



*Lighting the path forward*

DRA

# City of Jackson

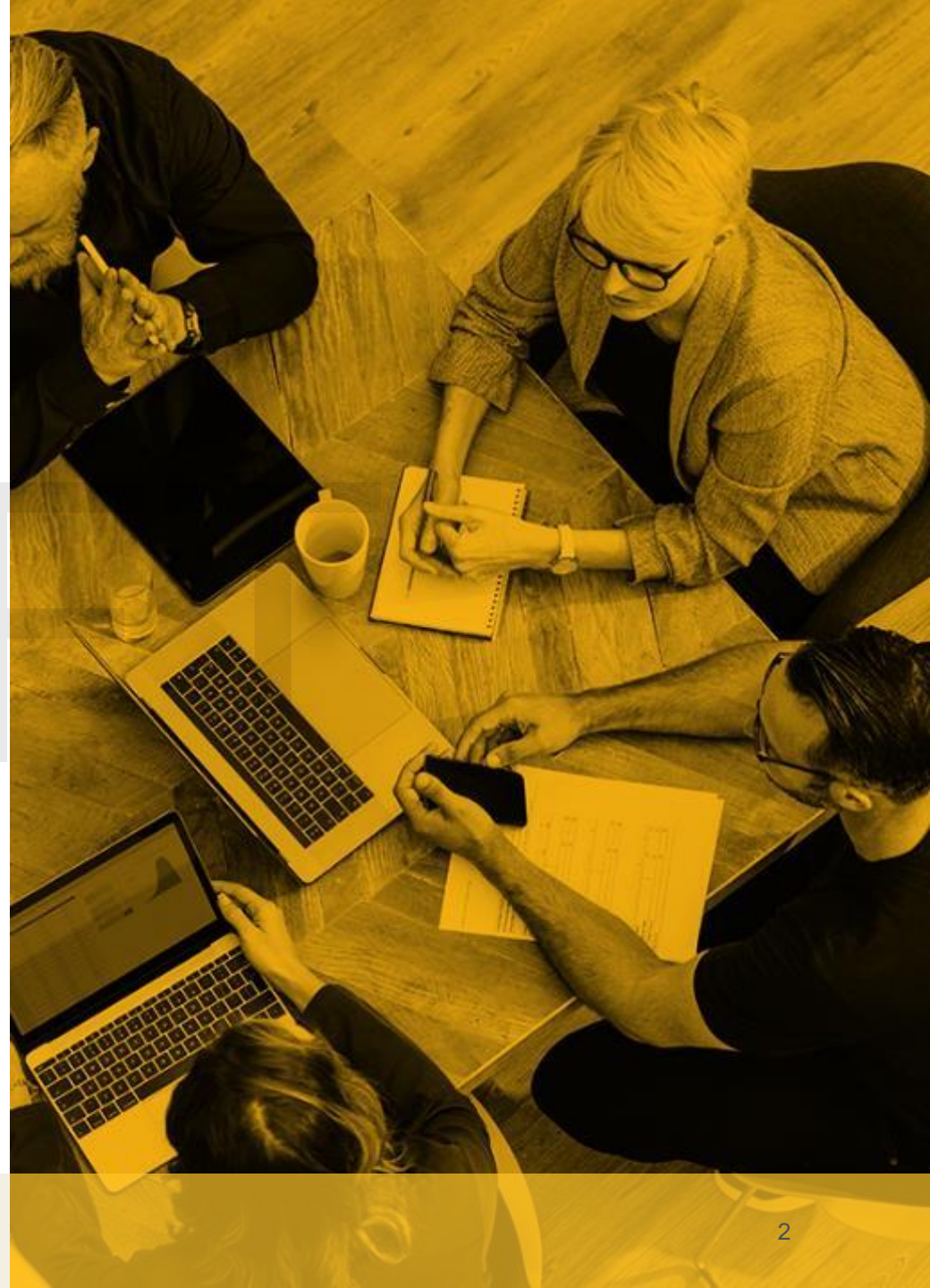
## 2022 Financial Statement Audit



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# 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



No instances 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
  - OMB Compliance Finding

