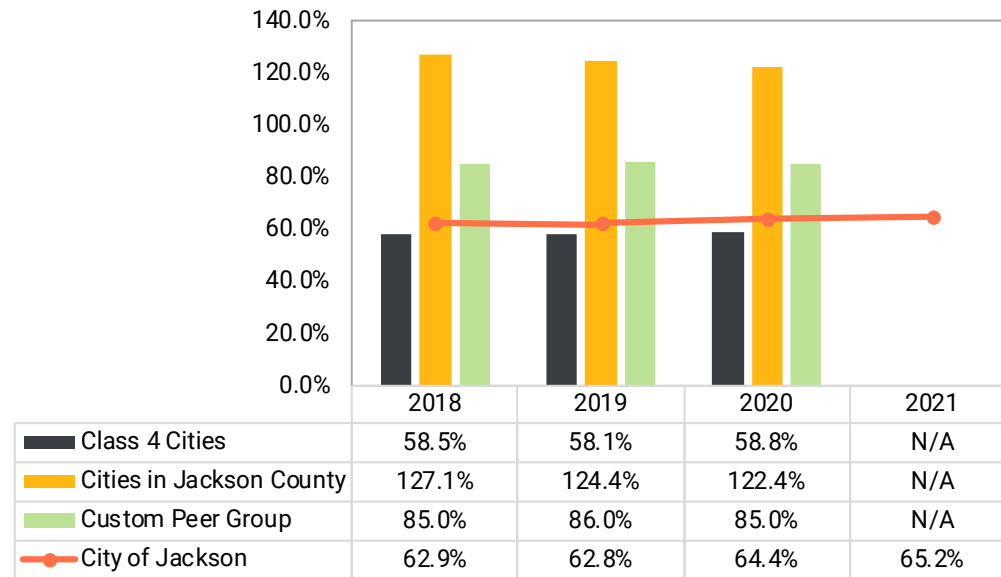
Cash and Investments Balances by Fund Type



