

CITY OF JACKSON, MISSOURI
Jackson, Missouri

For the Year Ended December 31, 2014

ANNUAL FINANCIAL REPORT

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen
City of Jackson, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri, as of and for the year ended December 31, 2014, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 entity'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, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri as of December 31, 2014, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Accounting Basis

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jackson, Missouri's basic financial statements. The Retirement Plan – Schedule of Funding Progress on page 36, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has 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 it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jackson, Missouri's basic financial statements. The budgetary comparison information and combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The budgetary comparison information, combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepared the basic financial statements. Such information has been subjected to the auditing procedures applies in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information, combining and individual non-major fund financial statements, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Statement of Revenues, Expenses, and Changes in Cash Balance – Unaudited – Jackson Municipal Band has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2015, on our consideration of the City of Jackson, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Missouri’s internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
June 3, 2015

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Board of Aldermen
City of Jackson, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Jackson, Missouri's basic financial statements, and have issued our report thereon dated June 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jackson, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jackson, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jackson, Missouri'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jackson, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
June 3, 2015

BASIC FINANCIAL STATEMENTS

CITY OF JACKSON, MISSOURISTATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash	\$ 7,399,891	\$ 13,577,933	\$ 20,977,824
Restricted Cash	8,637,508	2,231,089	10,868,597
Bond Premium, Current Portion	-	1,627	1,627
Prepaid Expense	403	27,079	27,482
Total Current Assets	<u>\$ 16,037,802</u>	<u>\$ 15,837,728</u>	<u>\$ 31,875,530</u>
<u>Capital Assets:</u>			
Land, Improvements, and Construction in Progress	\$ 3,128,593	\$ 162,839	\$ 3,291,432
Other Capital Assets, Net	9,923,810	40,178,465	50,102,275
Total Capital Assets, Net	<u>\$ 13,052,403</u>	<u>\$ 40,341,304</u>	<u>\$ 53,393,707</u>
<u>Other Assets:</u>			
Bond Premium, Long-Term Portion	\$ -	\$ 17,894	\$ 17,894
TOTAL ASSETS	<u>\$ 29,090,205</u>	<u>\$ 56,196,926</u>	<u>\$ 85,287,131</u>
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Other Payables	\$ 60,220	\$ -	\$ 60,220
Payroll Withholdings	6,856	634	7,490
Taxes Payable	-	7,021	7,021
Court Bonds Payable	1,723	-	1,723
Performance Bond Deposits	70,799	-	70,799
Internal Balances	111,925	(111,925)	-
Deferred Options Payable	10,000	-	10,000
Discount on Revenue Bonds, Current Portion	-	3,016	3,016
Certificate of Participation, Current Portion	-	60,000	60,000
Bonds Payable, Current Portion	-	665,000	665,000
Total Current Liabilities	<u>\$ 261,523</u>	<u>\$ 623,746</u>	<u>\$ 885,269</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits	\$ -	\$ 335,077	\$ 335,077
Discount on Revenue Bonds, Long-Term Portion	-	18,358	18,358
Certificate of Participation, Long-Term Portion	-	980,000	980,000
Bonds Payable, Long-Term Portion	-	5,215,000	5,215,000
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 6,548,435</u>	<u>\$ 6,548,435</u>
TOTAL LIABILITIES	<u>\$ 261,523</u>	<u>\$ 7,172,181</u>	<u>\$ 7,433,704</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 13,052,403	\$ 33,421,304	\$ 46,473,707
Restricted For:			
General Government	8,639,141	-	8,639,141
Debt Service	2,414,780	5,030,183	7,444,963
Transportation	1,522,395	-	1,522,395
Unrestricted	<u>3,199,963</u>	<u>10,573,258</u>	<u>13,773,221</u>
TOTAL NET POSITION	<u>\$ 28,828,682</u>	<u>\$ 49,024,745</u>	<u>\$ 77,853,427</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 2,529,441	\$ 203,972	\$ -	\$ -	\$ (2,325,469)	\$ -	\$ (2,325,469)
Public Safety	3,263,599	-	80,110	-	(3,183,489)	-	(3,183,489)
Judiciary and Court Related	19,566	151,434	-	-	131,868	-	131,868
Transportation	1,781,888	-	-	1,058,147	(723,741)	-	(723,741)
Public Health	397,098	47,928	-	-	(349,170)	-	(349,170)
Culture and Recreation	633,748	54,643	4,782	-	(574,323)	-	(574,323)
Total Governmental Activities	<u>\$ 8,625,340</u>	<u>\$ 457,977</u>	<u>\$ 84,892</u>	<u>\$ 1,058,147</u>	<u>\$ (7,024,324)</u>	<u>\$ -</u>	<u>\$ (7,024,324)</u>
Business-Type Activities:							
Electric System	\$ 15,755,083	\$ 16,558,522	\$ 23,691	\$ 8,627	\$ -	\$ 835,757	\$ 835,757
Waterworks and Sewerage System	2,916,795	1,704,958	-	81,985	-	(1,129,852)	(1,129,852)
Wastewater System	847,924	1,954,759	-	73,458	-	1,180,293	1,180,293
Total Business-Type Activities	<u>\$ 19,519,802</u>	<u>\$ 20,218,239</u>	<u>\$ 23,691</u>	<u>\$ 164,070</u>	<u>\$ -</u>	<u>\$ 886,198</u>	<u>\$ 886,198</u>
Total Primary Government	<u>\$ 28,145,142</u>	<u>\$ 20,676,216</u>	<u>\$ 108,583</u>	<u>\$ 1,222,217</u>	<u>\$ (7,024,324)</u>	<u>\$ 886,198</u>	<u>\$ (6,138,126)</u>
General Revenues:							
Taxes:							
Property Taxes					\$ 1,748,561	\$ -	\$ 1,748,561
I-55 Allocation					291,976	-	291,976
Franchise Tax					633,373	-	633,373
Sales Tax					4,274,368	-	4,274,368
County Road and Bridge Tax					120,000	-	120,000
Railroad and Utility Tax					4,075	-	4,075
Financial Institution Tax					2,976	-	2,976
Surcharge Tax					74,118	-	74,118
Gas Tax					355,103	-	355,103
Motor Vehicle Sales Tax					105,574	-	105,574
Investment Income					20,855	53,473	74,328
Gain (Loss) on Disposal of Capital Asset:					(370)	(269,705)	(270,075)
Other Income					529,222	3,017	532,239
Internal Balances					910,041	(910,041)	-
Total General Revenues and Transfers					<u>\$ 9,069,872</u>	<u>\$ (1,123,256)</u>	<u>\$ 7,946,616</u>
Change in Net Position					\$ 2,045,548	\$ (237,058)	\$ 1,808,490
Net Position - January 1, 2014					26,783,134	49,261,803	76,044,937
Net Position - December 31, 2014					<u>\$ 28,828,682</u>	<u>\$ 49,024,745</u>	<u>\$ 77,853,427</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURISTATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

<u>ASSETS</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>CURRENT ASSETS:</u>			
Cash	\$ 3,175,109	\$ 3,939,004	\$ 7,114,113
Restricted Cash	8,637,508	-	8,637,508
Prepaid Expense	403	-	403
TOTAL ASSETS	<u>\$ 11,813,020</u>	<u>\$ 3,939,004</u>	<u>\$ 15,752,024</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>CURRENT LIABILITIES:</u>			
Other Payables	\$ 131,019	\$ -	\$ 131,019
Deferred Options Payable	10,000	-	10,000
Payroll Withholdings	6,856	-	6,856
TOTAL CURRENT LIABILITIES	<u>\$ 147,875</u>	<u>\$ -</u>	<u>\$ 147,875</u>
<u>LONG-TERM LIABILITIES:</u>			
Court Bonds Payable	\$ 1,723	\$ -	\$ 1,723
TOTAL LIABILITIES	<u>\$ 149,598</u>	<u>\$ -</u>	<u>\$ 149,598</u>
<u>FUND BALANCES:</u>			
Nonspendable	\$ 403	\$ -	\$ 403
Restricted	4,154,566	1,321,289	5,475,855
Committed	1,101,111	2,617,715	3,718,826
Assigned	3,381,232	-	3,381,232
Unassigned	3,026,110	-	3,026,110
Total Fund Balances	<u>\$ 11,663,422</u>	<u>\$ 3,939,004</u>	<u>\$ 15,602,426</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,813,020</u>	<u>\$ 3,939,004</u>	<u>\$ 15,752,024</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

RECONCILIATION OF THE STATEMENT OF ASSETS,
LIABILITIES, AND FUND BALANCES TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

Fund Balances of Governmental Funds (Statement 3)	\$ 15,602,426
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

13,052,403

An internal service fund is used by management to account for the usage of fuel from each fund. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

173,853

Total Net Position of Governmental Activities (Statement 1)	<u>\$ 28,828,682</u>
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See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURISTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes	\$ 2,897,876	\$ 291,976	\$ 3,189,852
Grants and Contributions	87,243	806,284	893,527
Intergovernmental	3,959,594	518,793	4,478,387
Charges for Services	455,131	2,846	457,977
Use of Money and Property	15,915	4,940	20,855
Miscellaneous	<u>463,997</u>	<u>7,112</u>	<u>471,109</u>
 TOTAL REVENUES	 <u>\$ 7,879,756</u>	 <u>\$ 1,631,951</u>	 <u>\$ 9,511,707</u>
<u>EXPENDITURES:</u>			
General Government	\$ 2,461,149	\$ -	\$ 2,461,149
Public Safety	3,154,127	1,648	3,155,775
Judiciary and Court Related	19,566	-	19,566
Transportation	641,030	340,806	981,836
Public Health	472,886	-	472,886
Culture and Recreation	<u>579,059</u>	<u>745,927</u>	<u>1,324,986</u>
 TOTAL EXPENDITURES	 <u>\$ 7,327,817</u>	 <u>\$ 1,088,381</u>	 <u>\$ 8,416,198</u>
 EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES PAID	 <u>\$ 551,939</u>	 <u>\$ 543,570</u>	 <u>\$ 1,095,509</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In (Out)	<u>\$ 916,101</u>	<u>\$ (6,060)</u>	<u>\$ 910,041</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>\$ 916,101</u>	 <u>\$ (6,060)</u>	 <u>\$ 910,041</u>
 EXCESS (DEFICIENCY) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENSES PAID AND OTHER USES	 <u>\$ 1,468,040</u>	 <u>\$ 537,510</u>	 <u>\$ 2,005,550</u>
 FUND BALANCE, January 1, 2014	 <u>10,195,382</u>	 <u>3,401,494</u>	 <u>13,596,876</u>
 FUND BALANCE, December 31, 2014	 <u>\$ 11,663,422</u>	 <u>\$ 3,939,004</u>	 <u>\$ 15,602,426</u>