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# Auditor Recommendations

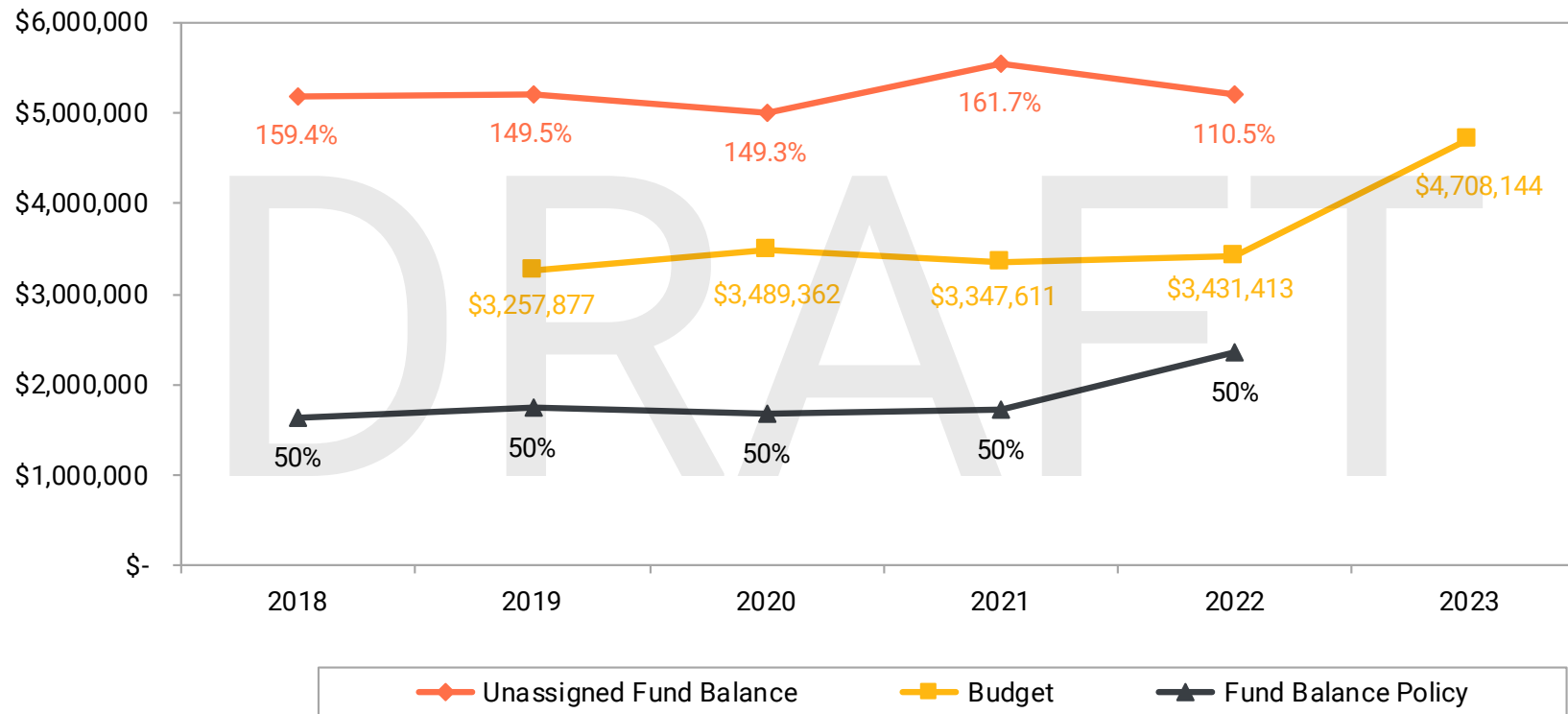
## Long-term Capital Plan

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

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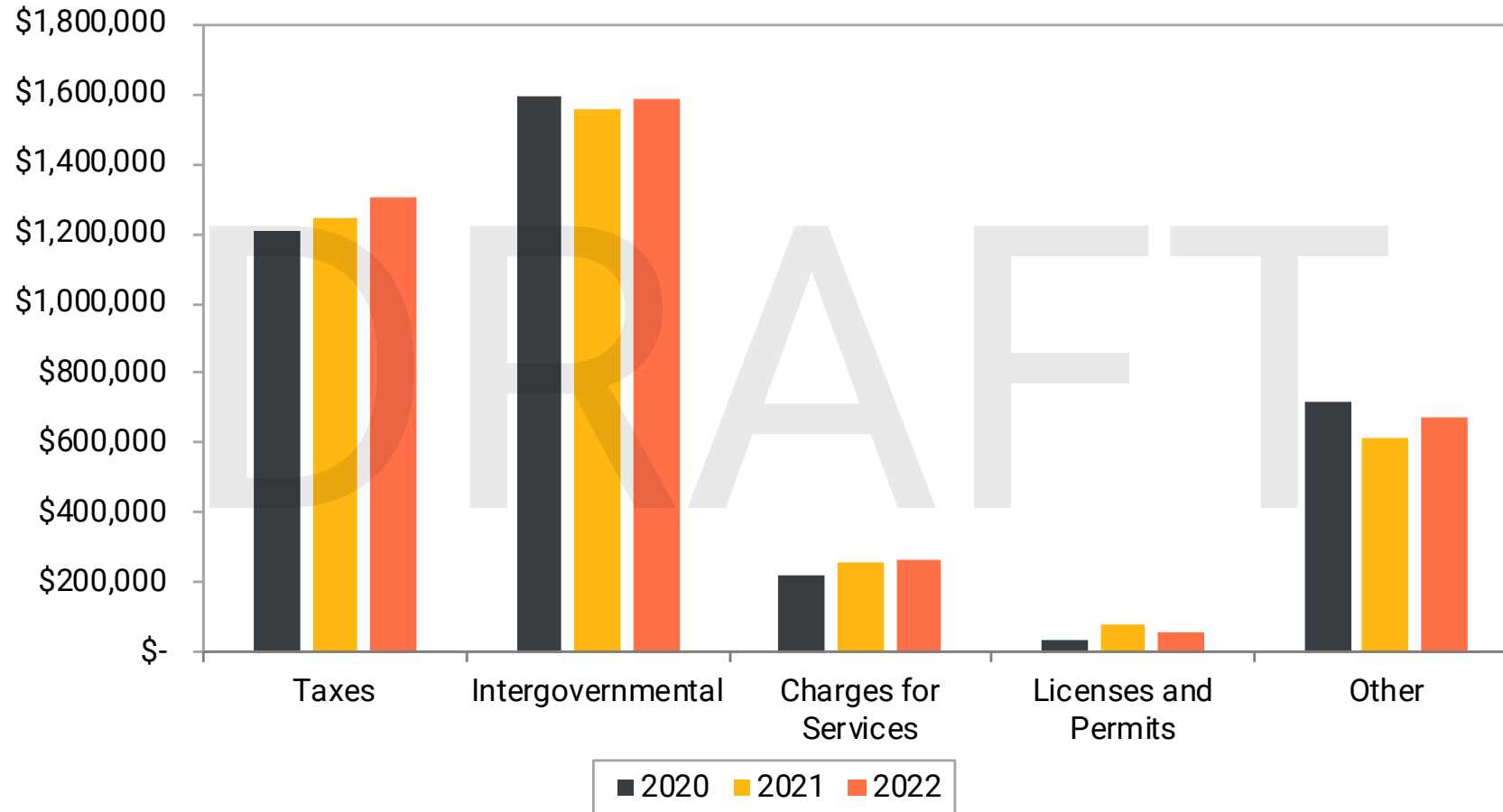
# General Fund Fund Balances



# 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

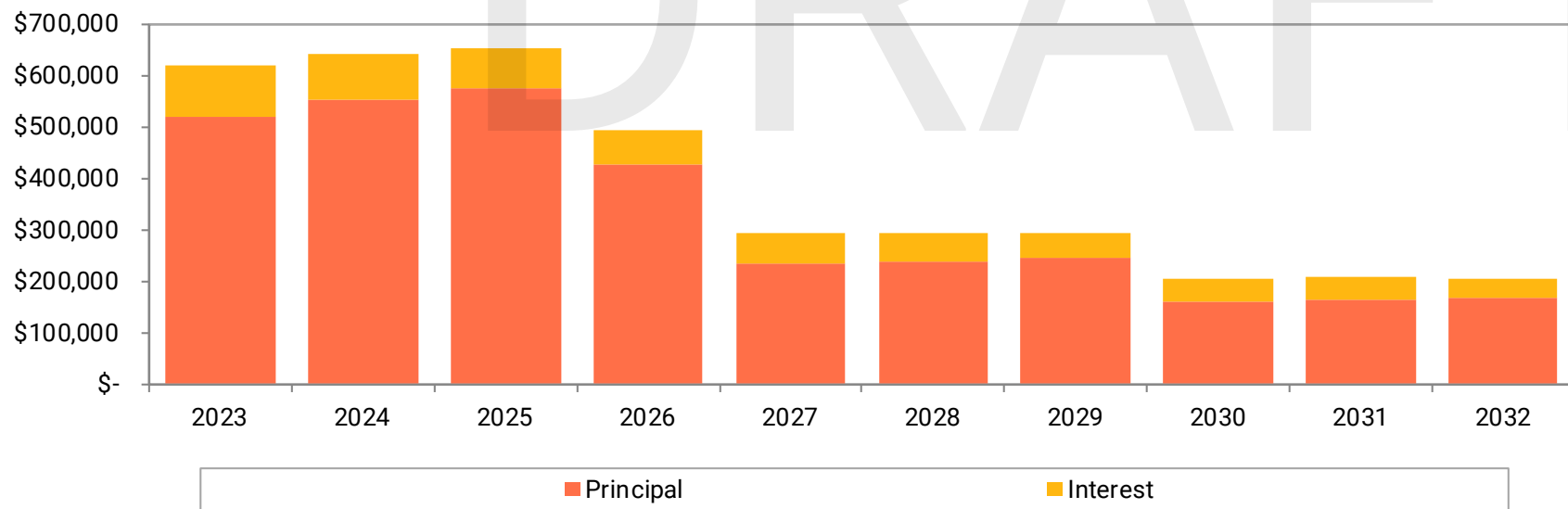


Fund	Fund Balances December 31		Increase (Decrease)
	2022	2021	
Nonmajor			
Capital Reserve	\$ 1,540,025	\$ 1,333,487	\$ 206,538
2019 Capital Projects	31,801	31,379	422
2020 Capital Projects	380,935	625,327	(244,392)
2021 Capital Projects	472,195	(16,712)	488,907
<b>Total</b>	<b>\$ 2,424,956</b>	<b>\$ 1,973,481</b>	<b>\$ 451,475</b>

