

CITY OF JACKSON, MISSOURI
Jackson, Missouri

For the Year Ended December 31, 2020

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page No.</u>
Independent Auditors' Report	1-3
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 <i>Government Auditing Standards</i>	4-5
 <u>BASIC FINANCIAL STATEMENTS</u>	
Statement 1 Statement of Net Position – Modified Cash Basis	6
Statement 2 Statement of Activities – Modified Cash Basis	7
Statement 3 Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Governmental Funds	8
Statement 3-A Reconciliation of the Statement of Assets, Liabilities, and Fund Balances to the Statement of Net Position – Governmental Funds	9
Statement 4 Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – Governmental Funds	10
Statement 4-A Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	11
Statement 5 Statement of Net Position – Modified Cash Basis – Proprietary Funds	12
Statement 6 Statement of Revenues, Expenses, and Changes in Fund Net Position – Modified Cash Basis – Proprietary Funds	13
Notes to Basic Financial Statements	14-31
 <u>SUPPLEMENTAL INFORMATION</u>	
Schedule 1 Budgetary Comparison Schedule – Modified Cash Basis – General Fund	32
Notes to Budgetary Comparison Schedule	33

ADDITIONAL SUPPLEMENTARY INFORMATION

Exhibit 1	Combining Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – All General Fund Departments	34
Exhibit 2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – All General Fund Departments	35
Exhibit 3	Combining Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Nonmajor Governmental Funds	36
Exhibit 4	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – Nonmajor Governmental Funds	37
Exhibit 5	Combining Statement of Net Position – Modified Cash Basis – Enterprise Funds	38
Exhibit 6	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Enterprise Funds	39
Exhibit 7	Combining Statement of Net Position – Modified Cash Basis – Electric System Enterprise Funds	40
Exhibit 8	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Electric System Enterprise Funds	41
Exhibit 9	Combining Statement of Net Position – Modified Cash Basis – Waterworks and Sewerage Enterprise Funds	42
Exhibit 10	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Waterworks and Sewerage Enterprise Funds	43
Exhibit 11	Combining Statement of Net Position – Modified Cash Basis – Wastewater System Enterprise Funds	44
Exhibit 12	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Wastewater System Enterprise Funds	45
Exhibit 13	Statement of Revenues, Expenses, and Changes in Cash Balance – Unaudited – Jackson Municipal Band	46

FEDERAL COMPLIANCE SECTION

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	47-49
Exhibit 14 Schedule of Expenditures of Federal Awards	50
Notes to the Schedule of Expenditures of Federal Awards	51
Exhibit 15 Schedule of Findings and Questioned Costs	52-54
Exhibit 16 Summary Schedule of Prior Audit Findings	55
Exhibit 17 Corrective Action Plan	56

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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

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, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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 this matter.

Other Matters

Other Information

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The budgetary comparison information, combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 April 29, 2021, 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 solely 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 the effectiveness of the City of Jackson, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jackson, 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

April 29, 2021

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, 2020, 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 April 29, 2021.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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

April 29, 2021

BASIC FINANCIAL STATEMENTS

STATEMENT 1

CITY OF JACKSON, MISSOURI

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2020

<u>ASSETS</u>	Governmental Activities	Business-Type Activities	Total
<u>Current Assets:</u>			
Cash	\$ 6,117,346	\$ 25,025,445	\$ 31,142,791
Restricted Cash	6,409,801	1,678,206	8,088,007
Prepaid Expense	264	23,801	24,065
Total Current Assets	\$ 12,527,411	\$ 26,727,452	\$ 39,254,863
<u>Capital Assets:</u>			
Land, Improvements, and Construction in Progress	\$ 2,685,195	\$ 5,681,020	\$ 8,366,215
Other Capital Assets, Net	25,679,992	38,722,403	64,402,395
Total Capital Assets, Net	\$ 28,365,187	\$ 44,403,423	\$ 72,768,610
TOTAL ASSETS	\$ 40,892,598	\$ 71,130,875	\$ 112,023,473
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Other Payables	\$ 137,046	\$ -	\$ 137,046
Payroll Withholdings	9,942	2,198	12,140
Taxes Payable	-	24,816	24,816
Court Bonds Payable	3,267	-	3,267
Performance Bond Deposits	30,194	-	30,194
Internal Balances	240,933	(240,933)	-
Deferred Options Payable	10,000	-	10,000
Discount on Revenue Bonds, Current Portion	-	1,823	1,823
Lease Purchase Payable, Current Portion	-	95,000	95,000
Certificate of Participation, Current Portion	-	90,000	90,000
Bonds Payable, Current Portion	-	735,000	735,000
Total Current Liabilities	\$ 431,382	\$ 707,904	\$ 1,139,286
<u>Long-Term Liabilities:</u>			
Customer Deposits	\$ -	\$ 334,671	\$ 334,671
Discount on Revenue Bonds, Long-Term Portion	-	1,824	1,824
Lease Purchase Payable, Long-Term Portion	-	385,000	385,000
Certificate of Participation, Long-Term Portion	-	1,195,000	1,195,000
Bonds Payable, Long-Term Portion	-	6,520,000	6,520,000
Total Long-Term Liabilities	\$ -	\$ 8,436,495	\$ 8,436,495
TOTAL LIABILITIES	\$ 431,382	\$ 9,144,399	\$ 9,575,781
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 28,365,187	\$ 35,383,423	\$ 63,748,610
Restricted for:			
General Government	6,536,278	-	6,536,278
Debt Service	-	8,533,592	8,533,592
Transportation	2,710,210	-	2,710,210
Culture and Recreation	102,919	-	102,919
Unrestricted	2,746,622	18,069,461	20,816,083
TOTAL NET POSITION	\$ 40,461,216	\$ 61,986,476	\$ 102,447,692