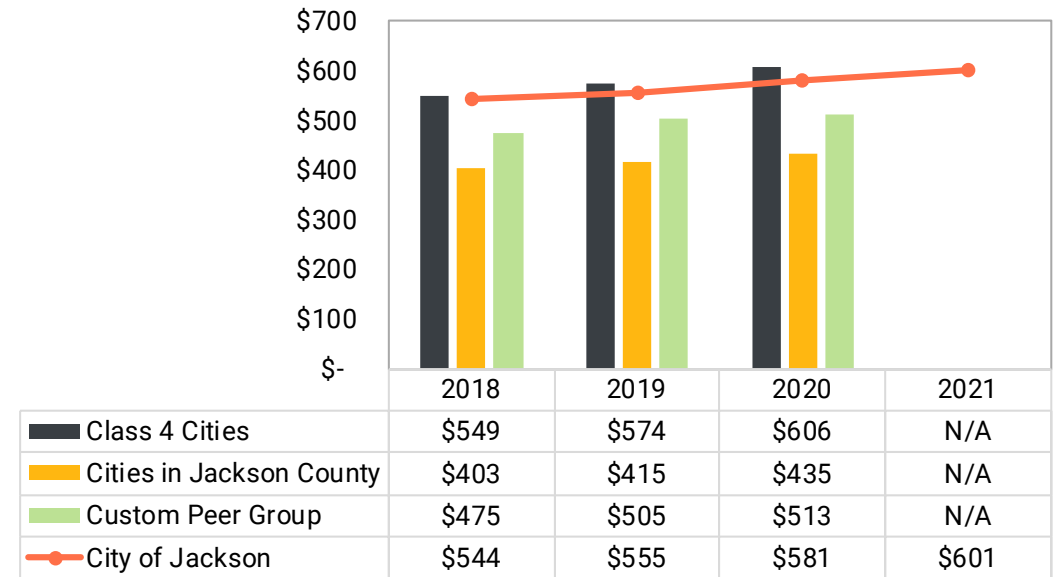
Taxes

Key Performance Indicators

Tax Rate



Taxes - Per Capita

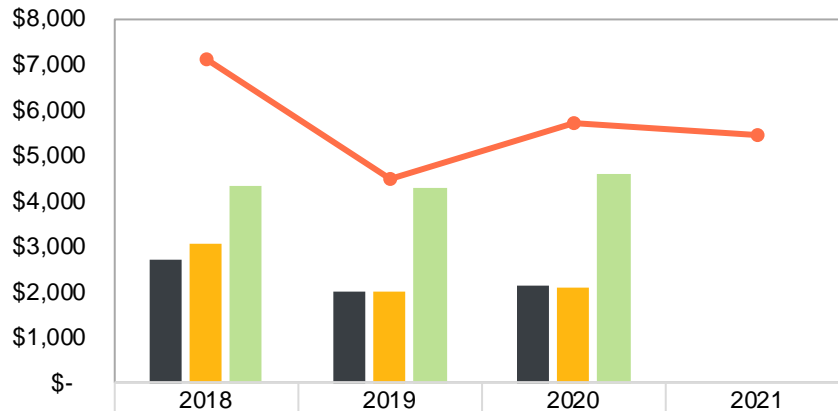


Custom Peer Group includes information for the following cities: Benson, Blue Earth, Breckenridge, Granite Falls, Lakefield, Luverne, Olivia, Pipestone, Sleepy Eye, St. James, Staples and Windom

Debt

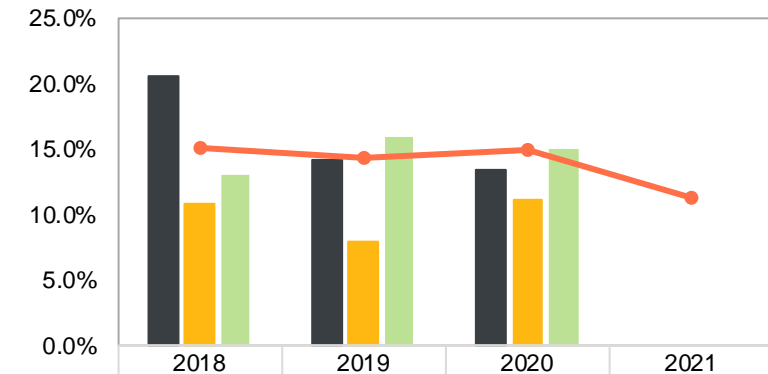
Key Performance Indicators

Long Term Debt - Per Capita



	2018	2019	2020	2021
Class 4 Cities	\$2,697	\$2,005	\$2,150	N/A
Cities in Jackson County	\$3,042	\$1,996	\$2,074	N/A
Custom Peer Group	\$4,304	\$4,283	\$4,588	N/A
City of Jackson	\$7,094	\$4,468	\$5,682	\$5,452

Debt Service Expenditures as a Percent of Total Expenditures



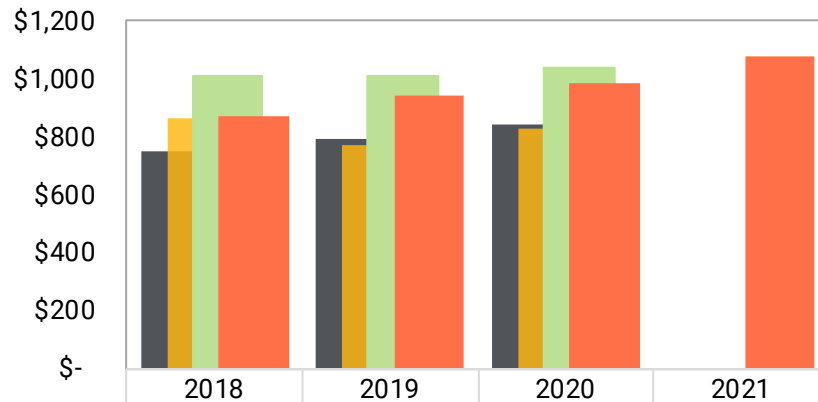
	2018	2019	2020	2021
Class 4 Cities	20.5%	14.2%	13.4%	N/A
Cities in Jackson County	10.8%	7.9%	11.1%	N/A
Custom Peer Group	13.0%	16.0%	15.0%	N/A
City of Jackson	15.1%	14.3%	14.9%	11.2%