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	247,087	248,291	(1,204)
American Rescue Plan	3,163	-	3,163
EDA Revolving Loan	1,409,543	1,847,604	(438,061)
<b>Total</b>	<b>\$ 1,968,714</b>	<b>\$ 2,393,470</b>	<b>\$ (424,756)</b>

# Capital Project and Special Revenue Fund Balances

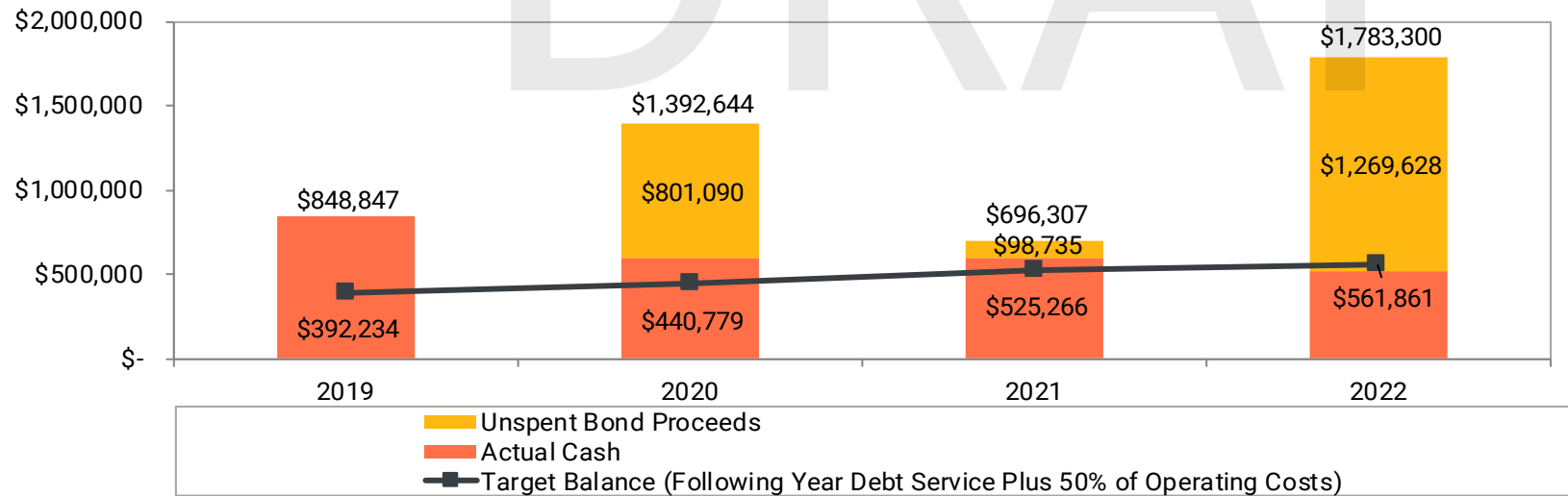
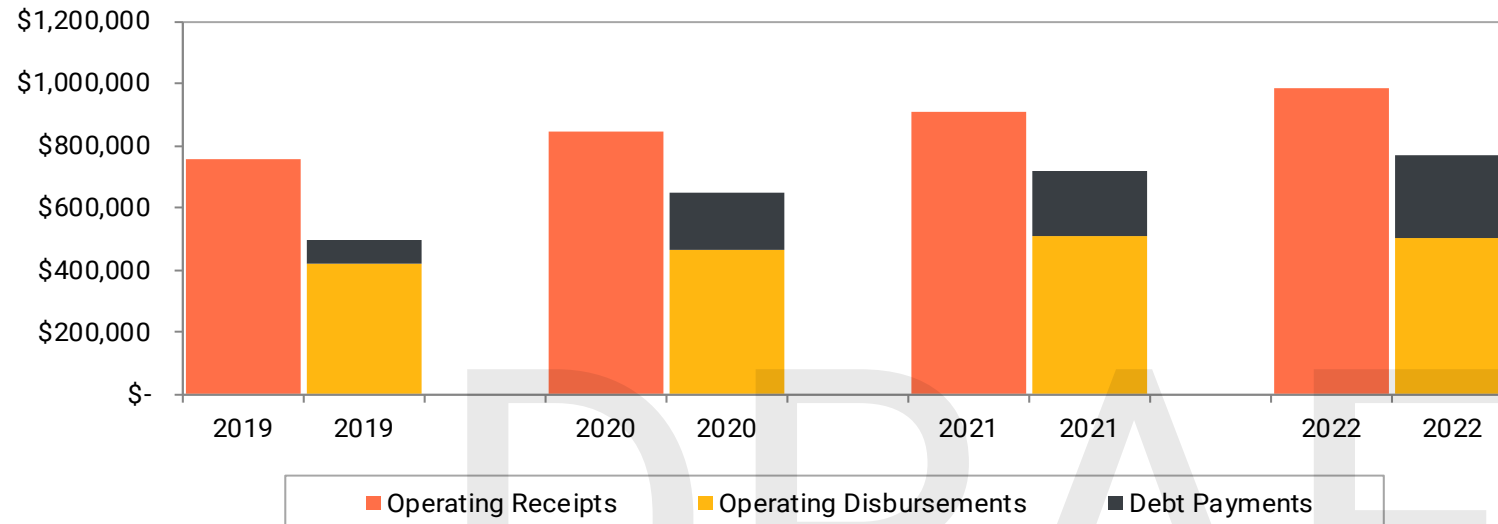
Debt Description	Total Cash and Investments	Total Assets	Outstanding Debt	Maturity Date
<b>General Obligation Bonds</b>				
2017A GO Refunding Bond	\$ 289,139	\$ 291,351	\$ 435,000	02/01/25
<b>G.O. Special Assessment Bonds</b>				
2011A GO Improvement Refunding	333,844	333,866	-	Matured
2012A GO Street 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
<b>Total G.O. Special Assessment Bonds</b>	<b>636,804</b>	<b>639,242</b>	<b>4,590,950</b>	
<b>Total All Debt Service Funds</b>	<b>\$ 925,943</b>	<b>\$ 930,593</b>	<b>\$ 5,025,950</b>	
<b>Future Interest on Debt</b>			<b>\$ 833,229</b>	