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 2

CITY OF JACKSON, MISSOURI

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2020

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	\$ 6,194,954	\$ 194,022	\$ -	\$ -	\$ (6,000,932)	\$ -	\$ (6,000,932)
Public Safety	4,830,020	77,736	1,271,377	35,845	(3,445,062)	-	(3,445,062)
Judiciary and Court Related	18,649	-	-	-	(18,649)	-	(18,649)
Transportation	926,284	-	-	299,000	(627,284)	-	(627,284)
Culture and Recreation	1,108,942	111,111	40,550	-	(957,281)	-	(957,281)
Total Governmental Activities	\$ 13,078,849	\$ 382,869	\$ 1,311,927	\$ 334,845	\$ (11,049,208)	\$ -	\$ (11,049,208)
Business-Type Activities:							
Electric System	\$ 14,517,789	\$ 16,611,905	\$ 22,190	\$ 38,000	\$ -	\$ 2,154,306	\$ 2,154,306
Waterworks and Sewerage System	1,870,867	2,462,724	-	255,879	-	847,736	847,736
Wastewater System	1,399,815	2,188,669	-	29,000	-	817,854	817,854
Landfill/Solid Waste	563,479	689,600	-	-	-	126,121	126,121
Total Business-Type Activities	\$ 18,351,950	\$ 21,952,898	\$ 22,190	\$ 322,879	\$ -	\$ 3,946,017	\$ 3,946,017
Total Primary Government	\$ 31,430,799	\$ 22,335,767	\$ 1,334,117	\$ 657,724	\$ (11,049,208)	\$ 3,946,017	\$ (7,103,191)
General Revenues:							
Taxes:							
Property Taxes				\$ 1,630,300	\$ -	\$ 1,630,300	
I-55 Allocation				327,679	-	327,679	
Franchise Tax				430,383	-	430,383	
Sales Tax				5,988,759	-	5,988,759	
County Road and Bridge Tax				137,480	-	137,480	
Railroad and Utility Tax				4,955	-	4,955	
Financial Institution Tax				111	-	111	
Surcharge Tax				55,033	-	55,033	
Gas Tax				349,181	-	349,181	
Motor Vehicle Sales Tax				129,445	-	129,445	
Investment Income				151,289	216,958	368,247	
Gain (Loss) on Disposal of Capital Assets				-	(96)	(96)	
Other Income				228,407	11,983	240,390	
Internal Balances				190,019	(190,019)	-	
Total General Revenues and Transfers				\$ 9,623,041	\$ 38,826	\$ 9,661,867	
Change in Net Position				\$ (1,426,167)	\$ 3,984,843	\$ 2,558,676	
Net Position - January 1, 2020				41,887,383	58,001,633	99,889,016	
Net Position - December 31, 2020				\$ 40,461,216	\$ 61,986,476	\$ 102,447,692	

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 3

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash	\$ 2,818,718	\$ -	\$ 2,929,772	\$ 5,748,490
Restricted Cash	6,409,801	-	-	6,409,801
Prepaid Expense	<u>264</u>	<u>-</u>	<u>-</u>	<u>264</u>
TOTAL ASSETS	<u>\$ 9,228,783</u>	<u>\$ -</u>	<u>\$ 2,929,772</u>	<u>\$ 12,158,555</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>CURRENT LIABILITIES:</u>				
Other Payables	\$ 167,240	\$ -	\$ -	\$ 167,240
Deferred Options Payable	10,000	-	-	10,000
Payroll Withholdings	<u>14,056</u>	<u>-</u>	<u>(4,114)</u>	<u>9,942</u>
TOTAL CURRENT LIABILITIES	<u>\$ 191,296</u>	<u>\$ -</u>	<u>\$ (4,114)</u>	<u>\$ 187,182</u>
<u>LONG-TERM LIABILITIES:</u>				
Court Bonds Payable	\$ 3,267	\$ -	\$ -	\$ 3,267
TOTAL LIABILITIES	<u>\$ 194,563</u>	<u>\$ -</u>	<u>\$ (4,114)</u>	<u>\$ 190,449</u>
<u>FUND BALANCES:</u>				
Nonspendable	\$ 264	\$ -	\$ -	\$ 264
Restricted	2,341,852	-	940,054	3,281,906
Committed	1,150,715	-	1,782,299	2,933,014
Assigned	2,922,690	-	211,533	3,134,223
Unassigned	<u>2,618,699</u>	<u>-</u>	<u>-</u>	<u>2,618,699</u>
Total Fund Balances	<u>\$ 9,034,220</u>	<u>\$ -</u>	<u>\$ 2,933,886</u>	<u>\$ 11,968,106</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,228,783</u>	<u>\$ -</u>	<u>\$ 2,929,772</u>	<u>\$ 12,158,555</u>

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 3-A

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, 2020

Fund Balances of Governmental Funds (Statement 3)	\$ 11,968,106
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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.	28,365,187
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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.	127,923
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Total Net Position of Governmental Activities (Statement 1)	<u>\$ 40,461,216</u>
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See Accompanying Notes to the Basic Financial Statements.

STATEMENT 4

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

For the Year Ended December 31, 2020

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes	\$ 2,060,683	\$ -	\$ 867,717	\$ 2,928,400
Grants and Contributions	1,347,772	-	-	1,347,772
Intergovernmental	6,200,043	-	-	6,200,043
Charges for Services	361,965	-	20,904	382,869
Use of Money and Property	104,314	-	46,975	151,289
Miscellaneous	143,577	-	9,713	153,290
TOTAL REVENUES	\$ 10,218,354	\$ -	\$ 945,309	\$ 11,163,663
<u>EXPENDITURES:</u>				
General Government	\$ 4,958,601	\$ -	\$ 1,244,668	\$ 6,203,269
Public Safety	4,294,921	3,829,334	-	8,124,255
Judiciary and Court Related	18,649	-	-	18,649
Transportation	604,986	-	441,753	1,046,739
Culture and Recreation	1,041,986	-	-	1,041,986
TOTAL EXPENDITURES	\$ 10,919,143	\$ 3,829,334	\$ 1,686,421	\$ 16,434,898
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES PAID	\$ (700,789)	\$ (3,829,334)	\$ (741,112)	\$ (5,271,235)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In (Out)	\$ 675,714	\$ (146,165)	\$ (339,530)	\$ 190,019
TOTAL OTHER FINANCING SOURCES (USES)	\$ 675,714	\$ (146,165)	\$ (339,530)	\$ 190,019
EXCESS (DEFICIENCY) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENSES PAID AND OTHER USES	\$ (25,075)	\$ (3,975,499)	\$ (1,080,642)	\$ (5,081,216)
FUND BALANCE, January 1, 2020	\$ 9,059,295	\$ 3,975,499	\$ 4,014,528	\$ 17,049,322
FUND BALANCE, December 31, 2020	\$ 9,034,220	\$ -	\$ 2,933,886	\$ 11,968,106

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, 2020

Excess (Deficiency) of Revenues Collected and Other Sources Over (Under) Expenditures Paid and Other Uses (Statement 4)	\$ (5,081,216)
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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.

3,661,637

An internal service fund is used by management to
account for the usage of fuel from each fund.

(6,588)

Total Change in Net Position (Statement 2)	\$ <u>(1,426,167)</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, 2020