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 4-A

CITY OF JACKSON, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT
OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

Excess (Deficiency) of Revenues Collected and Other Sources Over (Under) Expenditures Paid and Other Uses (Statement 4)	\$ 2,005,550
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Amounts reported for *governmental activities* in the
statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	56,497
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An internal service fund is used by management to account for the usage of fuel from each fund.	<u>(16,499)</u>
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Total Change in Net Position (Statement 2)	<u>\$ 2,045,548</u>
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See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS

December 31, 2014

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
ASSETS					
CURRENT ASSETS:					
Cash	\$ 8,741,518	\$ 4,836,415	\$ -	\$ 13,577,933	\$ 285,778
Restricted Cash	471,500	788,290	971,299	2,231,089	-
Bond Premium, Current Portion	-	1,627	-	1,627	-
Prepaid Expense	358	26,721	-	27,079	-
Due from Others	350,187	(350,187)	-	-	-
Total Current Assets	\$ 9,563,563	\$ 5,302,866	\$ 971,299	\$ 15,837,728	\$ 285,778
CAPITAL ASSETS:					
Capital Assets	\$ 23,367,699	\$ 38,475,058	\$ 13,464,905	\$ 75,307,662	\$ -
Construction in Progress	64,809	98,030	-	162,839	-
Less: Accumulated Depreciation	(9,655,198)	(16,554,027)	(8,919,972)	(35,129,197)	-
Total Capital Assets, Net	\$ 13,777,310	\$ 22,019,061	\$ 4,544,933	\$ 40,341,304	\$ -
OTHER ASSETS:					
Bond Premium, Long-Term Portion	\$ -	\$ 17,894	\$ -	\$ 17,894	\$ -
TOTAL ASSETS	\$ 23,340,873	\$ 27,339,821	\$ 5,516,232	\$ 56,196,926	\$ 285,778
LIABILITIES					
CURRENT LIABILITIES:					
Payroll Withholdings Payable	\$ -	\$ 182	\$ 452	\$ 634	\$ -
Taxes Payable	7,021	-	-	7,021	-
Certificate of Participation, Current Portion	-	60,000	-	60,000	-
Bonds Payable, Current Portion	-	665,000	-	665,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016	-
Due to Others	-	-	-	-	-
Total Current Liabilities	\$ 7,021	\$ 728,198	\$ 452	\$ 735,671	\$ -
LONG TERM LIABILITIES:					
Customer Deposits	\$ 335,077	\$ -	\$ -	\$ 335,077	\$ -
Discount on Revenue Bonds, Long-Term Portion	-	18,358	-	18,358	-
Certificate of Participation, Long-Term Portion	-	980,000	-	980,000	-
Bonds Payable, Long-Term Portion	-	5,215,000	-	5,215,000	-
Total Long-Term Liabilities	\$ 335,077	\$ 6,213,358	\$ -	\$ 6,548,435	\$ -
TOTAL LIABILITIES	\$ 342,098	\$ 6,941,556	\$ 452	\$ 7,284,106	\$ -
NET POSITION					
Invested in Capital Assets, Net of Related Debt	\$ 13,777,310	\$ 15,099,061	\$ 4,544,933	\$ 33,421,304	\$ -
Unrestricted	5,952,034	4,509,751	(452)	10,461,333	-
Restricted	3,269,431	789,453	971,299	5,030,183	285,779
TOTAL NET POSITION	\$ 22,998,775	\$ 20,398,265	\$ 5,515,780	\$ 48,912,820	\$ 285,779

Some amounts reported for business-type activities in the statement of net assets are different because certain internal services fund assets and liabilities are included with business-type activities.

Net assets of business-type activities

111,925
\$ 49,024,745

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
OPERATING REVENUES COLLECTED:					
Electric System	\$ 16,582,213	\$ -	\$ -	\$ 16,582,213	\$ -
Waterworks and Sewerage System	-	1,704,958	-	1,704,958	-
Wastewater System	-	-	1,954,759	1,954,759	-
Fuel Usage	-	-	-	-	191,291
Total Operating Revenues Collected	<u>\$ 16,582,213</u>	<u>\$ 1,704,958</u>	<u>\$ 1,954,759</u>	<u>\$ 20,241,930</u>	<u>\$ 191,291</u>
OPERATING EXPENSES PAID:					
Electric Power Plant	\$ 13,504,148	\$ -	\$ -	\$ 13,504,148	\$ -
Electric Line Construction and Maintenance	1,361,921	-	-	1,361,921	-
Water Plant	-	238,267	-	238,267	-
Water Line Construction and Maintenance	-	1,103,384	-	1,103,384	-
Wastewater Operations	-	-	648,102	648,102	-
General	196,170	101,411	-	297,581	212,733
Depreciation	679,766	1,268,453	197,978	2,146,197	-
Total Operating Expenses Paid	<u>\$ 15,742,005</u>	<u>\$ 2,711,515</u>	<u>\$ 846,080</u>	<u>\$ 19,299,600</u>	<u>\$ 212,733</u>
OPERATING INCOME (LOSS)	<u>\$ 840,208</u>	<u>\$ (1,006,557)</u>	<u>\$ 1,108,679</u>	<u>\$ 942,330</u>	<u>\$ (21,442)</u>
NON-OPERATING REVENUES COLLECTED (EXPENSES PAID):					
Interest Income	\$ 21,015	\$ 29,992	\$ 2,466	\$ 53,473	\$ -
Grants and Contributions	8,627	81,985	73,458	164,070	-
Insurance Proceeds	-	-	-	-	-
Premium Amortization	-	3,017	-	3,017	-
Gain/(Loss) on Disposal of Capital Assets	(248,267)	(21,438)	-	(269,705)	-
Miscellaneous	15,587	(1,627)	-	13,960	-
Amortization Expense	(12,488)	-	-	(12,488)	-
Interest Expense	(14,200)	(202,531)	-	(216,731)	-
Storm Damage Expense	-	-	-	-	-
Total Non-Operating Revenues Collected (Expenses Paid)	<u>\$ (229,726)</u>	<u>\$ (110,602)</u>	<u>\$ 75,924</u>	<u>\$ (264,404)</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 610,482	\$ (1,117,159)	\$ 1,184,603	\$ 677,926	\$ (21,442)
TRANSFERS & CAPITAL CONTRIBUTIONS:					
Transfers In (Out)	(788,306)	(282,736)	136,845	(934,197)	24,156
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>\$ (788,306)</u>	<u>\$ (282,736)</u>	<u>\$ 136,845</u>	<u>\$ (934,197)</u>	<u>\$ 24,156</u>
INCREASE (DECREASE) IN NET POSITION	\$ (177,824)	\$ (1,399,895)	\$ 1,321,448	\$ (256,271)	\$ 2,714
TOTAL NET POSITION, January 1, 2014	<u>23,176,599</u>	<u>21,798,160</u>	<u>4,194,332</u>	<u>49,169,091</u>	<u>283,065</u>
TOTAL NET POSITION, December 31, 2014	<u>\$ 22,998,775</u>	<u>\$ 20,398,265</u>	<u>\$ 5,515,780</u>	<u>\$ 48,912,820</u>	<u>\$ 285,779</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.

Change in net assets of business-type activities	19,213
	<u>\$ (237,058)</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. The Reporting Entity:

The City includes all funds relevant to the operation of the City of Jackson, Missouri. Control is determined on the basis of budget adoption, taxing authority, funding and appointment of the governing board. All operations of the City are directly controlled by the Board of Aldermen. Separately administered organizations (Jackson Municipal Band) are reported as supplemental information. Transfers only from the City of Jackson to Jackson Municipal Band are included on the books of the City. The financial statements of the City include all funds controlled by the Board based on the following criteria.

The reporting entity consists of the City (primary government) and its component units. Component Units are legally separate organizations for which the City is financially accountable or other organizations whose nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (a) either the City's ability to impose its will on the organization or (b) there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

The basic financial statements include the financial statements of the Park Board and the Library Board as blended component units. The blended component units are, in substance, part of the City's operations and so data from these units are combined as departments of the City's General Fund.

B. Basis of Presentation:

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, inter-governmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The City reports the following Special Revenue Funds as nonmajor funds:

<u>Fund</u>	<u>Description</u>
Road Use Tax Fund	Accounts for gasoline excise tax and special taxes legally restricted for street improvements.
Storm Water Maintenance Fund	Accounts for receipt of storm water credits related to certain types of new constructions restricted for storm water facility maintenance.
Inmate Security Fund	Accounts for receipt of municipal court costs and fines restricted for inmate security.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest. The reporting entity includes the following Debt Service Funds that are reported as nonmajor funds:

<u>Fund</u>	<u>Description</u>
I-55 Allocation Fund	Accounts for the receipt of payments in lieu of real estate taxes and local sales tax collected specifically for retirement of principal and interest on TIF obligations.

Capital Projects Funds – Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital projects fund that is reported as a nonmajor fund:

<u>Fund</u>	<u>Description</u>
Capital Projects Fund	Accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the Board of Aldermen may designate.