# Debt Service

# Water Fund

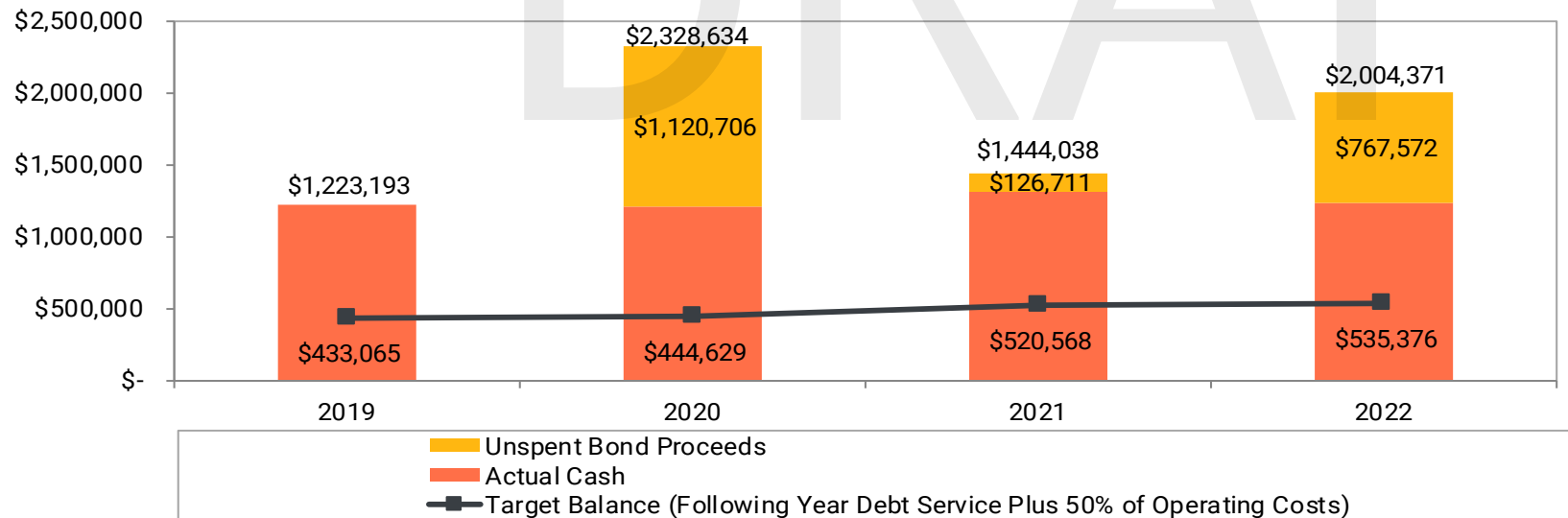
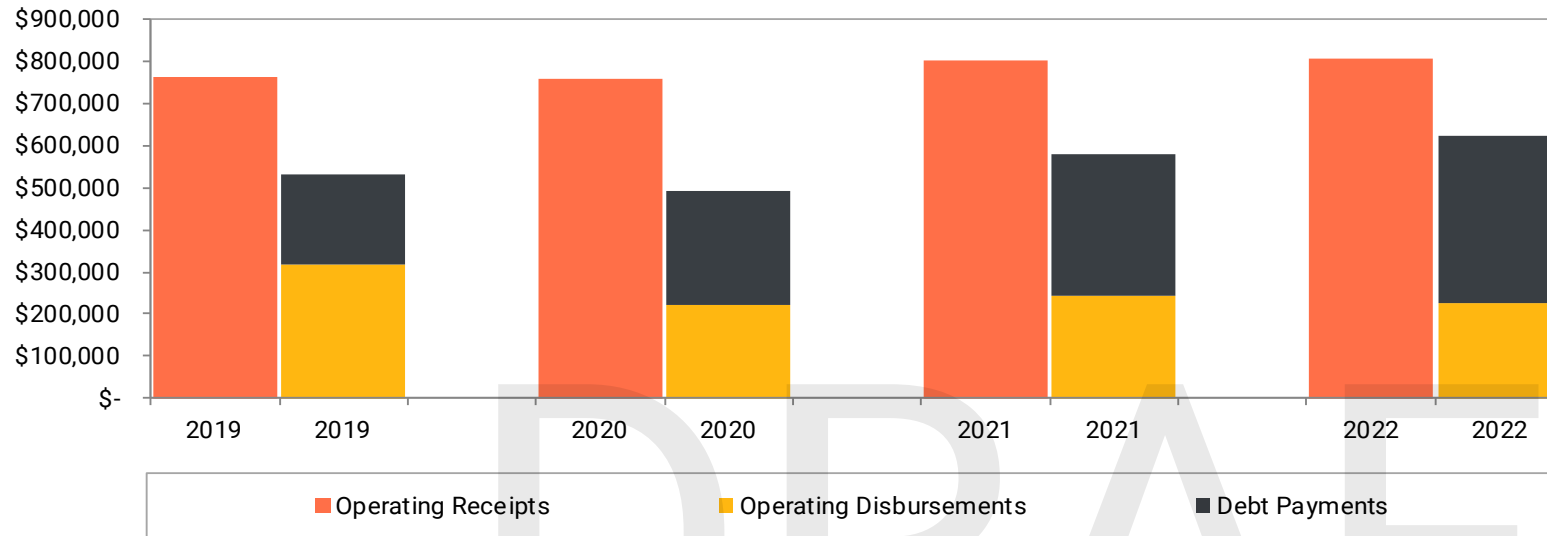
## Cash Flows from Operations and Cash Balances





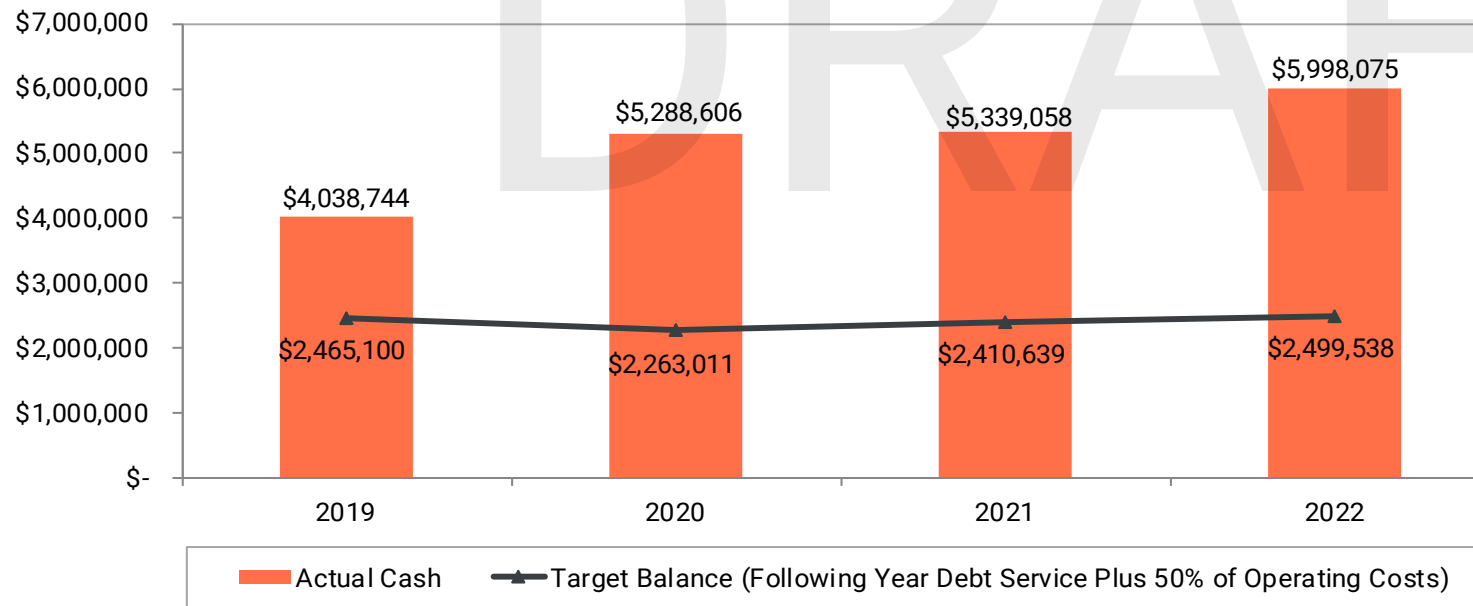
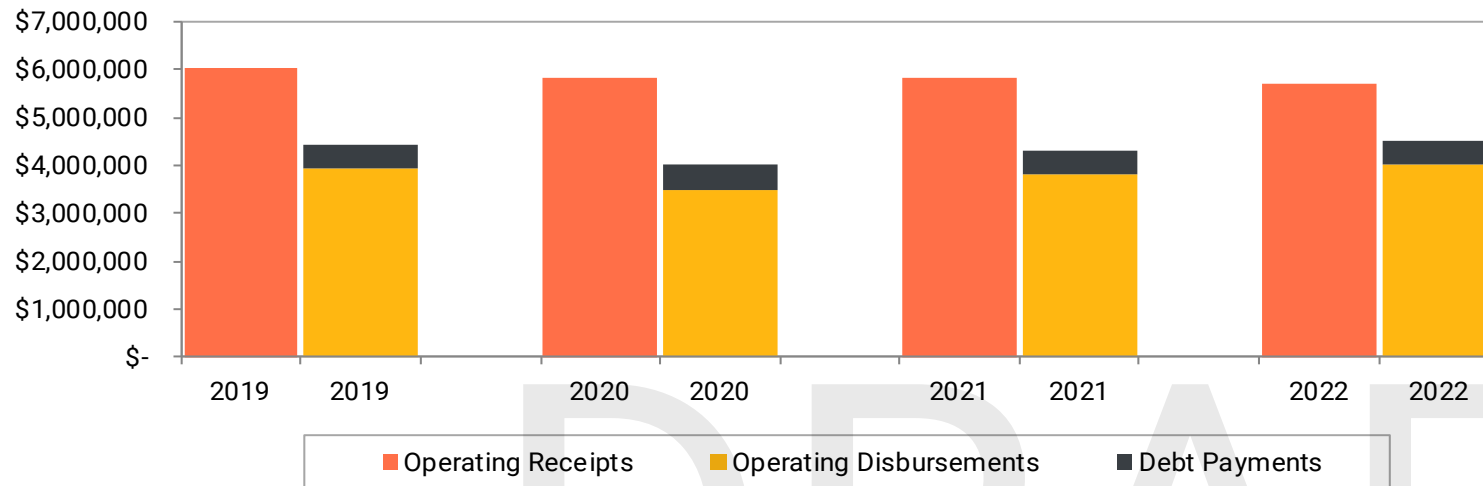
# Sewer Fund