ASSETS	Enterprise Funds					Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Landfill/Solid Waste Fund	Total	
CURRENT ASSETS:						
Cash	\$ 13,083,173	\$ 11,426,624	\$ -	\$ 515,648	\$ 25,025,445	\$ 368,856
Restricted Cash	-	543,341	1,134,865	-	1,678,206	-
Prepaid Expense	-	23,801	-	-	23,801	-
Due from Other Funds	187	-	-	-	187	-
Total Current Assets	<u>\$ 13,083,360</u>	<u>\$ 11,993,766</u>	<u>\$ 1,134,865</u>	<u>\$ 515,648</u>	<u>\$ 26,727,639</u>	<u>\$ 368,856</u>
CAPITAL ASSETS:						
Capital Assets	\$ 26,583,012	\$ 30,690,873	\$ 27,043,634	\$ 1,027,558	\$ 85,345,077	\$ -
Construction in Progress	1,838,284	1,963,001	777,933	-	4,579,218	-
Less: Accumulated Depreciation	(13,107,898)	(15,106,849)	(16,425,487)	(880,638)	(45,520,872)	-
Total Capital Assets, Net	<u>\$ 15,313,398</u>	<u>\$ 17,547,025</u>	<u>\$ 11,396,080</u>	<u>\$ 146,920</u>	<u>\$ 44,403,423</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 28,396,758</u>	<u>\$ 29,540,791</u>	<u>\$ 12,530,945</u>	<u>\$ 662,568</u>	<u>\$ 71,131,062</u>	<u>\$ 368,856</u>
LIABILITIES						
CURRENT LIABILITIES:						
Payroll Withholdings Payable	\$ 868	\$ 650	\$ 680	\$ -	\$ 2,198	\$ -
Taxes Payable	24,816	-	-	-	24,816	-
Certificate of Participation, Current Portion	-	90,000	-	-	90,000	-
Lease Purchase Payable, Current Portion	-	95,000	-	-	95,000	-
Bonds Payable, Current Portion	-	735,000	-	-	735,000	-
Discount on Revenue Bonds, Current Portion	-	1,823	-	-	1,823	-
Due to Other Funds	-	187	-	-	187	-
Total Current Liabilities	<u>\$ 25,684</u>	<u>\$ 922,660</u>	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 949,024</u>	<u>\$ -</u>
LONG TERM LIABILITIES:						
Customer Deposits	\$ 334,671	\$ -	\$ -	\$ -	\$ 334,671	\$ -
Discount on Revenue Bonds, Long-Term Portion	-	1,824	-	-	1,824	-
Lease Purchase Payable, Long-Term Portion	-	385,000	-	-	385,000	-
Certificate of Participation, Long-Term Portion	-	1,195,000	-	-	1,195,000	-
Bonds Payable, Long-Term Portion	-	6,520,000	-	-	6,520,000	-
Total Long-Term Liabilities	<u>\$ 334,671</u>	<u>\$ 8,101,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,436,495</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 360,355</u>	<u>\$ 9,024,484</u>	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 9,385,519</u>	<u>\$ -</u>
NET POSITION						
Net Investment in Capital Assets	\$ 15,313,398	\$ 8,527,025	\$ 11,396,080	\$ 146,920	\$ 35,383,423	\$ -
Unrestricted	5,867,619	11,445,941	(680)	515,648	17,828,528	-
Restricted	6,855,386	543,341	1,134,865	-	8,533,592	368,856
TOTAL NET POSITION	<u>\$ 28,036,403</u>	<u>\$ 20,516,307</u>	<u>\$ 12,530,265</u>	<u>\$ 662,568</u>	<u>\$ 61,745,543</u>	<u>\$ 368,856</u>

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 240,933
\$ 61,986,476

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, 2020

	Enterprise Funds					Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Landfill/Solid Waste Fund	Total	
OPERATING REVENUES COLLECTED:						
Electric System	\$ 16,672,095	\$ -	\$ -	\$ -	\$ 16,672,095	\$ -
Waterworks and Sewerage System	-	2,718,603	-	-	2,718,603	-
Wastewater System	-	-	2,217,669	-	2,217,669	-
Solid Water Collection	-	-	-	689,600	689,600	106,294
Total Operating Revenues Collected	\$ 16,672,095	\$ 2,718,603	\$ 2,217,669	\$ 689,600	\$ 22,297,967	\$ 106,294
OPERATING EXPENSES PAID:						
Electric Power Plant	\$ 12,142,349	\$ -	\$ -	\$ -	\$ 12,142,349	\$ -
Electric Line Construction and Maintenance	1,506,277	-	-	-	1,506,277	-
Water Plant	-	461,509	-	-	461,509	-
Water Line Construction and Maintenance	-	843,914	-	-	843,914	-
Wastewater Operations	-	-	861,978	-	861,978	-
Solid Waste Operations	-	-	-	552,675	552,675	-
General	203,578	122,110	-	-	325,688	115,855
Depreciation	664,749	562,446	537,246	9,695	1,774,136	-
Total Operating Expenses Paid	\$ 14,516,953	\$ 1,989,979	\$ 1,399,224	\$ 562,370	\$ 18,468,526	\$ 115,855
OPERATING INCOME (LOSS)	\$ 2,155,142	\$ 728,624	\$ 818,445	\$ 127,230	\$ 3,829,441	\$ (9,561)
NON-OPERATING REVENUES						
COLLECTED (EXPENSES PAID):						
Interest Income	\$ 146,126	\$ 55,096	\$ 15,095	\$ 641	\$ 216,958	\$ -
Premium Amortization	-	2,648	-	-	2,648	-
Gain/(Loss) On Disposal of Capital Assets	(96)	-	-	-	(96)	-
Grants and Contributions	38,000	255,879	29,000	-	322,879	-
Miscellaneous	4,220	4,930	-	185	9,335	-
Interest Expense	-	(203,426)	-	-	(203,426)	-
Total Non-Operating Revenues Collected (Expenses Paid)	\$ 188,250	\$ 115,127	\$ 44,095	\$ 826	\$ 348,298	\$ -
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 2,343,392	\$ 843,751	\$ 862,540	\$ 128,056	\$ 4,177,739	\$ (9,561)
TRANSFERS & CAPITAL CONTRIBUTIONS:						
Transfers In (Out)	(1,563,624)	2,238,781	(818,560)	(46,520)	(189,923)	-
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	\$ (1,563,624)	\$ 2,238,781	\$ (818,560)	\$ (46,520)	\$ (189,923)	\$ -
INCREASE (DECREASE) IN NET POSITION	\$ 779,768	\$ 3,082,532	\$ 43,980	\$ 81,536	\$ 3,987,816	\$ (9,561)
TOTAL NET POSITION, January 1, 2020	27,256,635	17,433,775	12,486,285	581,032	57,757,727	378,417
TOTAL NET POSITION, December 31, 2020	\$ 28,036,403	\$ 20,516,307	\$ 12,530,265	\$ 662,568	\$ 61,745,543	\$ 368,856

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

(2,973)
\$ 3,984,843

CITY OF JACKSON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

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.
Health Insurance Fund	Accounts for the costs incurred by the City to provide employee health insurance.

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 major 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.

The reporting entity includes the following capital projects fund that is reported as a nonmajor fund:

I-55 Allocation Fund	Accounts for the receipt of payments in lieu of real estate taxes and local sales tax collected specifically for construction of TIF approved projects.
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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.
Landfill/Solid Waste Fund	Accounts for the operation and maintenance of the City's solid waste 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 position.

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. Net investment in capital assets - 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 “net investment in capital assets.”

It is the City’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position 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
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 Position, 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, 2020 would have been \$138,285.

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 2020 were levied on August 7, 2020. Taxes recorded in these financial statements are from the 2019 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 checking accounts, passbook savings 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, 2020 are as follows:

Deposits	
Demand Deposits	\$ 13,541,527
Interest Bearing Deposit Accounts	<u>25,687,796</u>
Total Deposits	<u><u>\$ 39,229,323</u></u>

The City holds petty cash of \$1,475.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2020, the bank balance was \$39,550,057, and there was no exposure to custodial credit risk.