Proprietary Funds

Enterprise Fund - Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following Enterprise Funds that are reported as major funds:

<u>Fund</u>	<u>Description</u>
Electric System Fund	Accounts for the acquisition, operation, and maintenance of the City’s electric utility facilities and services.
Waterworks and Sewerage System Fund	Accounts for the acquisition, operation, and maintenance of the City’s water utility facilities and services
Wastewater System Fund	Accounts for the acquisition, operation, and maintenance of the City’s sewer utility facilities and services

Internal Service Fund - The Internal Service Fund is used to account for the financing of fuel purchased and provided to other departments on a cost-reimbursement basis.

C. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item 2 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, business-type, and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statement and the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of

accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Assets, Liabilities, and Equity:

Cash and Cash Equivalents

For the purpose of financial reporting, “cash and cash equivalents” include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Capital Assets

The City’s modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to January 1, 2003. Infrastructure assets acquired since January 1, 2003 are recorded at cost. Infrastructure assets constructed by others and deeded to the City are recorded at their fair value when received by the City.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings and Leasehold Improvement	15-50 years
Equipment and Vehicles	5-20 years
Infrastructure	30-50 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

Equity Classification

Government-Wide Statements - Equity is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the City’s policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements - The City uses the following classifications of fund balance to describe the relative strength of spending constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaids) or are required to be maintained intact;
2. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bond holders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

4. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned fund balance - amounts that are available for any purpose; positive amounts reported only in the general fund.

The City Board of Alderman establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

E. Revenues, Expenditures, and Expenses:

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. The City has the following program revenues in each activity:

<u>Revenue</u>	<u>Source</u>
General Government	Building Applications, Permits and Fees, Business License, Fund Receipts, and Cemetery Receipts
Public Safety	Grant Revenue
Judicial and Court Related	Court Cost and Fines
Transportation	Grant Receipts
Public Health	Landfill Receipts
Culture and Recreation	Pavilion Permits, Gate and Concession Stand Receipts

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

F. Internal and Interfund Balances and Activities:

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

G. Unemployment Insurance:

The City has elected to reimburse the state of Missouri for any unemployment claims paid instead of making quarterly contributions to the state.

H. Vacation and Sick Pay:

The City permits employees to accumulate a limited amount of earned but unused vacation and sick leave. Vacation time and sick leave are considered as expenditures in the year paid. Compensation will not be paid in lieu of actually taking a vacation. Accumulated vacation time is paid if employment is terminated. The accrued vacation time payable is not recorded in the financial statements since the cash basis of accounting is employed. Although the possibility that all employees will terminate in the upcoming year is remote, management estimates the potential liability at December 31, 2014 would have been \$65,329.

I. Total Columns on Combined Fund Financial Statements:

Total columns on the combined statements are captioned “Memorandum Only” to indicate that they are presented for analytical purposes only. Amounts in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither are these amounts comparable to a consolidation. Interfund eliminations have not been made in computing these amounts.

J. Revenue Recognition - Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes levied November 1 become delinquent January 1 of the following year. Property tax rates for 2014 were levied on August 18, 2014. Taxes recorded in these financial statements are from the 2013 and prior tax levies.

K. Non-Cash Transactions:

Capital assets of the Proprietary Funds are often acquired by an appropriate fund with available cash. The value of these assets is then transferred to the Operations and Maintenance Funds where they are capitalized.

L. Deposits:

City officials have not adopted formal investment policies for City monies. However, the City has determined through experience that NOW accounts, passbook savings accounts, money market accounts, and certificates of deposit are appropriate types of accounts or instruments for its needs.

The City maintains at least one separate cash account for each fund. Each fund type's cash is displayed on the combined statement of assets, liabilities, and fund balances arising from cash transactions as "Cash" and "Restricted Cash" under each fund's caption. The deposits held at December 31, 2014 are as follows:

Deposits	
Demand Deposits	\$ 6,014,106
Interest Bearing Deposit Accounts	<u>25,832,315</u>
Total Deposits	<u>\$ 31,846,421</u>

The City holds petty cash of \$408.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2014, the bank balance was \$31,960,116 and there was no exposure to custodial credit risk.

Reconciliation to Statement of Net Position:	
Cash, Book Balance	\$ 31,846,013
Petty Cash	<u>408</u>
Cash, Statement of Net Position	<u>\$ 31,846,421</u>

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 3, 2015, the date the financial statements were available to be issued.

2. RETIREMENT PLAN

A. Plan Description:

The City of Jackson participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status:

Full-time employees of the City of Jackson do not contribute to the pension plan. The June 30th statutorily required contribution rates are 12.9% (General), 14.4% (Police), and 14.3% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO):

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$	633,794
Interest on net pension obligation		12,606
Adjustment to annual required contribution		<u>(9,968)</u>
Annual pension cost		636,432
Actual contributions		<u>624,287</u>
Increase (decrease) in NPO		12,145
NPO beginning of year		<u>173,877</u>
NPO end of year	\$	<u>186,022</u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 30 years for the General division, 23 years for the Police division, and 30 years for the Fire division. The amortization period as of February 28, 2013 was 30 years for the General division, 22 years for the Police division, and 30 years for the Fire division.

Three-Year Trend Information

Year Ended <u>June 30</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2012	\$ 529,361	84.6%	\$ 140,209
2013	688,956	95.1	173,877
2014	636,432	98.1	186,022

3. LONG-TERM DEBT

Missouri statutes limit the amount of general obligation debt that a city can issue to a percentage of the total assessed value of taxable property located within that city's boundaries. The legal debt margin for the City of Jackson is \$41,694,504.

Long-term debt outstanding at December 31, 2014 consisted of the following:

A. Business-Type Activities:

Certificates of Participation Series 2013	\$ 1,465,000
Certificates of Participation Series 2006	1,040,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2002A	2,120,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2000A	225,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2000B	735,000
Combined Waterworks and Sewerage System Revenue Bonds Series 1999B	<u>1,335,000</u>
 Total	 <u>\$ 6,920,000</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2014:

Long-Term Debt, January 1, 2014	\$ 7,965,000
Additions	-0-
Retirements	<u>(1,045,000)</u>
Long-Term Debt, December 31, 2014	<u>\$ 6,920,000</u>

Schedules of bond retirement and interest by issue are as follows:

Certificates of Participation Series 2013 in the original amount of \$1,550,000, dated April 17, 2013. The outstanding balance due at December 31, 2014 was \$1,465,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05/1/2015			\$ 19,512	\$ 19,512
11/1/2015	2.000%	\$ 90,000	19,512	109,512
05/1/2016			18,612	18,612
11/1/2016	2.000%	90,000	18,612	108,612
05/1/2017			17,712	17,712
11/1/2017	2.000%	95,000	17,712	112,712
05/1/2018			16,762	16,762
11/1/2018	2.000%	100,000	16,762	116,762
05/1/2019			15,762	15,762
11/1/2019	2.000%	100,000	15,762	115,762
05/1/2020			14,762	14,762
11/1/2020	2.500%	100,000	14,762	114,762
05/1/2021			13,512	13,512
11/1/2021	2.500%	100,000	13,512	113,512
05/1/2022			12,262	12,262
11/1/2022	2.500%	105,000	12,262	117,262
05/1/2023			10,950	10,950
11/1/2023	3.000%	105,000	10,950	115,950
05/1/2024			9,375	9,375
11/1/2024	3.000%	110,000	9,375	119,375
05/1/2025			7,725	7,725
11/1/2025	3.000%	110,000	7,725	117,725
05/1/2026			6,075	6,075
11/1/2026	3.375%	115,000	6,075	121,075
05/1/2027			4,134	4,134
11/1/2027	3.375%	120,000	4,134	124,134
05/1/2028			2,109	2,109
11/1/2028	3.375%	125,000	2,109	127,109
		<u>\$1,465,000</u>	<u>\$338,528</u>	<u>\$1,803,528</u>

Certificates of Participation Series 2006 in the original amount of \$1,455,000, dated December 1, 2006. The outstanding balance due at December 31, 2014 was \$1,040,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
03/01/15			\$ 23,790	\$ 23,790
09/01/15	4.375%	\$ 60,000	23,790	83,790
03/01/16			22,478	22,478
09/01/16	4.375%	65,000	22,478	87,478
03/01/17			21,056	21,056
09/01/17	4.375%	65,000	21,056	86,056
03/01/18			19,634	19,634
09/01/18	4.375%	70,000	19,634	89,634
03/01/19			18,102	18,102
09/01/19	4.375%	70,000	18,102	88,102
03/01/20			16,571	16,571
09/01/20	4.375%	70,000	16,571	86,571
03/01/21			15,040	15,040
09/01/21	4.700%	80,000	15,040	95,040
03/01/22			13,160	13,160
09/01/22	4.700%	80,000	13,160	93,160
03/01/23			11,280	11,280
09/01/23	4.700%	85,000	11,280	96,280
03/01/24			9,282	9,282
09/01/24	4.700%	90,000	9,282	99,282
03/01/25			7,168	7,168
09/01/25	4.700%	95,000	7,168	102,168
03/01/26			4,935	4,935
09/01/26	4.700%	<u>210,000</u>	<u>4,935</u>	<u>214,935</u>
		<u>\$1,040,000</u>	<u>\$ 364,992</u>	<u>\$1,404,992</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2002A in the original amount of \$4,245,000, dated May 1, 2002. The outstanding balance due at December 31, 2014 was \$2,120,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/15	4.650%	\$ 220,000	\$ 54,628	\$ 274,628
07/01/15			49,513	49,513
01/01/16	5.375%	220,000	49,513	269,513
07/01/16			43,601	43,601
01/01/17	5.375%	225,000	43,601	268,601
07/01/17			37,554	37,554
01/01/18	5.375%	230,000	37,554	267,554
07/01/18			31,373	31,373