## Cash Flows from Operations and Cash Balances



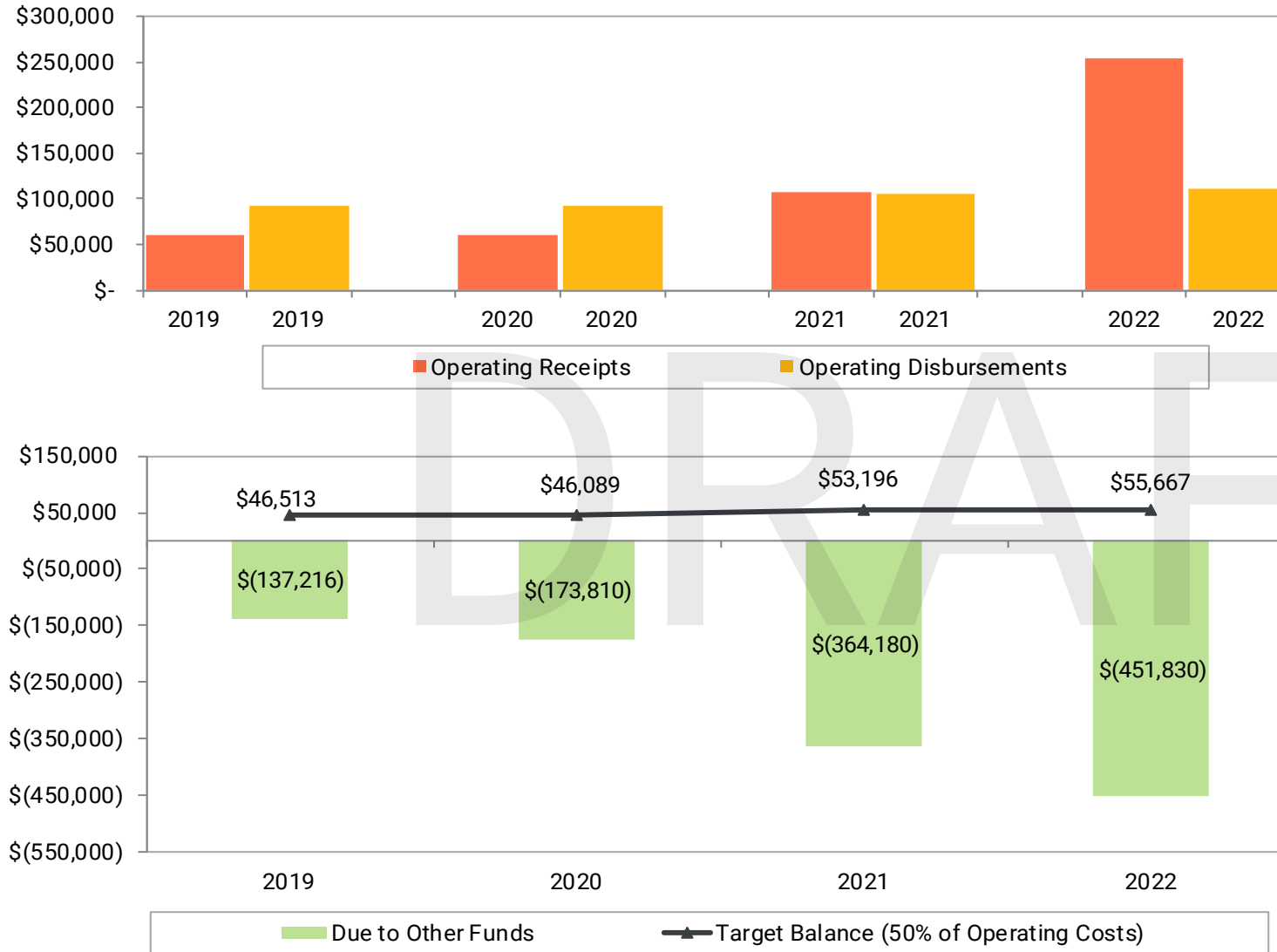
# Electric Fund

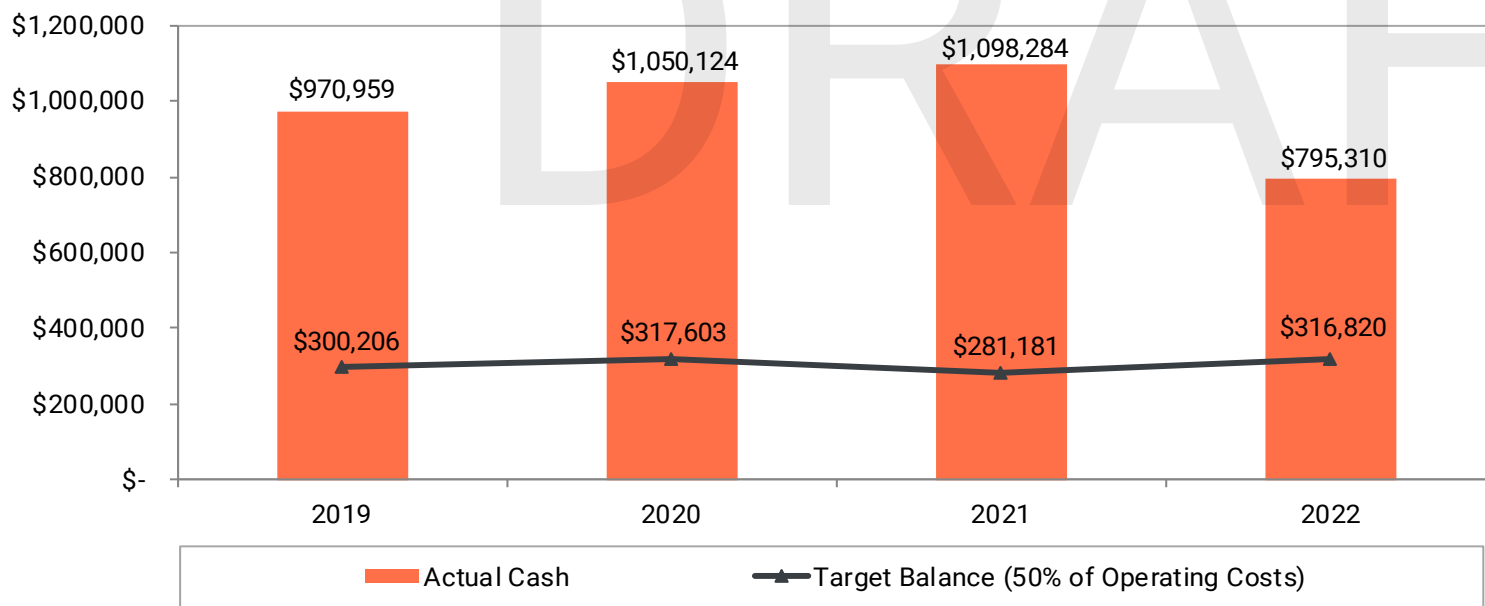
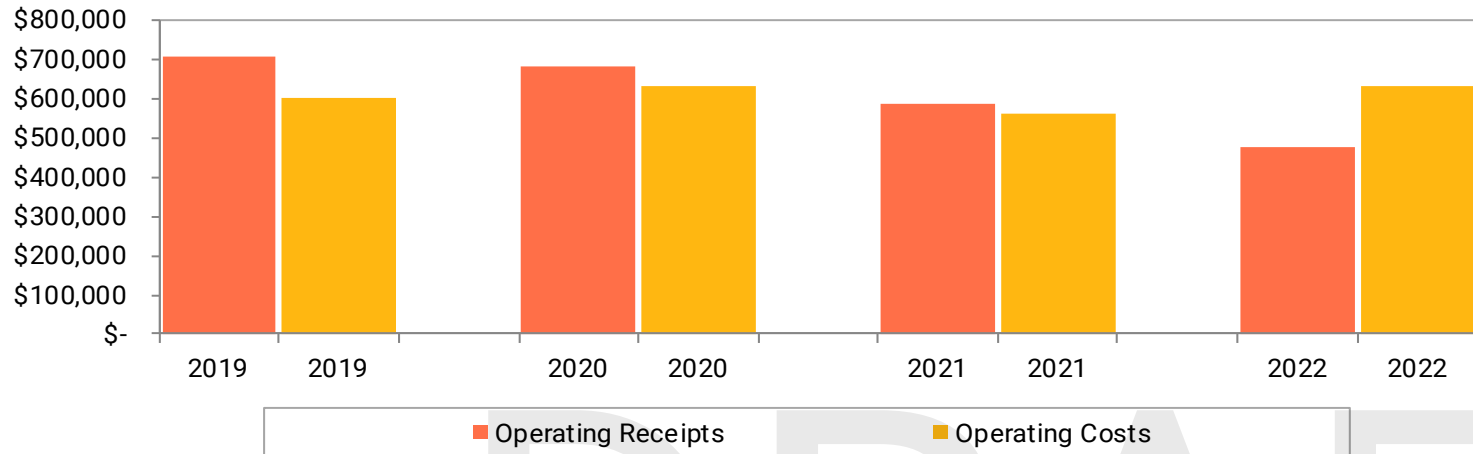