Reconciliation to Statement of Net Position:

Cash, Book Balance	\$ 39,229,323
Petty Cash	1,475
Cash, Statement of Net Position	<u>\$ 39,230,798</u>

M. Pensions:

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through April 29, 2021, the date the financial statements were available to be issued.

2. RETIREMENT PLAN

General Information about the Pension Plan

A. Plan Description:

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multi-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

B. Benefits Provided:

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for Police and Fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for Police and Fire) and receive a reduced allowance.

<u>February 28, 2020 Valuation</u>	
Benefit Multiplier:	2% for Life
Final Average Salary:	3 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

C. Contributions:

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.3% (General), 14.5% (Police), and 15.9% (Fire) of annual covered payroll.

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 \$48,657,213.

Long-term debt outstanding at December 31, 2020 consisted of the following:

Business-Type Activities:

Combined Waterworks and Sewerage System	
Revenue Bonds Series 2019	\$ 3,685,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 2016	3,220,000
Equipment Lease Purchase Agreement Series 2015	480,000
Certificates of Participation Series 2013	890,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 2002A	745,000
Total	<u>\$ 9,020,000</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2020:

Long-Term Debt, January 1, 2020		\$ 10,335,000
Additions		-0-
Retirements		<u>(1,315,000)</u>
Long-Term Debt, December 31, 2020		<u>\$ 9,020,000</u>

Combined Waterworks and Sewerage System Revenue Bonds Series 2019 in the original amount of \$4,000,000, dated February 5, 2019. The outstanding balance due at December 31, 2020 was \$3,685,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/2021			\$ 56,933	\$ 56,933
07/01/2021	3.090%	\$ 235,000	56,933	291,933
01/01/2022			53,303	53,303
07/01/2022	3.090%	240,000	53,303	293,303
01/01/2023			49,595	49,595
07/01/2023	3.090%	250,000	49,595	299,595
01/01/2024			45,732	45,732
07/01/2024	3.090%	255,000	45,732	300,732
01/01/2025			41,792	41,792
07/01/2025	3.090%	265,000	41,792	306,792
01/01/2026			37,698	37,698
07/01/2026	3.090%	275,000	37,698	312,698
01/01/2027			33,449	33,449
07/01/2027	3.090%	280,000	33,449	313,449
01/01/2028			29,123	29,123
07/01/2028	3.090%	290,000	29,123	319,123
01/01/2029			24,643	24,643
07/01/2029	3.090%	300,000	24,643	324,643
01/01/2030			20,007	20,007
07/01/2030	3.090%	310,000	20,007	330,007
01/01/2031			15,218	15,218
07/01/2031	3.090%	320,000	15,218	335,218
01/01/2032			10,274	10,274
07/01/2032	3.090%	325,000	10,274	335,274
01/01/2033			5,253	5,253
07/01/2033	3.090%	<u>340,000</u>	<u>5,253</u>	<u>345,253</u>
		<u><u>\$3,685,000</u></u>	<u><u>\$846,040</u></u>	<u><u>\$4,531,040</u></u>

Combined Waterworks and Sewerage System Revenue Bonds Series 2016 in the original amount of \$4,000,000, dated April 12, 2016. The outstanding balance due at December 31, 2020 was \$3,220,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/2021			\$ 37,674	\$ 37,674
07/01/2021	2.340%	\$ 250,000	37,674	287,674
01/01/2022			34,749	34,749
07/01/2022	2.340%	260,000	34,749	294,749
01/01/2023			31,707	31,707
07/01/2023	2.340%	265,000	31,707	296,707
01/01/2024			28,607	28,607
07/01/2024	2.340%	275,000	28,607	303,607
01/01/2025			25,389	25,389
07/01/2025	2.340%	280,000	25,389	305,389
01/01/2026			22,113	22,113
07/01/2026	2.340%	290,000	22,113	312,113
01/01/2027			18,720	18,720
07/01/2027	2.340%	300,000	18,720	318,720
01/01/2028			15,210	15,210
07/01/2028	2.340%	310,000	15,210	325,210
01/01/2029			11,583	11,583
07/01/2029	2.340%	320,000	11,583	331,583
01/01/2030			7,839	7,839
07/01/2030	2.340%	330,000	7,839	337,839
01/01/2031			3,978	3,978
07/01/2031	2.340%	<u>340,000</u>	<u>3,978</u>	<u>343,978</u>
		<u>\$3,220,000</u>	<u>\$475,138</u>	<u>\$3,695,138</u>

Certificates of Participation Series 2013 in the original amount of \$1,550,000, dated April 17, 2013. The outstanding balance due at December 31, 2020 was \$890,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05/1/2021			\$ 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%	<u>125,000</u>	<u>2,109</u>	<u>127,109</u>
		<u>\$ 890,000</u>	<u>\$132,284</u>	<u>\$1,022,284</u>

Certificates of Participation Series 2015 in the original amount of \$905,000, dated October 1, 2015. The outstanding balance due at December 31, 2020 was \$480,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
03/01/21			\$ 5,472	\$ 5,472
09/01/21	2.280%	\$ 95,000	5,472	100,472
03/01/22			4,389	4,389
09/01/22	2.280%	90,000	4,389	94,389
03/01/23			3,363	3,363
09/01/23	2.280%	95,000	3,363	98,363
03/01/24			2,280	2,280
09/01/24	2.280%	100,000	2,280	102,280
03/01/25			1,140	1,140
09/01/25	2.280%	<u>100,000</u>	<u>1,140</u>	<u>101,140</u>
		<u>\$ 480,000</u>	<u>\$ 33,288</u>	<u>\$ 513,288</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, 2020 was \$745,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/21	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>\$ 745,000</u>	<u>\$ 57,955</u>	<u>\$ 802,955</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land, Improvements, and				
Construction in Progress	\$ 5,455,016	\$ 4,620,278	\$ (7,390,099)	\$ 2,685,195
Other Assets	<u>59,749,667</u>	<u>8,060,010</u>	<u>(107,169)</u>	<u>67,702,508</u>
Total Assets at Historical Cost	\$ 65,204,683	\$12,680,288	\$ (7,497,268)	\$ 70,387,703
Less Accumulated Depreciation	<u>(40,501,133)</u>	<u>(1,628,552)</u>	<u>107,169</u>	<u>(42,022,516)</u>
Capital Assets, Net	<u>\$ 24,703,550</u>	<u>\$11,051,736</u>	<u>\$ (7,390,099)</u>	<u>\$ 28,365,187</u>

<u>Business-Type Activities</u>				
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land, Improvements, and				
Construction in Progress	\$ 4,271,467	\$2,929,629	\$(1,520,076)	\$ 5,681,020
Equipment	8,708,140	37,050	(119,184)	8,626,006
Plant	<u>73,743,627</u>	<u>1,873,642</u>	<u>-0-</u>	<u>75,617,269</u>
Total Assets at Historical Costs	\$ 86,723,234	\$4,840,321	\$(1,639,260)	\$ 89,924,295
Less Accumulated Depreciation	<u>(43,865,824)</u>	<u>(1,774,136)</u>	<u>119,088</u>	<u>(45,520,872)</u>
Capital Assets, Net	<u><u>\$ 42,857,410</u></u>	<u><u>\$3,066,185</u></u>	<u><u>\$(1,520,172)</u></u>	<u><u>\$ 44,403,423</u></u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 72,667
Public Safety	477,297
Judicial and Court Related	-0-
Transportation	809,747
Culture and Recreation	268,841
Total Depreciation Expense	<u>\$ 1,628,552</u>