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/19	5.375%	\$ 230,000	\$ 31,373	\$ 261,373
07/01/19			25,191	25,191
01/01/20	5.000%	250,000	25,191	275,191
07/01/20			18,941	18,941
01/01/21	5.000%	240,000	18,941	258,941
07/01/21			12,941	12,941
01/01/22	5.100%	250,000	12,941	262,941
07/01/22			6,566	6,566
01/01/23	5.150%	<u>255,000</u>	<u>6,566</u>	<u>261,566</u>
		<u>\$2,120,000</u>	<u>\$ 505,988</u>	<u>\$2,625,988</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000A in the original amount of \$995,000, dated April 1, 2000. The outstanding balance due at December 31, 2014 was \$225,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/15			\$ 6,318	\$ 6,318
07/01/15	5.750%	\$ 75,000	6,318	81,318
01/01/16			4,161	4,161
07/01/16	5.500%	75,000	4,161	79,161
01/01/17			2,099	2,099
07/01/17	5.550%	30,000	2,099	32,099
01/01/18			1,266	1,266
07/01/18	5.600%	25,000	1,266	26,266
01/01/19			566	566
07/01/19	5.650%	15,000	566	15,566
01/01/20			143	143
07/01/20	5.700%	<u>5,000</u>	<u>143</u>	<u>5,143</u>
		<u>\$225,000</u>	<u>\$ 29,106</u>	<u>\$254,106</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000B in the original amount of \$1,895,000, dated November 1, 2000. The outstanding balance due at December 31, 2014 was \$735,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/15			\$ 20,138	\$ 20,138
07/01/15	5.625%	\$ 110,000	20,138	130,138
01/01/16			17,044	17,044
07/01/16	5.625%	115,000	17,044	132,044
01/01/17			13,810	13,810
07/01/17	5.300%	120,000	13,810	133,810
01/01/18			10,630	10,630
07/01/18	5.400%	\$ 125,000	\$ 10,630	\$ 135,630
01/01/19			7,255	7,255
07/01/19	5.450%	130,000	7,255	137,255
01/01/20			3,713	3,713

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
07/01/20	5.500%	<u>135,000</u>	<u>3,713</u>	<u>138,713</u>
		<u>\$ 735,000</u>	<u>\$145,180</u>	<u>\$ 880,180</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1999B in the original amount of \$3,405,000, dated November 18, 1999. The outstanding balance due at December 31, 2014 was \$1,335,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/15			\$ 37,769	\$ 37,769
07/01/15	5.500%	\$ 170,000	37,769	207,769
01/01/16			33,094	33,094
07/01/16	5.625%	175,000	33,094	208,094
01/01/17			28,172	28,172
07/01/17	5.625%	225,000	28,172	253,172
01/01/18			21,844	21,844
07/01/18	5.625%	240,000	21,844	261,844
01/01/19			15,094	15,094
07/01/19	5.750%	255,000	15,094	270,094
01/01/20			7,763	7,763
07/01/20	5.750%	<u>270,000</u>	<u>7,763</u>	<u>277,763</u>
		<u>\$1,335,000</u>	<u>\$ 287,472</u>	<u>\$1,622,472</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Governmental Activities</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Governmental Activities:				
Capital Assets not being Depreciated:				
Land, Improvements, and				
Construction in Progress	\$ 2,259,477	\$ 869,116	\$ -0-	\$ 3,128,593
Other Assets	<u>44,714,659</u>	<u>438,004</u>	<u>(894,593)</u>	<u>44,258,070</u>
Total Assets at Historical				
Cost	\$ 46,974,136	\$ 1,307,120	\$ (894,593)	\$47,386,663
Less Accumulated				
Depreciation	<u>(33,978,231)</u>	<u>(1,250,252)</u>	<u>894,223</u>	<u>(34,334,260)</u>
Capital Assets, Net	<u>\$ 12,995,905</u>	<u>\$ 56,868</u>	<u>\$ (370)</u>	<u>\$13,052,403</u>

	<u>Business-Type Activities</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Capital Assets not being Depreciated:				
Land, Improvements and				
Construction in Progress	\$ 1,388,252	\$ 407,824	\$(1,409,392)	\$ 386,684
Equipment	6,692,840	61,880	(1,397,735)	5,356,985
Plant	<u>68,153,370</u>	<u>1,573,462</u>	<u>-0-</u>	<u>69,726,832</u>
Total Assets at Historical				
Costs	\$ 76,234,462	\$2,043,166	\$(2,807,127)	\$75,470,501
Less Accumulated				
Depreciation	<u>(34,087,652)</u>	<u>(2,146,197)</u>	<u>1,104,652</u>	<u>(35,129,197)</u>
Capital Assets, Net	<u>\$ 42,146,810</u>	<u>\$ (103,031)</u>	<u>\$(1,702,475)</u>	<u>\$40,341,304</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 61,615
Public Safety	234,071
Judicial and Court Related	-0-
Transportation	879,652
Public Health	21,549
Culture and Recreation	<u>53,365</u>
Total Depreciation Expense	<u>\$ 1,250,252</u>

Business-Type Activities:

Electric System	\$ 679,766
Waterworks and Sewerage System	1,268,453
Wastewater System	<u>197,978</u>
Total Depreciation Expense	<u>\$ 2,146,197</u>

5. RESTRICTED FUNDS

Ordinances require that 60% of funds deposited to Water Surplus in the Water and Sewer Enterprise Account must be used to redeem bonds before maturity or to extend and improve the system. For the current year, the restricted amount is computed as follows:

60% of the Distribution of Net Operating	
Revenue for the Year Ended December 31, 2014	\$ 507,832
Amount, Subject to Above Restrictions, at	
December 31, 2013	<u>(921,937)</u>
Subtotal	\$ (414,105)
Less Amount Expended in Connection with Systems	<u>(399,279)</u>
Restricted Net Position-Water Surplus	<u>\$ -0-</u>

Restricted Net Position Balances are as follows:

Electric Capital Projects Accounts	\$2,797,931
Electric Reserve Account	130,000
Electric Debt Service Revenue Account	341,500
Water and Sewer Revenue Bond Account	568,374
Water and Sewer Depreciation Reserve Account	30,000
Water and Sewer Bond Reserve Account	161,079
Water and Sewer Contingent Account	30,000
Wastewater Replacement Account	<u>971,299</u>
Total Restricted Net Position	<u>\$5,030,183</u>

The following Government Fund Balance constraints are also in effect:

Nonspendable

Cemetery	\$ 332
Recreational Development	<u>71</u>
Total Nonspendable	<u>\$ 403</u>

Restricted

Road Use Tax	\$1,321,289
Transportation Sales Tax	3,705,400
Recreational Sales Tax	443,457
Fire Protection Sales Tax	3,333
Community Development Block Grant	500
General	<u>1,876</u>
Total Restricted	<u>\$5,475,855</u>

Committed

Storm Water Maintenance	\$ 201,106
I-55 Allocation	2,414,780
Inmate Security	1,829
Capital Projects	-0-
Cemetery	824,277
Library	178,431
City Park	91,352
Public Park Foundation	<u>7,051</u>
Total Committed	<u>\$3,718,826</u>

Assigned

Sales Tax	\$3,056,636
Landfill	211,897
Recreational Development	<u>112,699</u>
Total Assigned	<u>\$3,381,232</u>

6. RISKS OF LOSS

The City is exposed to risks of loss through claims on property owned, damage to property owned, official and employee liability, workers' compensation claims, and risk of loss of employee or individual injury. The City handles these risks of loss through the purchase of commercial insurance policies. There was no significant reduction in insurance coverage during the year. Claims have not exceeded coverage in each of the last three years.

The City is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2014, there were no significant adjustments in premiums based on actual experience.

7. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. NON-CASH TRANSACTIONS

The City purchased capital assets by an appropriate fund with available cash. The capital assets were transferred to the appropriate fund. The transfer resulted in a non-cash transaction.

Non-Cash transactions activity for the acquisition of property for the year ended December 31, 2014 was as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 86,337	\$ -0-
Electric Operation and Maintenance	64,809	-0-
Electric Surplus	-0-	151,146
Water and Sewer Construction	-0-	311,242
Water and Sewer Operations and Maintenance	343,015	-0-
Water and Sewer Surplus	-0-	31,773
Total	<u>\$494,161</u>	<u>\$494,161</u>

9. CONTINGENT LIABILITIES

The City, through issuance of infrastructure projects bills, guarantees 13 individual loans at the Bank of Missouri totaling \$96,646 as of December 31, 2014.

10. COMMITMENTS

During 2014, the City has awarded a contract for a community center building project totaling \$5,677,100. As of December 31, 2014, \$546,184 has been paid on the project. The project is expected to be completed during 2015.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 125 active and 2 retired members in the plan.

The medical/prescription drug coverage is provided through a fully-insured plan with United Healthcare. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees which results in an implicit subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$459 to \$503 for single coverage and a range from \$552 to \$978, depending on levels of coverage, for family coverage. The same monthly premiums apply to retirees. For the year ended December 31, 2014, the City contributed \$1,235,716 and plan members eligible for benefits contributed \$17,453 to the plan.