## Cash Flows from Operations and Cash Balances



# Airport Fund

## Cash Flows from Operations and Cash Balances





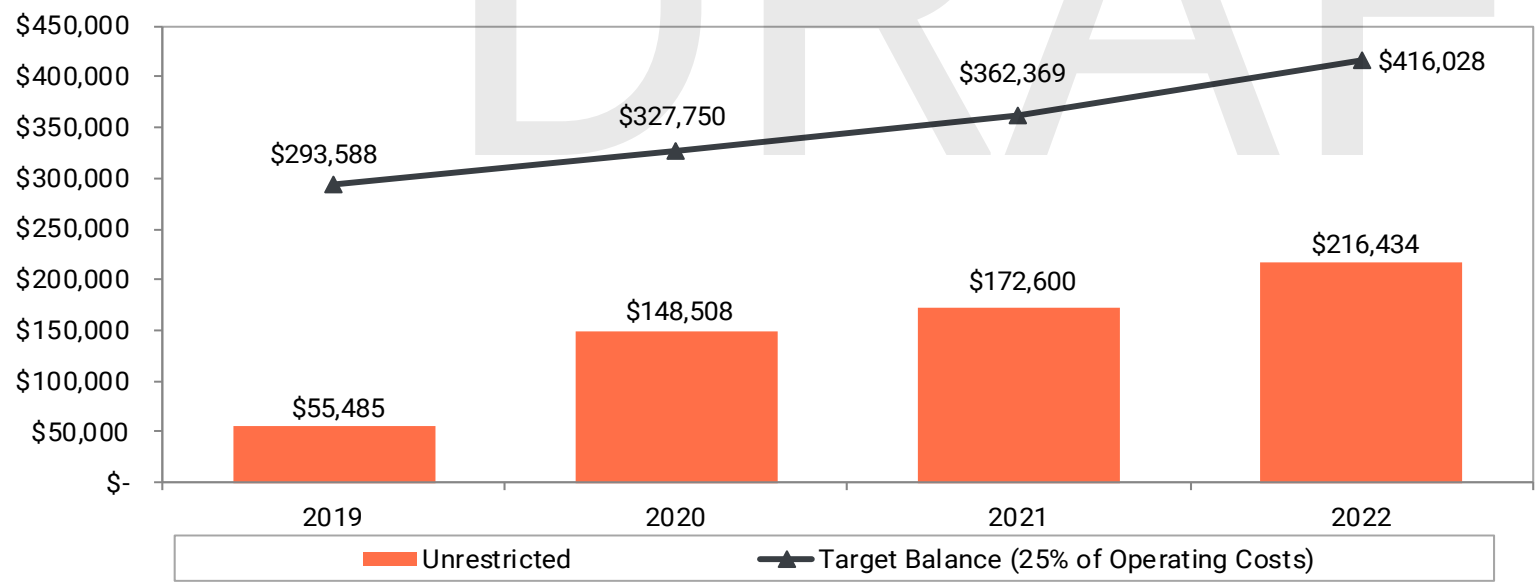
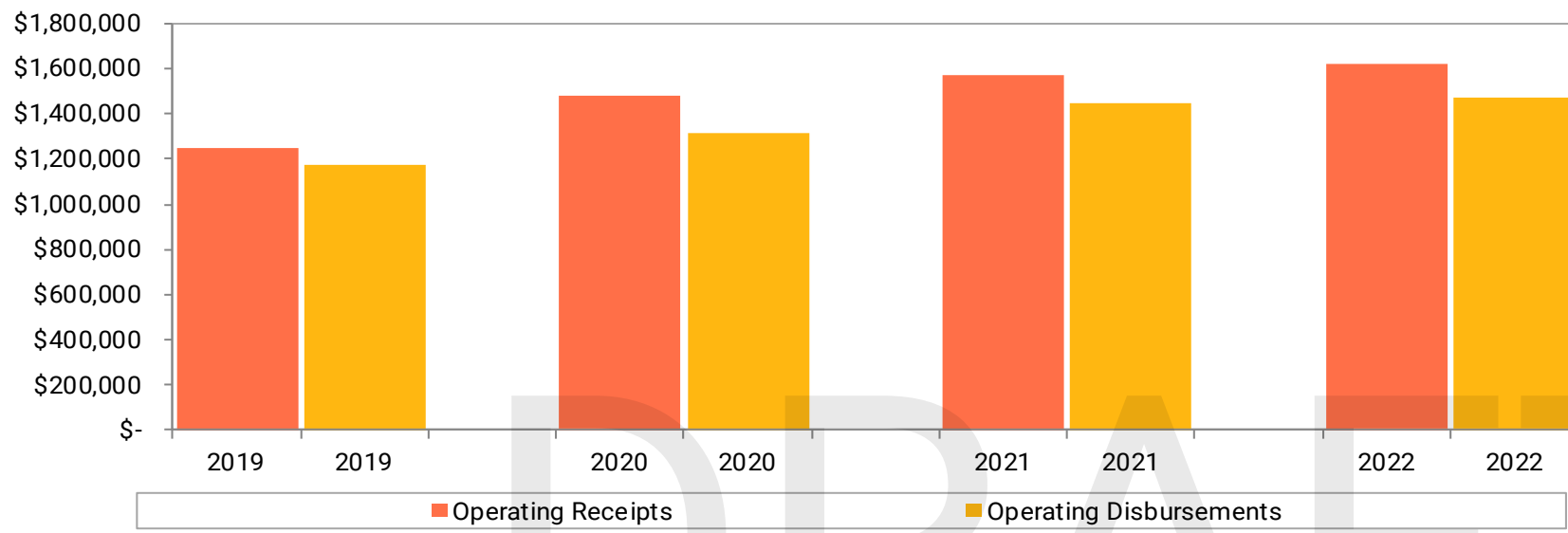
# Ambulance Fund