Business-Type Activities:

Electric System	\$ 664,749
Waterworks and Sewerage System	562,446
Wastewater System	537,246
Landfill/Solid Waste	9,695
Total Depreciation Expense	<u>\$ 1,774,136</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, 2020	\$ 390,445
Amount, Subject to Above Restrictions, at	
December 31, 2019	<u>(492,748)</u>
Subtotal	<u>\$ (102,303)</u>
Less Amount Expended in Connection with Systems	<u>102,303</u>
Restricted Net Position-Water Surplus	<u><u>\$ -0-</u></u>

Restricted Net Position Balances are as follows:

Electric Capital Projects Accounts	\$6,855,386
Electric Reserve Account	-0-
Electric Debt Service Revenue Account	-0-
Water and Sewer Revenue Bond Account	433,338
Water and Sewer Depreciation Reserve Account	30,000
Water and Sewer Bond Reserve Account	50,003
Water and Sewer Contingent Account	30,000
Wastewater Replacement Account	<u>1,134,865</u>
Total Restricted Net Position	<u>\$8,533,592</u>

The following Government Fund Balance constraints are also in effect:

Restricted

Road Use Tax	\$ 940,054
Fire Protection Sales Tax	3,333
Transportation Sales Tax	2,234,600
Recreational Sales Tax	102,919
Public Safety Sales Tax	1,000
Community Development Block Grant	-0-
Total Restricted	<u>\$3,281,906</u>

Committed

Storm Water Maintenance	\$ 264,240
I-55 Allocation	1,505,916
Band	52,777
Inmate Security	12,143
Cemetery	770,093
City Park	92,349
Public Park Foundation	229,479
Equitable Sharing	6,017
Total Committed	<u>\$2,933,014</u>

Assigned

Sales Tax	\$2,907,275
Health Insurance	211,533
Recreational Development	15,415
Total Assigned	<u>\$3,134,223</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, where 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, 2020, 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. CONTINGENT LIABILITIES

The City, through issuance of infrastructure projects bills, guarantees 7 individual loans at the Bank of Missouri totaling \$2,653 as of December 31, 2020.

9. COMMITMENTS

At December 31, 2020, the City was committed to the following significant projects:

<u>Project</u>	<u>Amount Committed</u>	<u>Expended by December 31, 2020</u>	<u>Remaining Commitment as of December 31, 2020</u>
Wastewater Facility Plan Implementation Project	\$ 1,242,000	\$ 229,748	\$ 1,012,252
Water System Facility Implementation Project, Phase 2, Project 2B	981,082	-0-	981,082
Columbarium, Phase 2	98,864	213	98,651
Williams Creek Interceptor Project, Phase 1	1,791,619	1,442,774	348,845
Williams Creek Interceptor Project, Phase 2	676,732	-0-	676,732
West Mary Street Low Water Crossing Replacement Project	108,909	-0-	108,909
Industrial Substation Circuit Projective Relay Upgrade Project, Phase 2	76,030	-0-	76,030
S. Old Orchard Road Water Interconnection Project	201,034	-0-	201,034
S. Farmington Phase 3 Electric Line Extension	<u>569,578</u>	<u>-0-</u>	<u>569,578</u>
	<u>\$ 5,745,848</u>	<u>\$ 1,672,735</u>	<u>\$ 4,073,113</u>

10. TAX ABATEMENT

The County is authorized under the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, RSMo to purchase and improve projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of the projects. So long as the County owns title to the project, the project will be exempt from ad valorem taxes on real property. During the 10-year period of tax abatement (2012 through 2021), the lessee of the property has agreed to pay payments in lieu of taxes (PILOTS) equal to 50% of the actual real property taxes that would have otherwise been payable with respect to the project.

During the year ended December 31, 2020, the taxes applicable to the City that were abated totaled \$13,471 under the agreement noted above. This lessee is the only company or individual with taxable property located within the City that received an abatement during 2020.

SUPPLEMENTAL INFORMATION

SCHEDULE 1

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 970,214	\$ 1,157,650	\$ 2,060,683	\$ 903,033
Grants and Contributions	43,000	43,000	1,347,772	1,304,772
Intergovernmental	3,527,173	3,527,173	6,200,043	2,672,870
Charges for Services	855,200	855,200	361,965	(493,235)
Use of Money and Property	63,600	63,600	104,314	40,714
Miscellaneous	150	150	143,577	143,427
TOTAL REVENUES	\$ 5,459,337	\$ 5,646,773	\$ 10,218,354	\$ 4,571,581
EXPENDITURES:				
General Government	\$ 4,824,060	\$ 4,824,902	\$ 4,958,601	\$ (133,699)
Public Safety	4,054,712	4,054,712	4,294,921	(240,209)
Judiciary and Court Related	22,231	22,231	18,649	3,582
Transportation	633,036	943,520	604,986	338,534
Public Health	545,521	545,521	-	545,521
Culture and Recreation	969,170	1,122,393	1,041,986	80,407
TOTAL EXPENDITURES	\$ 11,048,730	\$ 11,513,279	\$ 10,919,143	\$ 594,136
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (5,589,393)	\$ (5,866,506)	\$ (700,789)	\$ 5,165,717
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	\$ (3,454,945)	\$ (3,600,598)	\$ 675,714	\$ 4,276,312
TOTAL OTHER FINANCING SOURCES (USES)	\$ (3,454,945)	\$ (3,600,598)	\$ 675,714	\$ 4,276,312
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (9,044,338)	\$ (9,467,104)	\$ (25,075)	\$ 9,442,029
FUND BALANCE, January 1, 2020			\$ 9,059,295	
FUND BALANCE, December 31, 2020			\$ 9,034,220	

See Accompanying Notes to Budgetary Comparison Schedules.

CITY OF JACKSON, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2020

1. BUDGETARY INFORMATION

The Budgetary Comparison Schedule presented as supplemental information presents 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, 2019, a public hearing was held in connection with adoption of the proposed budget for 2020. Excess disbursements and transfers were formally approved by budget amendment by the Board of Aldermen on February 1, 2021.