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

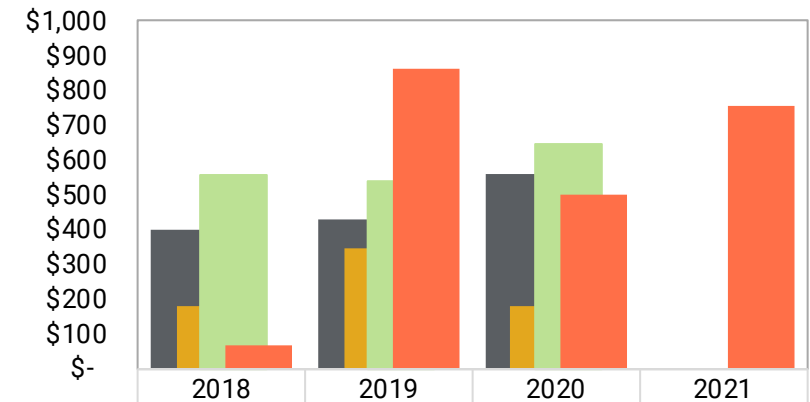
Key Performance Indicators

Current Expenditures - Per Capita



■ Class 4 Cities	\$753	\$791	\$839	N/A
■ Cities in Jackson County	\$860	\$772	\$830	N/A
■ Custom Peer Group	\$1,007	\$1,011	\$1,036	N/A
■ City of Jackson	\$874	\$943	\$983	\$1,081

Capital Expenditures - Per Capita



■ Class 4 Cities	\$400	\$426	\$558	N/A
■ Cities in Jackson County	\$179	\$344	\$178	N/A
■ Custom Peer Group	\$556	\$539	\$643	N/A
■ City of Jackson	\$66	\$865	\$501	\$757

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					
	2019		2020		2021	
	Total	Percent	Total	Percent	Total	Percent
Sales	\$ 1,244,782	100.0 %	\$ 1,481,354	100.0 %	\$ 1,570,787	100.0 %
Cost of Sales	(902,944)	(72.5)	(1,073,364)	(72.5)	(1,137,119)	(72.4)
Gross Profit	341,838	27.5	407,990	27.5	433,668	27.6
Other Operating Revenues	1,743	0.1	1,514	0.1	3,466	0.2
Operating Expenses	(265,565)	(21.3)	(257,064)	(17.4)	(293,037)	(18.7)
Operating Income	78,016	6.3	152,440	10.2	144,097	9.1
Nonoperating Income (Expense)	(17,840)	(1.4)	(16,759)	(1.1)	(17,672)	(1.1)
Income Before Transfers	60,176	4.9	135,681	9.1	126,425	8.0
Transfers out	(41,000)	(3.3)	(41,000)	(2.8)	(56,000)	(3.6)
Change in Net Position	\$ 19,176	1.6 %	\$ 94,681	6.3 %	\$ 70,425	4.4 %

Liquor Fund – Statewide

Key Performance Indicators

	Off-Sale - Statewide Average		
	2018	2019	2020
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of Sales	73.6	73.6	73.5
Gross profit	26.4	26.4	26.5
Operating Expenses	18.5	18.7	17.2
Operating income	7.9	7.7	9.3
Nonoperating Revenues (Expenses)	0.9	0.4	0.4
Income before transfers	8.8 %	8.1 %	9.7 %

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2020.
Published by the Minnesota Office of the State Auditor.

Your Abdo Team



Tom Olinger, CPA
Partner

thomas.olinger@abdosolutions.com



Layne Kockelman, CPA
Manager

layne,kockelman@abdosolutions.com



Abby Schmidt, CPA
Senior Associate

abby.schmidt@abdosolutions.com



Chad Guse
Associate

chad.guse@abdosolutions.com



Jake Homan
Intern

jake.homan@abdosolutions.com