## Cash Flows from Operations and Cash Balances

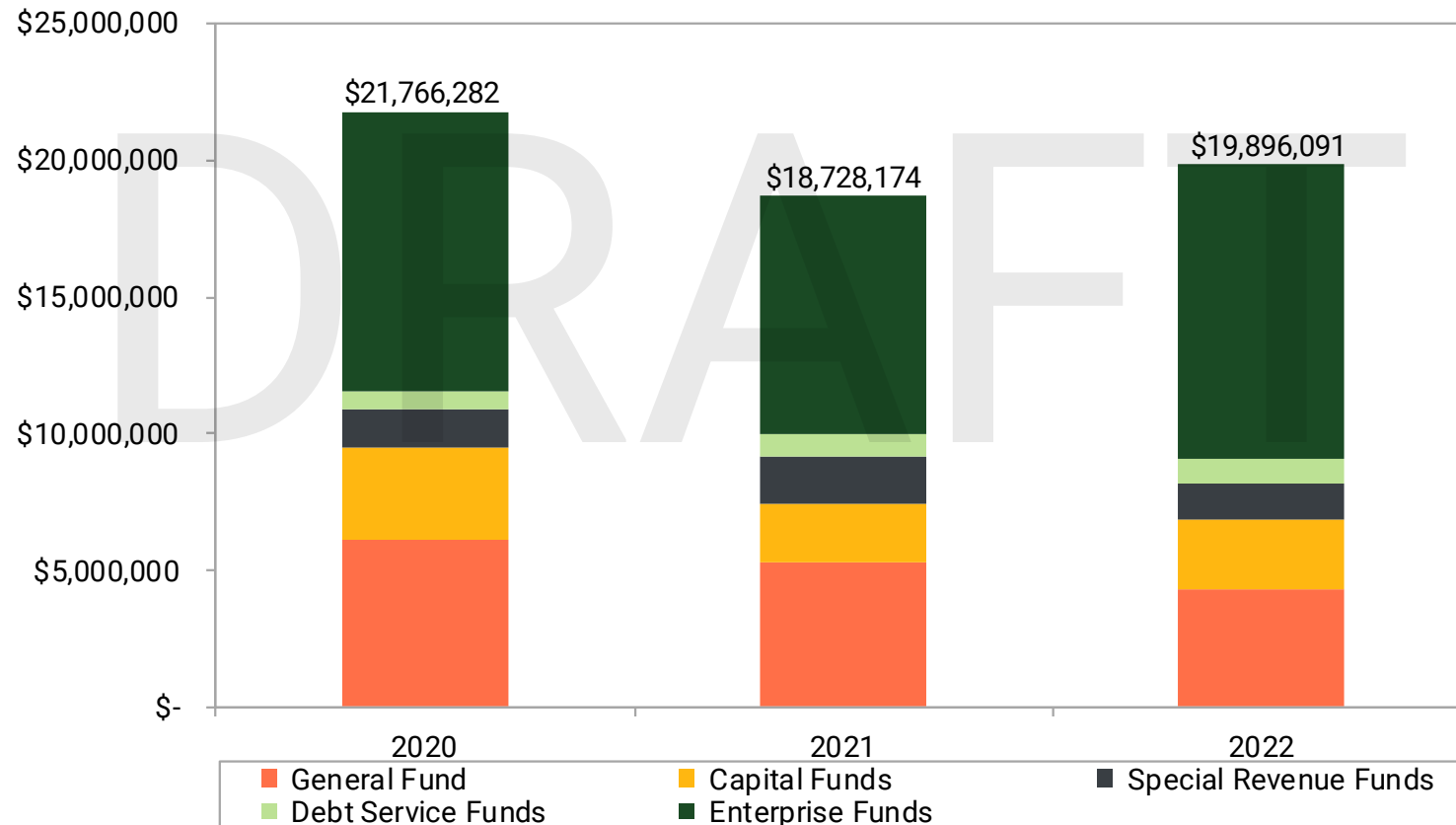


# Liquor Fund

## Cash Flows from Operations and Cash Balances



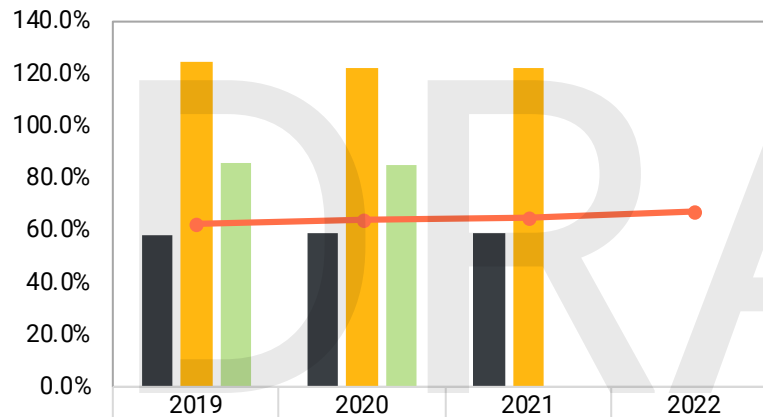
# Cash and Investments Balances by Fund Type