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, 2020

ASSETS	General	Municipal Court	Band	Cemetery	Library	City Park	Public Park Foundation
CURRENT ASSETS:							
Cash	\$ 2,809,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	-	3,267	52,777	770,093	-	92,976	229,479
Prepaid Expense	-	-	-	127	-	-	-
TOTAL ASSETS	\$ 2,809,368	\$ 3,267	\$ 52,777	\$ 770,220	\$ -	\$ 92,976	\$ 229,479
LIABILITIES AND FUND BALANCES							
CURRENT LIABILITIES:							
Payroll Withholdings Payable	\$ 13,429	\$ -	\$ -	\$ -	\$ -	\$ 627	\$ -
Deferred Options Payable	10,000	-	-	-	-	-	-
Other Payables	167,240	\$ -	-	-	-	-	-
TOTAL CURRENT LIABILITIES	\$ 190,669	\$ -	\$ -	\$ -	\$ -	\$ 627	\$ -
LONG-TERM LIABILITIES:							
Court Bonds Payable	\$ -	\$ 3,267	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 190,669	\$ 3,267	\$ -	\$ -	\$ -	\$ 627	\$ -
FUND BALANCES:							
Nonspendable	\$ -	\$ -	\$ -	\$ 127	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-
Committed	-	-	52,777	770,093	-	92,349	229,479
Assigned	-	-	-	-	-	-	-
Unassigned	2,618,699	-	-	-	-	-	-
Total Fund Balances	\$ 2,618,699	\$ -	\$ 52,777	\$ 770,220	\$ -	\$ 92,349	\$ 229,479
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,809,368	\$ 3,267	\$ 52,777	\$ 770,220	\$ -	\$ 92,976	\$ 229,479

See Independent Auditors' Report.

EXHIBIT 1

Recreational Development	Equitable Sharing	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Public Safety Sales Tax	Community Development Block Grant	Total
\$ - 15,415	\$ 6,017	\$ - 2,907,275	\$ - 2,234,600	\$ - 102,919	\$ 3,333	\$ - 1,000	\$ -	\$ 2,818,718 6,409,801
<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264</u>
<u>\$ 15,489</u>	<u>\$ 6,017</u>	<u>\$ 2,907,275</u>	<u>\$ 2,234,600</u>	<u>\$ 102,982</u>	<u>\$ 3,333</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 9,228,783</u>
\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 14,056
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,240</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,296</u>
\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ 3,267
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,563</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,563</u>
\$ 74 - -	\$ - -	\$ - -	\$ - 2,234,600	\$ 63 102,919	\$ - 3,333	\$ - 1,000	\$ -	\$ 264 2,341,852
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,715</u>
<u>-</u>	<u>6,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,922,690</u>
<u>15,415</u>	<u>-</u>	<u>2,907,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,618,699</u>
<u>\$ 15,489</u>	<u>\$ 6,017</u>	<u>\$ 2,907,275</u>	<u>\$ 2,234,600</u>	<u>\$ 102,982</u>	<u>\$ 3,333</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 9,034,220</u>
<u>\$ 15,489</u>	<u>\$ 6,017</u>	<u>\$ 2,907,275</u>	<u>\$ 2,234,600</u>	<u>\$ 102,982</u>	<u>\$ 3,333</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 9,228,783</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, 2020

	General	Municipal Court	Band	Cemetery	Library	City Park	Public Park Foundation
REVENUES:							
Taxes	\$ 1,540,897	\$ -	\$ 143,408	\$ 143,408	\$ -	\$ 232,970	\$ -
Grants and Contributions	1,307,222	-	-	-	-	-	40,000
Intergovernmental	40,937	-	5,287	5,287	-	8,588	-
Charges for Services	148,804	-	-	102,050	-	4,325	-
Use of Money and Property	38,151	-	-	8,113	-	143	246
Miscellaneous	121,811	-	-	-	-	839	-
TOTAL REVENUES	\$ 3,197,822	\$ -	\$ 148,695	\$ 258,858	\$ -	\$ 246,865	\$ 40,246
EXPENDITURES:							
General Government	\$ 2,099,636	\$ -	\$ -	\$ 386,824	\$ -	\$ -	\$ -
Public Safety	4,294,921	-	-	-	-	-	-
Judiciary and Court Related	18,649	-	-	-	-	-	-
Transportation	601,603	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-
Culture and Recreation	-	-	115,712	-	-	411,561	1,000
TOTAL EXPENDITURES	\$ 7,014,809	\$ -	\$ 115,712	\$ 386,824	\$ -	\$ 411,561	\$ 1,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,816,987)	\$ -	\$ 32,983	\$ (127,966)	\$ -	\$ (164,696)	\$ 39,246
OTHER FINANCING SOURCES (USES):							
Operating Transfers In (Out)	\$ 4,478,116	\$ -	\$ (2,198)	\$ (28,027)	\$ -	\$ 111,704	\$ -
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 4,478,116	\$ -	\$ (2,198)	\$ (28,027)	\$ -	\$ 111,704	\$ -
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 661,129	\$ -	\$ 30,785	\$ (155,993)	\$ -	\$ (52,992)	\$ 39,246
FUND BALANCE, January 1, 2020	1,957,570	-	21,992	926,213	-	145,341	190,233
FUND BALANCE, December 31, 2020	\$ 2,618,699	\$ -	\$ 52,777	\$ 770,220	\$ -	\$ 92,349	\$ 229,479

See Independent Auditors' Report.

EXHIBIT 2

Recreational Development	Equitable Sharing	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Public Safety Sales Tax	Community Development Block Grant	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,060,683
550	-	-	-	-	-	-	-	1,347,772
-	-	2,488,722	1,315,949	583,305	582,708	1,169,260	-	6,200,043
54,489	-	-	-	52,297	-	-	-	361,965
-	-	23,175	34,486	-	-	-	-	104,314
-	-	20,927	-	-	-	-	-	143,577
<u>\$ 55,039</u>	<u>\$ -</u>	<u>\$ 2,532,824</u>	<u>\$ 1,350,435</u>	<u>\$ 635,602</u>	<u>\$ 582,708</u>	<u>\$ 1,169,260</u>	<u>\$ -</u>	<u>\$ 10,218,354</u>
\$ -	\$ 5,842	\$ 997,973	\$ 1,468,326	\$ -	\$ -	\$ -	\$ -	\$ 4,958,601
-	-	-	-	-	-	-	-	4,294,921
-	-	-	-	-	-	-	-	18,649
-	-	-	3,383	-	-	-	-	604,986
-	-	-	-	-	-	-	-	-
<u>193,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,378</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,041,986</u>
<u>\$ 193,835</u>	<u>\$ 5,842</u>	<u>\$ 997,973</u>	<u>\$ 1,471,709</u>	<u>\$ 319,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 10,919,143</u>
\$ (138,796)	\$ (5,842)	\$ 1,534,851	\$ (121,274)	\$ 316,224	\$ 582,708	\$ 1,169,260	\$ (500)	\$ (700,789)
\$ 115,000	\$ -	\$ (1,373,224)	\$ (615,992)	\$ (257,697)	\$ (582,708)	\$ (1,169,260)	\$ -	\$ 675,714
<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ (1,373,224)</u>	<u>\$ (615,992)</u>	<u>\$ (257,697)</u>	<u>\$ (582,708)</u>	<u>\$ (1,169,260)</u>	<u>\$ -</u>	<u>\$ 675,714</u>
\$ (23,796)	\$ (5,842)	\$ 161,627	\$ (737,266)	\$ 58,527	\$ -	\$ -	\$ (500)	\$ (25,075)
<u>39,285</u>	<u>11,859</u>	<u>2,745,648</u>	<u>2,971,866</u>	<u>44,455</u>	<u>3,333</u>	<u>1,000</u>	<u>500</u>	<u>9,059,295</u>
<u>\$ 15,489</u>	<u>\$ 6,017</u>	<u>\$ 2,907,275</u>	<u>\$ 2,234,600</u>	<u>\$ 102,982</u>	<u>\$ 3,333</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 9,034,220</u>

See Independent Auditors' Report.