SUPPLEMENTAL INFORMATION

CITY OF JACKSON, MISSOURIBUDGETARY COMPARISON SCHEDULE - MODIFIED
CASH BASIS - GENERAL FUND

For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES:</u>				
Taxes	\$ 2,829,709	\$ 2,859,345	\$ 2,897,876	\$ 38,531
Grants and Contributions	75,048	76,896	87,243	10,347
Intergovernmental	3,271,683	3,271,683	3,959,594	687,911
Charges for Services	401,250	401,250	455,131	53,881
Use of Money and Property	16,925	16,925	15,915	(1,010)
Miscellaneous	363,450	363,450	463,997	100,547
TOTAL REVENUES	<u>\$ 6,958,065</u>	<u>\$ 6,989,549</u>	<u>\$ 7,879,756</u>	<u>\$ 890,207</u>
<u>EXPENDITURES:</u>				
General Government	\$ 2,956,140	\$ 2,967,349	\$ 2,461,149	\$ 506,200
Public Safety	3,272,878	3,280,166	3,154,127	126,039
Judiciary and Court Related	20,926	20,926	19,566	1,360
Transportation	658,510	658,510	641,030	17,480
Public Health	500,323	500,323	472,886	27,437
Culture and Recreation	635,674	635,674	579,059	56,615
TOTAL EXPENDITURES	<u>\$ 8,044,451</u>	<u>\$ 8,062,948</u>	<u>\$ 7,327,817</u>	<u>\$ 735,131</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,086,386)</u>	<u>\$ (1,073,399)</u>	<u>\$ 551,939</u>	<u>\$ 1,625,338</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In (Out)	<u>\$ 970,846</u>	<u>\$ 970,846</u>	<u>\$ 916,101</u>	<u>\$ (54,745)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 970,846</u>	<u>\$ 970,846</u>	<u>\$ 916,101</u>	<u>\$ (54,745)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u><u>\$ (115,540)</u></u>	<u><u>\$ (102,553)</u></u>	<u>\$ 1,468,040</u>	<u><u>\$ 1,570,593</u></u>
FUND BALANCE, January 1, 2014			<u>10,195,382</u>	
FUND BALANCE, December 31, 2014			<u><u>\$ 11,663,422</u></u>	

See Accompanying Notes to Budgetary Comparison Schedules.

CITY OF JACKSON, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2014

1. BUDGETARY INFORMATION

The Budgetary Comparison Schedules presented as required supplementary information present comparisons of legally adopted budgets with the actual data. Budgetary data is developed using the cash basis of accounting which is an accounting basis other than accounting principles generally accepted in the United States of America.

On December 16, 2013, a public hearing was held in connection with adoption of the proposed budget for 2014. Excess disbursements and transfers were formally approved by budget amendment by the Board of Aldermen on February 2, 2015.

CITY OF JACKSON, MISSOURIRETIREMENT PLAN - SCHEDULE OF FUNDING PROGRESS

For the Year Ended December 31, 2014

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2012	9,973,289	12,495,865	2,522,576	80%	4,046,644	62%
2/28/2013	11,556,887	13,320,314	1,763,427	87%	4,298,183	41%
2/28/2014	11,837,226	13,231,432	1,394,206	89%	4,327,986	32%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

ADDITIONAL SUPPLEMENTARY INFORMATION

EXHIBIT 1

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES - MODIFIED CASH BASIS - ALL GENERAL FUND DEPARTMENTS

December 31, 2014

	<u>General</u>	<u>Band</u>	<u>Cemetery</u>	<u>Landfill</u>	<u>Library</u>	<u>City Park</u>
<u>ASSETS</u>						
<u>CURRENT ASSETS:</u>						
Cash	\$ 3,175,109	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	1,876	-	824,277	211,897	178,708	91,674
Prepaid Expense	-	-	332	-	-	-
TOTAL ASSETS	<u>\$ 3,176,985</u>	<u>\$ -</u>	<u>\$ 824,609</u>	<u>\$ 211,897</u>	<u>\$ 178,708</u>	<u>\$ 91,674</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>CURRENT LIABILITIES:</u>						
Payroll Withholdings Payable	\$ 6,506	\$ -	\$ -	\$ -	\$ 28	\$ 322
Deferred Options Payable	10,000	-	-	-	-	-
Other Payables	130,770	-	-	-	249	-
TOTAL CURRENT LIABILITIES	<u>\$ 147,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277</u>	<u>\$ 322</u>
<u>LONG-TERM LIABILITIES:</u>						
Court Bonds Payable	\$ 1,723	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>\$ 148,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277</u>	<u>\$ 322</u>
<u>FUND BALANCES:</u>						
Nonspendable	\$ -	\$ -	\$ 332	\$ -	\$ -	\$ -
Restricted	1,876	-	-	-	-	-
Committed	-	-	824,277	-	178,431	91,352
Assigned	-	-	-	211,897	-	-
Unassigned	3,026,110	-	-	-	-	-
Total Fund Balances	<u>\$ 3,027,986</u>	<u>\$ -</u>	<u>\$ 824,609</u>	<u>\$ 211,897</u>	<u>\$ 178,431</u>	<u>\$ 91,352</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,176,985</u>	<u>\$ -</u>	<u>\$ 824,609</u>	<u>\$ 211,897</u>	<u>\$ 178,708</u>	<u>\$ 91,674</u>

See Independent Auditors' Report.

EXHIBIT 1

Public Park Foundation	Recreational Development	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Community Development Block Grant	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,175,109
7,051	112,699	3,056,636	3,705,400	443,457	3,333	500	8,637,508
-	71	-	-	-	-	-	403
<u>\$ 7,051</u>	<u>\$ 112,770</u>	<u>\$ 3,056,636</u>	<u>\$ 3,705,400</u>	<u>\$ 443,457</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,813,020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,856
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	131,019
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,875</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,723</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,598</u>
\$ -	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403
-	-	-	3,705,400	443,457	3,333	500	4,154,566
7,051	-	-	-	-	-	-	1,101,111
-	112,699	3,056,636	-	-	-	-	3,381,232
-	-	-	-	-	-	-	3,026,110
<u>\$ 7,051</u>	<u>\$ 112,770</u>	<u>\$ 3,056,636</u>	<u>\$ 3,705,400</u>	<u>\$ 443,457</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,663,422</u>
<u>\$ 7,051</u>	<u>\$ 112,770</u>	<u>\$ 3,056,636</u>	<u>\$ 3,705,400</u>	<u>\$ 443,457</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,813,020</u>

See Independent Auditors' Report.

EXHIBIT 2

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - ALL GENERAL FUND DEPARTMENTS

For the Year Ended December 31, 2014

	General	Band	Cemetery	Landfill	Library	City Park
REVENUES:						
Taxes	\$ 1,781,565	\$ 148,016	\$ 148,016	\$ -	\$ 63,568	\$ 240,769
Grants and Contributions	82,461	-	-	-	-	-
Intergovernmental	48,377	6,242	6,242	-	10,153	10,154
Charges for Services	279,310	-	73,250	47,928	-	7,690
Use of Money and Property	7,492	-	1,233	315	-	229
Miscellaneous	460,231	-	-	-	-	230
TOTAL REVENUES	\$ 2,659,436	\$ 154,258	\$ 228,741	\$ 48,243	\$ 73,721	\$ 259,072
EXPENDITURES:						
General Government	\$ 1,679,893	\$ -	\$ 118,155	\$ -	\$ -	\$ -
Public Safety	3,154,127	-	-	-	-	-
Judiciary and Court Related	19,566	-	-	-	-	-
Transportation	641,030	-	-	-	-	-
Public Health	335,080	-	-	137,806	-	-
Culture and Recreation	-	152,137	-	-	444	316,436
TOTAL EXPENDITURES	\$ 5,829,696	\$ 152,137	\$ 118,155	\$ 137,806	\$ 444	\$ 316,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,170,260)	\$ 2,121	\$ 110,586	\$ (89,563)	\$ 73,277	\$ (57,364)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In (Out)	\$ 3,429,776	\$ (2,121)	\$ (2,776)	\$ 91,000	\$ -	\$ 78,927
TOTAL OTHER FINANCING SOURCES (USES)	\$ 3,429,776	\$ (2,121)	\$ (2,776)	\$ 91,000	\$ -	\$ 78,927
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 259,516	\$ -	\$ 107,810	\$ 1,437	\$ 73,277	\$ 21,563
FUND BALANCE, January 1, 2014	2,768,470	-	716,799	210,460	105,154	69,789
FUND BALANCE, December 31, 2014	<u>\$ 3,027,986</u>	<u>\$ -</u>	<u>\$ 824,609</u>	<u>\$ 211,897</u>	<u>\$ 178,431</u>	<u>\$ 91,352</u>

See Independent Auditors' Report.

EXHIBIT 2

Public Park Foundation	Recreational Development	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Community Development Block Grant	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,942	\$ -	\$ 2,897,876
1,684	3,098	-	-	-	-	-	87,243
-	-	2,210,489	1,153,503	514,434	-	-	3,959,594
-	46,953	-	-	-	-	-	455,131
-	135	2,568	3,943	-	-	-	15,915
-	-	2,336	-	1,200	-	-	463,997
<u>\$ 1,684</u>	<u>\$ 50,186</u>	<u>\$ 2,215,393</u>	<u>\$ 1,157,446</u>	<u>\$ 515,634</u>	<u>\$ 515,942</u>	<u>\$ -</u>	<u>\$ 7,879,756</u>
\$ -	\$ -	\$ 104,701	\$ 551,200	\$ 7,200	\$ -	\$ -	\$ 2,461,149
-	-	-	-	-	-	-	3,154,127
-	-	-	-	-	-	-	19,566
-	-	-	-	-	-	-	641,030
-	-	-	-	-	-	-	472,886
1,822	105,567	-	-	2,653	-	-	579,059
<u>\$ 1,822</u>	<u>\$ 105,567</u>	<u>\$ 104,701</u>	<u>\$ 551,200</u>	<u>\$ 9,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,327,817</u>
\$ (138)	\$ (55,381)	\$ 2,110,692	\$ 606,246	\$ 505,781	\$ 515,942	\$ -	\$ 551,939
<u>\$ -</u>	<u>\$ 19,851</u>	<u>\$ (1,619,935)</u>	<u>\$ (379,353)</u>	<u>\$ (183,326)</u>	<u>\$ (515,942)</u>	<u>\$ -</u>	<u>\$ 916,101</u>
<u>\$ -</u>	<u>\$ 19,851</u>	<u>\$ (1,619,935)</u>	<u>\$ (379,353)</u>	<u>\$ (183,326)</u>	<u>\$ (515,942)</u>	<u>\$ -</u>	<u>\$ 916,101</u>
\$ (138)	\$ (35,530)	\$ 490,757	\$ 226,893	\$ 322,455	\$ -	\$ -	\$ 1,468,040
7,189	148,300	2,565,879	3,478,507	121,002	3,333	500	10,195,382
<u>\$ 7,051</u>	<u>\$ 112,770</u>	<u>\$ 3,056,636</u>	<u>\$ 3,705,400</u>	<u>\$ 443,457</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,663,422</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND
BALANCES - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Inmate Security Fund	Capital Projects Fund	Total
<u>ASSETS</u>						
<u>CURRENT ASSETS:</u>						
Cash	\$ 1,321,289	\$ 201,106	\$ 2,414,780	\$ 1,829	-	\$ 3,939,004
TOTAL ASSETS	\$ 1,321,289	\$ 201,106	\$ 2,414,780	\$ 1,829	\$ -	\$ 3,939,004
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE:</u>						
Restricted	\$ 1,321,289	\$ -	\$ -	\$ -	\$ -	\$ 1,321,289
Committed	-	201,106	2,414,780	1,829	-	2,617,715
TOTAL FUND BALANCE	\$ 1,321,289	\$ 201,106	\$ 2,414,780	\$ 1,829	\$ -	\$ 3,939,004
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,321,289	\$ 201,106	\$ 2,414,780	\$ 1,829	\$ -	\$ 3,939,004