# Taxes

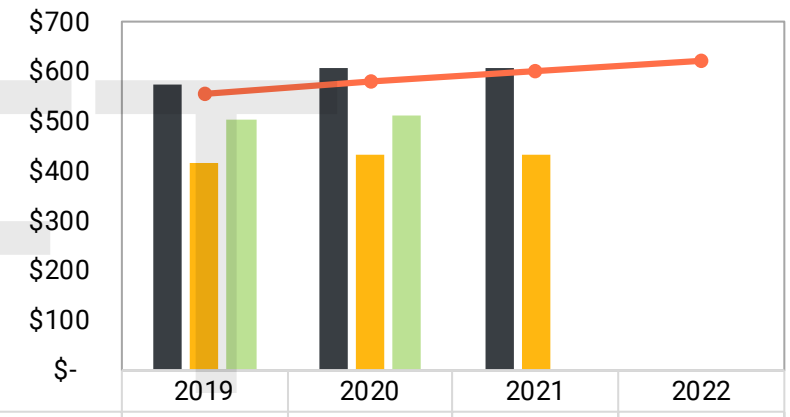
## Key Performance Indicators

**Tax Rate**



	2019	2020	2021	2022
Class 4 Cities	58.1%	58.8%	58.8%	N/A
Cities in Jackson County	124.4%	122.4%	122.4%	N/A
Custom Peer Group	86.0%	85.0%	N/A	N/A
City of Jackson	62.8%	64.4%	65.2%	67.4%

**Taxes - Per Capita**



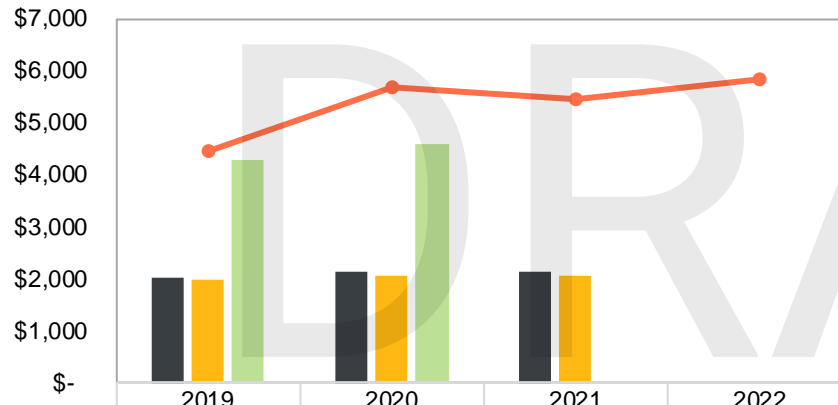
	2019	2020	2021	2022
Class 4 Cities	\$574	\$606	\$606	N/A
Cities in Jackson County	\$415	\$435	\$435	N/A
Custom Peer Group	\$505	\$513	\$-	N/A
City of Jackson	\$555	\$581	\$601	\$623

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

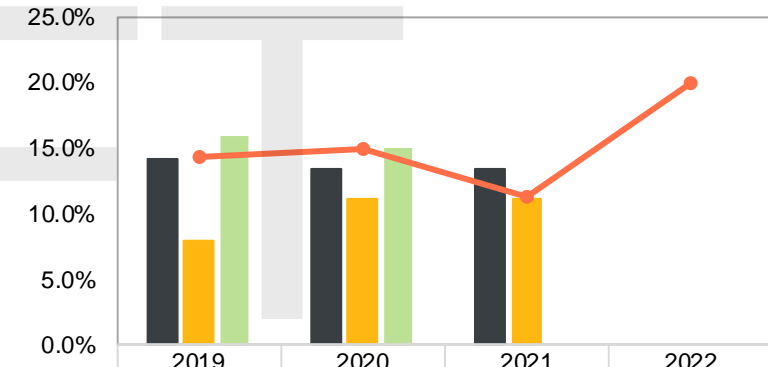
## Key Performance Indicators

Long Term Debt - Per Capita



	2019	2020	2021	2022
Class 4 Cities	\$2,005	\$2,150	\$2,150	N/A
Cities in Jackson County	\$1,996	\$2,074	\$2,074	N/A
Custom Peer Group	\$4,283	\$4,588	N/A	N/A
City of Jackson	\$4,468	\$5,682	\$5,452	\$5,852

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%	11.1%	N/A
Custom Peer Group	16.0%	15.0%	N/A	N/A
City of Jackson	14.3%	14.9%	11.2%	19.9%

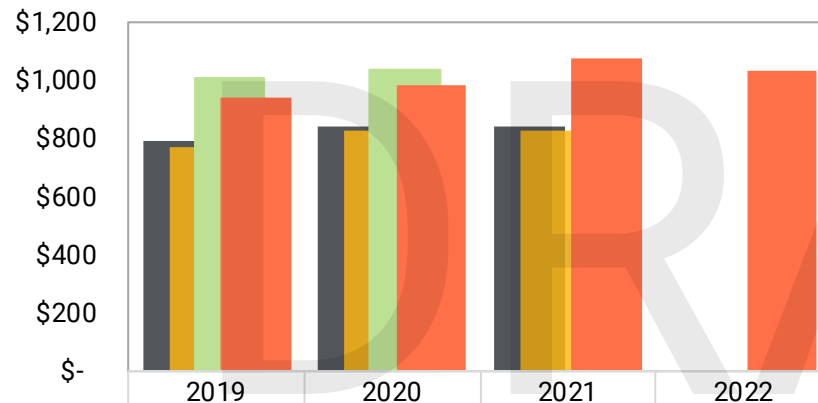
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# Expenditures

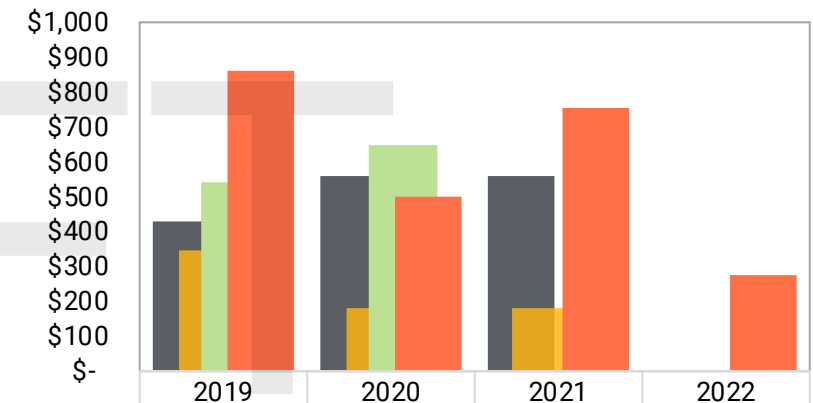
## Key Performance Indicators

**Current Expenditures - Per Capita**



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

**Capital Expenditures - Per Capita**



	2019	2020	2021	2022
Class 4 Cities	\$426	\$558	\$558	N/A
Cities in Jackson County	\$344	\$178	\$178	N/A
Custom Peer Group	\$539	\$643	N/A	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



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