EXHIBIT 3

CITY OF JACKSON, MISSOURI

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

December 31, 2020

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Inmate Security Fund	Health Insurance Fund	Total
ASSETS						
CURRENT ASSETS:						
Cash	\$ 940,054	\$ 264,240	\$ 1,505,916	\$ 12,143	\$ 207,419	\$ 2,929,772
TOTAL ASSETS	\$ 940,054	\$ 264,240	\$ 1,505,916	\$ 12,143	\$ 207,419	\$ 2,929,772
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Payroll Withholdings Payable	\$ -	\$ -	\$ -	\$ -	\$ (4,114)	\$ (4,114)
FUND BALANCE:						
Restricted	\$ 940,054	\$ -	\$ -	\$ -	\$ -	\$ 940,054
Committed	-	264,240	1,505,916	12,143	-	1,782,299
Assigned	-	-	-	-	211,533	211,533
TOTAL FUND BALANCE	\$ 940,054	\$ 264,240	\$ 1,505,916	\$ 12,143	\$ 211,533	\$ 2,933,886
TOTAL LIABILITIES AND FUND BALANCE	\$ 940,054	\$ 264,240	\$ 1,505,916	\$ 12,143	\$ 207,419	\$ 2,929,772

See Independent Auditors' Report.

EXHIBIT 4

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

For the Year Ended December 31, 2020

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Inmate Security Fund	Health Insurance Fund	Totals
REVENUES:						
Taxes	\$ 540,038	\$ -	\$ 327,679	\$ -	\$ -	\$ 867,717
Charges for Services	-	-	-	1,486	19,418	20,904
Use of Money and Property	18,832	1,785	26,126	-	232	46,975
Miscellaneous	-	9,713	-	-	-	9,713
TOTAL REVENUES	\$ 558,870	\$ 11,498	\$ 353,805	\$ 1,486	\$ 19,650	\$ 945,309
EXPENDITURES:						
Transportation	\$ 408,770	\$ 45	\$ 32,938	\$ -	\$ -	\$ 441,753
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
General Government	-	-	-	-	1,244,668	1,244,668
TOTAL EXPENDITURES	\$ 408,770	\$ 45	\$ 32,938	\$ -	\$ 1,244,668	\$ 1,686,421
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 150,100	\$ 11,453	\$ 320,867	\$ 1,486	\$ (1,225,018)	\$ (741,112)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	\$ -	\$ -	\$ 210,508	\$ -	\$ 1,320,915	\$ 1,531,423
Operating Transfers (Out)	(230,000)	-	(1,640,953)	-	-	(1,870,953)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (230,000)	\$ -	\$ (1,430,445)	\$ -	\$ 1,320,915	\$ (339,530)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (79,900)	\$ 11,453	\$ (1,109,578)	\$ 1,486	\$ 95,897	\$ (1,080,642)
FUND BALANCE, January 1, 2020	1,019,954	252,787	2,615,494	10,657	115,636	4,014,528
FUND BALANCE, December 31, 2020	\$ 940,054	\$ 264,240	\$ 1,505,916	\$ 12,143	\$ 211,533	\$ 2,933,886

See Independent Auditors' Report.

EXHIBIT 5

CITY OF JACKSON, MISSOURI

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

December 31, 2020

	Electric System	Waterworks and Sewerage System	Wastewater System	Landfill/Solid Waste Fund	Total
ASSETS					
CURRENT ASSETS:					
Cash	\$ 13,083,173	\$ 11,426,624	\$ -	\$ 515,648	\$ 25,025,445
Restricted Cash	-	543,341	1,134,865		1,678,206
Prepaid Expense	-	23,801	-	-	23,801
Due from Others	187	-	-	-	187
Total Current Assets	\$ 13,083,360	\$ 11,993,766	\$ 1,134,865	\$ 515,648	\$ 26,727,639
CAPITAL ASSETS:					
Capital Assets	\$ 26,583,012	\$ 30,690,873	\$ 27,043,634	\$ 1,027,558	\$ 85,345,077
Construction in Progress	1,838,284	1,963,001	777,933	-	4,579,218
Less: Accumulated Depreciation	(13,107,898)	(15,106,849)	(16,425,487)	(880,638)	(45,520,872)
Total Capital Assets, Net	\$ 15,313,398	\$ 17,547,025	\$ 11,396,080	\$ 146,920	\$ 44,403,423
TOTAL ASSETS	\$ 28,396,758	\$ 29,540,791	\$ 12,530,945	\$ 662,568	\$ 71,131,062
LIABILITIES					
CURRENT LIABILITIES:					
Payroll Withholdings Payable	\$ 868	\$ 650	\$ 680	\$ -	\$ 2,198
Taxes Payable	24,816	-	-	-	24,816
Due to Others	-	187	-	-	187
Certificate of Participation, Current Portion	-	90,000	-	-	90,000
Lease Purchase Payable, Current Portion	-	95,000	-	-	95,000
Bonds Payable, Current Portion	-	735,000	-	-	735,000
Discount on Revenue Bonds, Current Portion	-	1,823	-	-	1,823
Total Current Liabilities	\$ 25,684	\$ 922,660	\$ 680	\$ -	\$ 949,024
LONG-TERM LIABILITIES:					
Customer Deposits	\$ 334,671	\$ -	\$ -	\$ -	\$ 334,671
Certificate of Participation, Long-Term Portion	-	1,195,000	-	-	1,195,000
Lease Purchase Payable, Long-Term Portion	-	385,000	-	-	385,000
Bonds Payable, Long-Term Portion	-	6,520,000	-	-	6,520,000
Discount on Revenue Bonds, Long-Term Portion	-	1,824	-	-	1,824
Total Long-Term Liabilities	\$ 334,671	\$ 8,101,824	\$ -	\$ -	\$ 8,436,495
TOTAL LIABILITIES	\$ 360,355	\$ 9,024,484	\$ 680	\$ -	\$ 9,385,519
NET POSITION					
Net Investment in Capital Assets	\$ 15,313,398	\$ 8,527,025	\$ 11,396,080	\$ 146,920	\$ 35,383,423
Unrestricted	5,867,619	11,445,941	(680)	515,648	17,828,528
Restricted	6,855,386	543,341	1,134,865	-	8,533,592
TOTAL NET POSITION	\$ 28,036,403	\$ 20,516,307	\$ 12,530,265	\$ 662,568	\$ 61,745,543

See Independent Auditors' Report.