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Inmate Security Fund	Capital Projects Fund	Totals
<u>REVENUES:</u>						
Taxes	\$ -	\$ -	\$ 291,976	\$ -	\$ -	\$ 291,976
Intergovernmental	518,793	-	-	-	-	518,793
Charges for Services	-	-	-	2,846	-	2,846
Grants and Contributions	60,366	-	-	-	745,918	806,284
Use of Money and Property	3,100	-	1,840	-	-	4,940
Miscellaneous	-	7,112	-	-	-	7,112
TOTAL REVENUES	\$ 582,259	\$ 7,112	\$ 293,816	\$ 2,846	\$ 745,918	\$ 1,631,951
<u>EXPENDITURES:</u>						
Transportation	\$ 339,782	\$ -	\$ 1,024	\$ -	\$ -	\$ 340,806
Public Safety	-	-	-	1,648	-	1,648
Culture and Recreation	-	-	-	-	745,927	745,927
TOTAL EXPENDITURES	\$ 339,782	\$ -	\$ 1,024	\$ 1,648	\$ 745,927	\$ 1,088,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 242,477	\$ 7,112	\$ 292,792	\$ 1,198	\$ (9)	\$ 543,570
<u>OTHER FINANCING SOURCES (USES):</u>						
Operating Transfers In	\$ -	\$ -	\$ 223,940	\$ -	\$ -	\$ 223,940
Operating Transfers (Out)	(230,000)	-	-	-	-	(230,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (230,000)	\$ -	\$ 223,940	\$ -	\$ -	\$ (6,060)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 12,477	\$ 7,112	\$ 516,732	\$ 1,198	\$ (9)	\$ 537,510
FUND BALANCE, January 1, 2014	1,308,812	193,994	1,898,048	631	9	3,401,494
FUND BALANCE, December 31, 2014	\$ 1,321,289	\$ 201,106	\$ 2,414,780	\$ 1,829	\$ -	\$ 3,939,004

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF NET POSITION - MODIFIED
CASH BASIS - ENTERPRISE FUNDS

December 31, 2014

<u>ASSETS</u>	<u>Electric System</u>	<u>Waterworks and Sewerage System</u>	<u>Wastewater System</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>				
Cash	\$ 8,741,518	\$ 4,836,415	\$ -	\$ 13,577,933
Restricted Cash	471,500	788,290	971,299	2,231,089
Bond Premium, Current Portion	-	1,627	-	1,627
Prepaid Expense	358	26,721	-	27,079
Due from Others	350,187	(350,187)	-	-
Total Current Assets	<u>\$ 9,563,563</u>	<u>\$ 5,302,866</u>	<u>\$ 971,299</u>	<u>\$ 15,837,728</u>
<u>CAPITAL ASSETS:</u>				
Capital Assets	\$ 23,367,699	\$ 38,475,058	\$ 13,464,905	\$ 75,307,662
Construction in Progress	64,809	98,030	-	162,839
Less: Accumulated Depreciation	(9,655,198)	(16,554,027)	(8,919,972)	(35,129,197)
Total Capital Assets, Net	<u>\$ 13,777,310</u>	<u>\$ 22,019,061</u>	<u>\$ 4,544,933</u>	<u>\$ 40,341,304</u>
<u>OTHER ASSETS:</u>				
Bond Premium, Long-Term Portion	\$ -	\$ 17,894	\$ -	\$ 17,894
TOTAL ASSETS	<u>\$ 23,340,873</u>	<u>\$ 27,339,821</u>	<u>\$ 5,516,232</u>	<u>\$ 56,196,926</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Payroll Withholdings Payable	\$ -	\$ 182	\$ 452	\$ 634
Taxes Payable	7,021	-	-	7,021
Certificate of Participation, Current Portion	-	60,000	-	60,000
Bonds Payable, Current Portion	-	665,000	-	665,000
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016
Due To Other Funds	-	-	-	-
Total Current Liabilities	<u>\$ 7,021</u>	<u>\$ 728,198</u>	<u>\$ 452</u>	<u>\$ 735,671</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits	\$ 335,077	\$ -	\$ -	\$ 335,077
Certificate of Participation, Long-Term Portion	-	980,000	-	980,000
Bonds Payable, Long-Term Portion	-	5,215,000	-	5,215,000
Discount on Revenue Bonds, Long-Term Portion	-	18,358	-	18,358
Total Long-Term Liabilities	<u>\$ 335,077</u>	<u>\$ 6,213,358</u>	<u>\$ -</u>	<u>\$ 6,548,435</u>
TOTAL LIABILITIES	<u>\$ 342,098</u>	<u>\$ 6,941,556</u>	<u>\$ 452</u>	<u>\$ 7,284,106</u>
<u>NET POSITION</u>				
Invested in Capital Assets, Net of Related Debt	\$ 13,777,310	\$ 15,099,061	\$ 4,544,933	\$ 33,421,304
Unrestricted	5,952,034	4,509,751	(452)	10,461,333
Restricted	3,269,431	789,453	971,299	5,030,183
TOTAL NET POSITION	<u>\$ 22,998,775</u>	<u>\$ 20,398,265</u>	<u>\$ 5,515,780</u>	<u>\$ 48,912,820</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - MODIFIED CASH BASIS - ENTERPRISE FUNDS

For the Year Ended December 31, 2014

	Electric System	Waterworks and Sewerage System	Wastewater System	Total
<u>OPERATING REVENUES:</u>				
Electric System	\$ 16,582,213	\$ -	\$ -	\$ 16,582,213
Waterworks and Sewerage System	-	1,704,958	-	1,704,958
Wastewater System	-	-	1,954,759	1,954,759
Total Operating Revenues	\$ 16,582,213	\$ 1,704,958	\$ 1,954,759	\$ 20,241,930
<u>OPERATING EXPENSES:</u>				
Electric Power Plant	\$ 13,504,148	\$ -	\$ -	\$ 13,504,148
Electric Line Construction and Maintenance	1,361,921	-	-	1,361,921
Water Plant	-	238,267	-	238,267
Water Line Construction and Maintenance	-	1,103,384	-	1,103,384
Wastewater Operations	-	-	648,102	648,102
General	196,170	101,411	-	297,581
Depreciation	679,766	1,268,453	197,978	2,146,197
Total Operating Expenses	\$ 15,742,005	\$ 2,711,515	\$ 846,080	\$ 19,299,600
OPERATING INCOME (LOSS)	\$ 840,208	\$ (1,006,557)	\$ 1,108,679	\$ 942,330
<u>NON-OPERATING REVENUES</u>				
<u>(EXPENSES):</u>				
Interest Income	\$ 21,015	\$ 29,992	\$ 2,466	\$ 53,473
Grants and Contributions	8,627	81,985	73,458	164,070
Premium Amortization	-	3,017	-	3,017
Gain/(Loss) on Disposal of Capital Asset	(248,267)	(21,438)	-	(269,705)
Miscellaneous	15,587	(1,627)	-	13,960
Amortization Expense	(12,488)	-	-	(12,488)
Interest Expense	(14,200)	(202,531)	-	(216,731)
Storm Damage Expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	\$ (229,726)	\$ (110,602)	\$ 75,924	\$ (264,404)
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 610,482	\$ (1,117,159)	\$ 1,184,603	\$ 677,926
<u>TRANSFERS & CAPITAL CONTRIBUTIONS:</u>				
Transfers In (Out)	(788,306)	(282,736)	136,845	(934,197)
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	\$ (788,306)	\$ (282,736)	\$ 136,845	\$ (934,197)
INCREASE (DECREASE) IN NET POSITION	\$ (177,824)	\$ (1,399,895)	\$ 1,321,448	\$ (256,271)
NET POSITION, January 1, 2014	23,176,599	21,798,160	4,194,332	49,169,091
NET POSITION, December 31, 2014	\$ 22,998,775	\$ 20,398,265	\$ 5,515,780	\$ 48,912,820

See Independent Auditors' Report.

EXHIBIT 7

CITY OF JACKSON, MISSOURICOMBINING STATEMENT OF NET POSITION - MODIFIED
CASH BASIS - ELECTRIC SYSTEM ENTERPRISE FUNDS

December 31, 2014

<u>ASSETS</u>	<u>Electric Operations and Maintenance Fund</u>	<u>Electric Reserve Fund</u>	<u>Electric Surplus Fund</u>
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ 5,943,587
Restricted Cash	-	130,000	-
Bond Premium, Current Portion	-	-	-
Prepaid Expense	358	-	-
Due from Other Funds	187	-	350,000
Total Current Assets	<u>\$ 545</u>	<u>\$ 130,000</u>	<u>\$ 6,293,587</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 23,367,699	\$ -	\$ -
Construction in Progress	64,809	-	-
Less: Accumulated Depreciation	(9,655,198)	-	-
Total Capital Assets, Net	<u>\$ 13,777,310</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 13,777,855</u>	<u>\$ 130,000</u>	<u>\$ 6,293,587</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Taxes Payable	\$ 7,021	\$ -	\$ -
Bonds Payable, Current Portion	-	-	-
Total Current Liabilities	<u>\$ 7,021</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Customer Deposits	\$ -	\$ -	\$ 335,077
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,077</u>
TOTAL LIABILITIES	<u>\$ 7,021</u>	<u>\$ -</u>	<u>\$ 335,077</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 13,777,310	\$ -	\$ -
Unrestricted	(6,476)	-	5,958,510
Restricted	-	130,000	-
TOTAL NET POSITION	<u>\$ 13,770,834</u>	<u>\$ 130,000</u>	<u>\$ 5,958,510</u>

See Independent Auditors' Report.

EXHIBIT 7

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ 2,797,931	\$ 8,741,518
-	341,500	-	471,500
-	-	-	-
-	-	-	358
-	-	-	350,187
<u>\$ -</u>	<u>\$ 341,500</u>	<u>\$ 2,797,931</u>	<u>\$ 9,563,563</u>
\$ -	\$ -	\$ -	\$ 23,367,699
-	-	-	64,809
-	-	-	(9,655,198)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,777,310</u>
<u>\$ -</u>	<u>\$ 341,500</u>	<u>\$ 2,797,931</u>	<u>\$ 23,340,873</u>
\$ -	\$ -	\$ -	\$ 7,021
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,021</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,077</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,077</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,098</u>
\$ -	\$ -	\$ -	\$ 13,777,310
-	-	-	5,952,034
-	341,500	2,797,931	3,269,431
<u>\$ -</u>	<u>\$ 341,500</u>	<u>\$ 2,797,931</u>	<u>\$ 22,998,775</u>

See Independent Auditors' Report.

EXHIBIT 8

CITY OF JACKSON, MISSOURICOMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - ELECTRIC SYSTEM ENTERPRISE FUNDS

For the Year Ended December 31, 2014

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
<u>OPERATING REVENUES:</u>			
Collection of Electric Billings	\$ 16,455,965	\$ -	\$ -
URD Services	38,372	-	-
Cable TV-Pole Rent	55,156	-	-
Connection Charges	<u>32,720</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>\$ 16,582,213</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Electric Power Plant	\$ 13,504,148	\$ -	\$ -
Electric Line Construction and Maintenance	994,628	-	175,897
General	196,170	-	-
Depreciation	<u>679,766</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>\$ 15,374,712</u>	<u>\$ -</u>	<u>\$ 175,897</u>
OPERATING INCOME (LOSS)	<u>\$ 1,207,501</u>	<u>\$ -</u>	<u>\$ (175,897)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 21,015	\$ -	\$ -
Insurance Proceeds	-	-	-
Grants and Contributions	8,627	-	-
Gain/(Loss) on Disposal of Capital Asset	(248,267)	-	-
Miscellaneous	15,587	-	-
Amortization Expense	-	-	-
Interest Expense	-	-	-
Storm Damage Expense	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES) BEFORE TRANSFERS	<u>\$ (203,038)</u>	<u>\$ -</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 1,004,463	\$ -	\$ (175,897)
TRANSFERS IN (OUT)	<u>(1,826,687)</u>	<u>-</u>	<u>669,181</u>
CHANGE IN NET POSITION	\$ (822,224)	\$ -	\$ 493,284
NET POSITION, January 1, 2014	<u>14,593,058</u>	<u>130,000</u>	<u>5,465,226</u>
NET POSITION, December 31, 2014	<u>\$ 13,770,834</u>	<u>\$ 130,000</u>	<u>\$ 5,958,510</u>

See Independent Auditors' Report.

EXHIBIT 8

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ -	\$ 16,455,965
-	-	-	38,372
-	-	-	55,156
-	-	-	32,720
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,582,213</u>
\$ -	\$ -	\$ -	\$ 13,504,148
-	-	191,396	1,361,921
-	-	-	196,170
-	-	-	679,766
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,396</u>	<u>\$ 15,742,005</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191,396)</u>	<u>\$ 840,208</u>
\$ -	\$ -	\$ -	\$ 21,015
-	-	-	-
-	-	-	8,627
-	-	-	(248,267)
-	-	-	15,587
(12,488)	-	-	(12,488)
(14,200)	-	-	(14,200)
-	-	-	-
<u>\$ (26,688)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,726)</u>
\$ (26,688)	\$ -	\$ (191,396)	\$ 610,482
369,200	-	-	(788,306)
\$ 342,512	\$ -	\$ (191,396)	\$ (177,824)
<u>(342,512)</u>	<u>341,500</u>	<u>2,989,327</u>	<u>23,176,599</u>
<u>\$ -</u>	<u>\$ 341,500</u>	<u>\$ 2,797,931</u>	<u>\$ 22,998,775</u>

See Independent Auditors' Report.

EXHIBIT 9

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF NET POSITION - MODIFIED
CASH BASIS - WATERWORKS AND SEWERAGE ENTERPRISE FUNDS

December 31, 2014

<u>ASSETS</u>	<u>Waterworks and Sewerage Operations and Maintenance Fund</u>	<u>Water and Sewer Revenue Bond Fund</u>	<u>Water and Sewer Depreciation Reserve Fund</u>
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ -
Restricted Cash	-	567,211	30,000
Prepaid Expense	26,721	-	-
Bond Premium, Current Portion	-	1,627	-
Total Current Assets	<u>\$ 26,721</u>	<u>\$ 568,838</u>	<u>\$ 30,000</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 38,475,058	\$ -	\$ -
Construction in Progress	98,030	-	-
Less: Accumulated Depreciation	(16,554,027)	-	-
Total Capital Assets	<u>\$ 22,019,061</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTHER ASSETS:</u>			
Bond Premiums	\$ -	\$ 17,894	\$ -
TOTAL ASSETS	<u>\$ 22,045,782</u>	<u>\$ 586,732</u>	<u>\$ 30,000</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 182	\$ -	\$ -
Certificate of Participation, Current Portion	-	60,000	-
Bonds Payable, Current Portion	-	665,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-
Due to Other Funds	187	-	-
Total Current Liabilities	<u>\$ 369</u>	<u>\$ 728,016</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Certificate of Participation, Long-Term Portion	\$ -	\$ 980,000	\$ -
Bonds Payable, Long-Term Portion	-	5,215,000	-
Discount on Revenue Bonds, Long-Term Portion	-	18,358	-
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 6,213,358</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 369</u>	<u>\$ 6,941,374</u>	<u>\$ -</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 22,019,061	\$ (6,920,000)	\$ -
Unrestricted	26,352	(3,016)	-
Restricted	-	568,374	30,000
TOTAL NET POSITION	<u>\$ 22,045,413</u>	<u>\$ (6,354,642)</u>	<u>\$ 30,000</u>

See Independent Auditors' Report.

EXHIBIT 9

Water and Sewer Bond Reserve Fund	Water and Sewer Contingent Fund	Water and Sewer Surplus Fund	Water and Sewer Replacement Fund	Water and Sewer Construction Fund	Total
\$ -	\$ -	\$ 3,398,431	\$ 403,878	\$ 1,034,106	\$ 4,836,415
161,079	30,000	-	-	-	788,290
-	-	-	-	-	26,721
-	-	-	-	-	1,627
<u>\$ 161,079</u>	<u>\$ 30,000</u>	<u>\$ 3,398,431</u>	<u>\$ 403,878</u>	<u>\$ 1,034,106</u>	<u>\$ 5,653,053</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,475,058
-	-	-	-	-	98,030
-	-	-	-	-	(16,554,027)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,019,061</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,894
<u>\$ 161,079</u>	<u>\$ 30,000</u>	<u>\$ 3,398,431</u>	<u>\$ 403,878</u>	<u>\$ 1,034,106</u>	<u>\$ 27,690,008</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182
-	-	-	-	-	60,000
-	-	-	-	-	665,000
-	-	-	-	-	3,016
-	-	-	-	350,000	350,187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 1,078,385</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,000
-	-	-	-	-	5,215,000
-	-	-	-	-	18,358
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,213,358</u>
\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 7,291,743
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,099,061
-	-	3,398,431	403,878	684,106	4,509,751
161,079	30,000	-	-	-	789,453
<u>\$ 161,079</u>	<u>\$ 30,000</u>	<u>\$ 3,398,431</u>	<u>\$ 403,878</u>	<u>\$ 684,106</u>	<u>\$ 20,398,265</u>

See Independent Auditors' Report.

EXHIBIT 10

CITY OF JACKSON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION - MODIFIED CASH BASIS - WATERWORKS AND SEWERAGE ENTERPRISE FUNDS

For the Year Ended December 31, 2014

	Waterworks and Sewerage Operations and Maintenance Fund	Water and Sewer Revenue Bond Fund	Water and Sewer Depreciation Reserve Fund
<u>OPERATING REVENUES:</u>			
Collection of Water Billings	\$ 1,629,654	\$ -	\$ -
Sale of Water at Plant	6,543	-	-
Water Taps, Meters and Boxes	<u>68,761</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>\$ 1,704,958</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Water Plant	\$ 238,267	\$ -	\$ -
Water Line Construction and Maintenance	550,219	-	-
General	101,411	-	-
Depreciation	<u>1,268,453</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>\$ 2,158,350</u>	<u>\$ -</u>	<u>\$ -</u>
OPERATING INCOME (LOSS)	<u>\$ (453,392)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 10,346	\$ 18,877	\$ -
Premium Amortization	-	3,016	-
Gain/(Loss) on Disposal of Capital Asset	(21,438)	-	-
Grants and Contributions	81,985	-	-
Miscellaneous	-	(1,627)	-
Interest Expense	<u>-</u>	<u>(202,531)</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 70,893</u>	<u>\$ (182,265)</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ (382,499)	\$ (182,265)	\$ -
TRANSFERS IN (OUT)	<u>(1,886,834)</u>	<u>883,615</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	\$ (2,269,333)	\$ 701,350	\$ -
NET POSITION, January 1, 2014	<u>24,314,746</u>	<u>(7,055,992)</u>	<u>30,000</u>
NET POSITION, December 31, 2014	<u>\$ 22,045,413</u>	<u>\$ (6,354,642)</u>	<u>\$ 30,000</u>

See Independent Auditors' Report.

EXHIBIT 10

Water and Sewer Bond Reserve Fund	Water and Sewer Contingent Fund	Water and Sewer Surplus Fund	Water and Sewer Replacement Fund	Water and Sewer Construction Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,629,654
-	-	-	-	-	6,543
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,761</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,704,958
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,267
-	-	367,506	8,429	177,230	1,103,384
-	-	-	-	-	101,411
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,268,453</u>
\$ -	\$ -	\$ 367,506	\$ 8,429	\$ 177,230	\$ 2,711,515
\$ -	\$ -	\$ (367,506)	\$ (8,429)	\$ (177,230)	\$ (1,006,557)
\$ 4	\$ -	\$ -	\$ 1	\$ 764	\$ 29,992
1	-	-	-	-	3,017
-	-	-	-	-	(21,438)
-	-	-	-	-	81,985
-	-	-	-	-	(1,627)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,531)</u>
\$ 5	\$ -	\$ -	\$ 1	\$ 764	\$ (110,602)
\$ 5	\$ -	\$ (367,506)	\$ (8,428)	\$ (176,466)	\$ (1,117,159)
<u>(11)</u>	<u>-</u>	<u>814,615</u>	<u>42,121</u>	<u>(136,242)</u>	<u>(282,736)</u>
\$ (6)	\$ -	\$ 447,109	\$ 33,693	\$ (312,708)	\$ (1,399,895)
<u>161,085</u>	<u>30,000</u>	<u>2,951,322</u>	<u>370,185</u>	<u>996,814</u>	<u>21,798,160</u>
\$ <u>161,079</u>	\$ <u>30,000</u>	\$ <u>3,398,431</u>	\$ <u>403,878</u>	\$ <u>684,106</u>	\$ <u>20,398,265</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURICOMBINING STATEMENT OF NET POSITION - MODIFIED
CASH BASIS - WASTEWATER SYSTEM ENTERPRISE FUNDS

December 31, 2014

	<u>Wastewater Operations and Maintenance Fund</u>	<u>Wastewater Replacement Fund</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Restricted Cash	\$ -	\$ 971,299	\$ 971,299
Total Current Assets	<u>\$ -</u>	<u>\$ 971,299</u>	<u>\$ 971,299</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 13,464,905	\$ -	\$ 13,464,905
Less: Accumulated Depreciation	<u>(8,919,972)</u>	<u>-</u>	<u>(8,919,972)</u>
Net Capital Assets	<u>\$ 4,544,933</u>	<u>\$ -</u>	<u>\$ 4,544,933</u>
TOTAL ASSETS	<u>\$ 4,544,933</u>	<u>\$ 971,299</u>	<u>\$ 5,516,232</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 452	\$ -	\$ 452
TOTAL LIABILITIES	<u>\$ 452</u>	<u>\$ -</u>	<u>\$ 452</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 4,544,933	\$ -	\$ 4,544,933
Unrestricted	(452)	-	(452)
Restricted	<u>-</u>	<u>971,299</u>	<u>971,299</u>
TOTAL NET POSITION	<u>\$ 4,544,481</u>	<u>\$ 971,299</u>	<u>\$ 5,515,780</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURICOMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - WASTEWATER SYSTEM ENTERPRISE FUNDS

For the Year Ended December 31, 2014

	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>OPERATING REVENUES:</u>			
Collection of Sewer Billings	\$ 1,954,309	\$ -	\$ 1,954,309
Industrial Discharge Permits	450	-	450
TOTAL OPERATING REVENUES	<u>\$ 1,954,759</u>	<u>\$ -</u>	<u>\$ 1,954,759</u>
<u>OPERATING EXPENSES:</u>			
Wastewater Operations	\$ 633,438	\$ 14,664	\$ 648,102
Depreciation	197,978	-	197,978
TOTAL OPERATING EXPENSES	<u>\$ 831,416</u>	<u>\$ 14,664</u>	<u>\$ 846,080</u>
OPERATING INCOME	<u>\$ 1,123,343</u>	<u>\$ (14,664)</u>	<u>\$ 1,108,679</u>
<u>NON-OPERATING REVENUES</u>			
<u>(EXPENSES):</u>			
Interest Income	\$ 2,466	\$ -	\$ 2,466
Capital Contributions	73,458	-	73,458
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 75,924</u>	<u>\$ -</u>	<u>\$ 75,924</u>
NET INCOME (LOSS) BEFORE TRANSFERS & CAPITAL CONTRIBUTIONS	\$ 1,199,267	\$ (14,664)	\$ 1,184,603
<u>TRANSFERS & CAPITAL CONTRIBUTIONS:</u>			
Transfers In (Out)	\$ 85,845	\$ 51,000	\$ 136,845
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>85,845</u>	<u>51,000</u>	<u>136,845</u>
INCREASE (DECREASE) IN NET POSITION	\$ 1,285,112	\$ 36,336	\$ 1,321,448
TOTAL NET POSITION, January 1, 2014	<u>3,259,369</u>	<u>934,963</u>	<u>4,194,332</u>
TOTAL NET POSITION, December 31, 2014	<u>\$ 4,544,481</u>	<u>\$ 971,299</u>	<u>\$ 5,515,780</u>

See Independent Auditors' Report.

JACKSON MUNICIPAL BAND
 (A Not-for-Profit Corporation)
Jackson, Missouri

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH
BALANCE - UNAUDITED - JACKSON MUNICIPAL BAND

For the Year Ended December 31, 2014

REVENUES COLLECTED:

Property Tax from City of Jackson	\$ 152,449	
Interest Income	<u>2,049</u>	
TOTAL REVENUES COLLECTED		\$ 154,498

EXPENSES PAID:

Band Director's Salary	\$ 8,000	
Concert Talent	3,800	
Instruments and Sound Equipment	6,091	
Music	1,558	
Uniforms	4,636	
Taxes	4,761	
Repairs and Maintenance	2,733	
Wages	50,120	
Utilities	286	
Advertising	4,452	
Insurance	955	
Other	<u>1,004</u>	
TOTAL EXPENSES PAID		<u>88,396</u>

EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENSES PAID	\$ 66,102
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CASH, January 1, 2014	<u>221,104</u>
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CASH, December 31, 2014	<u><u>\$ 287,206</u></u>
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See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Mayor and Board of Aldermen
City of Jackson, Missouri

Report on Compliance for Each Major Federal Program

We have audited the City of Jackson, Missouri's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Jackson, Missouri's major federal program for the year ended December 31, 2014. The City of Jackson, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Jackson, Missouri's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Jackson, Missouri'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 the major federal program. However, our audit does not provide a legal determination of the City of Jackson, Missouri's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Jackson, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the City of Jackson, Missouri 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 of Jackson, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 of Jackson, Missouri'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 a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

Beussink, Hey, Roe & Stroder, L.L.C.

Cape Girardeau, Missouri
June 3, 2015

CITY OF JACKSON, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 3,471
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ 3,471
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Passed-Through Missouri Department of Transportation - Highway Planning and Construction	20.205	STP-9900(064)	\$ 60,368
Highway Safety Clusters: Passed-Through University of Central Missouri - State and Community Highway Safety	20.600	14-154-AL-062 14-154-AL-074 14-OP-05-002	\$ 691 765 420
Passed-Through Missouri Department of Transportation - Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	14-154-AL-051 14-PT-02-048 15-154-AL-092 15-M5HVE-03-048 15-PT-02-112	\$ 2,906 2,941 906 1,000 775
TOTAL HIGHWAY SAFETY CLUSTER			\$ 8,528
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 70,772
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed-Through Missouri Department of Social Services - Low-Income Home Energy Assistance	93.568	130979000	\$ 23,691
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 23,691
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed-Through Missouri State Emergency Management Agency - Hazard Mitigation Grant Program (1)	97.039	FEMA-DR-1980-MO #0067	\$ 436,430
Passed-Through Missouri State Emergency Management Agency - Emergency Management Performance Grants	97.042	EMW-2014-EP-00005-052	14,140
Passed-Through Missouri State Emergency Management Agency - Assistance to Firefighters Grant	97.044	EMW-2012-FO-06887	3,159
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ 453,729
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 551,663

(1) Denotes Major Program.

The Accompanying Notes to Schedule of Expenditures of Federal Awards
are an Integral Part of the Report.

CITY OF JACKSON, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with OMB Circular A-133. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA) and identification of programs that have not been assigned a CFDA number as "Other Federal Assistance."

The Schedule includes all expenditures of federal awards administered by the City.

B. Basis of Presentation:

The Schedule is presented in accordance with OMB Circular A-133, which defines federal financial assistance "...assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

C. Basis of Accounting:

The Schedule is presented on the modified cash basis of accounting, which recognizes expenditures only when cash is disbursed. This is the same basis of accounting presented in the financial statements.

D. Subrecipients:

The City of Jackson, Missouri did not provide any of its federal assistance received to subrecipients.

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee: _____ yes X no

2. FINANCIAL STATEMENT FINDINGS:

No findings or questioned costs were noted that are required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No findings or questioned costs were noted that are required to be reported.