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

For the Year Ended December 31, 2020

	Electric System	Waterworks and Sewerage System	Wastewater System	Landfill/Solid Waste Fund	Total
OPERATING REVENUES:					
Electric System	\$ 16,672,095	\$ -	\$ -	\$ -	\$ 16,672,095
Waterworks and Sewerage System	-	2,718,603	-	-	2,718,603
Wastewater System	-	-	2,217,669	-	2,217,669
Solid Waste Collection	-	-	-	689,600	689,600
Total Operating Revenues	\$ 16,672,095	\$ 2,718,603	\$ 2,217,669	\$ 689,600	\$ 22,297,967
OPERATING EXPENSES:					
Electric Power Plant	\$ 12,142,349	\$ -	\$ -	\$ -	\$ 12,142,349
Electric Line Construction and Maintenance	1,506,277	-	-	-	1,506,277
Water Plant	-	461,509	-	-	461,509
Water Line Construction and Maintenance	-	843,914	-	-	843,914
Wastewater Operations	-	-	861,978	-	861,978
Solid Waste Operations	-	-	-	552,675	552,675
General	203,578	122,110	-	-	325,688
Depreciation	664,749	562,446	537,246	9,695	1,774,136
Total Operating Expenses	\$ 14,516,953	\$ 1,989,979	\$ 1,399,224	\$ 562,370	\$ 18,468,526
OPERATING INCOME (LOSS)	\$ 2,155,142	\$ 728,624	\$ 818,445	\$ 127,230	\$ 3,829,441
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	\$ 146,126	\$ 55,096	\$ 15,095	\$ 641	\$ 216,958
Premium Amortization	-	2,648	-	-	2,648
Gain/(Loss) On Disposal of Capital Assets	(96)	-	-	-	(96)
Grants and Contributions	38,000	255,879	29,000	-	322,879
Miscellaneous	4,220	4,930	-	185	9,335
Interest Expense	-	(203,426)	-	-	(203,426)
Total Non-Operating Revenues (Expenses)	\$ 188,250	\$ 115,127	\$ 44,095	\$ 826	\$ 348,298
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 2,343,392	\$ 843,751	\$ 862,540	\$ 128,056	\$ 4,177,739
TRANSFERS & CAPITAL CONTRIBUTIONS:					
Transfers In (Out)	(1,563,624)	2,238,781	(818,560)	(46,520)	(189,923)
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	\$ (1,563,624)	\$ 2,238,781	\$ (818,560)	\$ (46,520)	\$ (189,923)
INCREASE (DECREASE) IN NET POSITION	\$ 779,768	\$ 3,082,532	\$ 43,980	\$ 81,536	\$ 3,987,816
NET POSITION, January 1, 2020	27,256,635	17,433,775	12,486,285	581,032	57,757,727
NET POSITION, December 31, 2020	\$ 28,036,403	\$ 20,516,307	\$ 12,530,265	\$ 662,568	\$ 61,745,543

See Independent Auditors' Report.

EXHIBIT 7

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

December 31, 2020

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ 6,227,787
Due from Other Funds	<u>187</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ 6,227,787</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 26,583,012	\$ -	\$ -
Construction in Progress	<u>1,838,284</u>	<u>-</u>	<u>-</u>
Less: Accumulated Depreciation	<u>(13,107,898)</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 15,313,398</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 15,313,585</u>	<u>\$ -</u>	<u>\$ 6,227,787</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Taxes Payable	\$ 24,816	\$ -	\$ -
Payroll Withholdings Payable	<u>868</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>\$ 25,684</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Customer Deposits	\$ -	\$ -	\$ 334,671
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,671</u>
TOTAL LIABILITIES	<u>\$ 25,684</u>	<u>\$ -</u>	<u>\$ 334,671</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 15,313,398	\$ -	\$ -
Unrestricted	<u>(25,497)</u>	<u>-</u>	<u>5,893,116</u>
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 15,287,901</u>	<u>\$ -</u>	<u>\$ 5,893,116</u>

See Independent Auditors' Report.

EXHIBIT 7

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ 6,855,386	\$ 13,083,173
-	-	-	187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,855,386</u>	<u>\$ 13,083,360</u>
\$ -	\$ -	\$ -	\$ 26,583,012
-	-	-	1,838,284
-	-	-	(13,107,898)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,313,398</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,855,386</u>	<u>\$ 28,396,758</u>
\$ -	\$ -	\$ -	\$ 24,816
-	-	-	868
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,684</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,671</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,671</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,355</u>
\$ -	\$ -	\$ -	\$ 15,313,398
-	-	-	5,867,619
-	-	6,855,386	6,855,386
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,855,386</u>	<u>\$ 28,036,403</u>

See Independent Auditors' Report.

EXHIBIT 8

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2020

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
OPERATING REVENUES:			
Collection of Electric Billings	\$ 16,560,010	\$ -	\$ -
URD Services	39,104	-	-
Cable TV-Pole Rent	46,022	-	-
Temporary Electric Hookups	-	-	-
Connection Charges	26,459	-	-
Miscellaneous	-	-	500
TOTAL OPERATING REVENUES	\$ 16,671,595	\$ -	\$ 500
OPERATING EXPENSES:			
Electric Power Plant	\$ 12,142,349	\$ -	\$ -
Electric Line Construction and Maintenance	1,221,301	-	277,488
General	203,578	-	-
Depreciation	664,749	-	-
TOTAL OPERATING EXPENSES	\$ 14,231,977	\$ -	\$ 277,488
OPERATING INCOME (LOSS)	\$ 2,439,618	\$ -	\$ (276,988)
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	\$ 146,126	\$ -	\$ -
Capital Contributions	38,000	-	-
Gain (Loss) on Disposal of Capital Asset	(96)	-	-
Miscellaneous	4,633	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES) BEFORE TRANSFERS	\$ 188,663	\$ -	\$ -
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 2,628,281	\$ -	\$ (276,988)
TRANSFERS IN (OUT)	(3,041,365)	-	(468,305)
CHANGE IN NET POSITION	\$ (413,084)	\$ -	\$ (745,293)
FUND BALANCE, January 1, 2020	15,700,985	-	6,638,409
FUND BALANCE, December 31, 2020	\$ 15,287,901	\$ -	\$ 5,893,116

See Independent Auditors' Report.

EXHIBIT 8

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ -	\$ 16,560,010
-	-	-	39,104
-	-	-	46,022
-	-	-	-
-	-	-	26,459
-	-	-	500
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 16,672,095
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 12,142,349
-	-	7,488	1,506,277
-	-	-	203,578
-	-	-	664,749
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 7,488	\$ 14,516,953
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ (7,488)	\$ 2,155,142
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 146,126
-	-	-	38,000
-	-	-	(96)
-	-	(413)	4,220
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ (413)	\$ 188,250
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ (7,901)	\$ 2,343,392
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 1,946,046	(1,563,624)
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 1,938,145	\$ 779,768
<hr/>	<hr/>	<hr/>	<hr/>
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\$ -	\$ -	4,917,241	27,256,635
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 6,855,386	\$ 28,036,403
<hr/>	<hr/>	<hr/>	<hr/>

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, 2020

	Waterworks and Sewerage Operations and Maintenance Fund	Water and Sewer Revenue Bond Fund	Water and Sewer Depreciation Reserve Fund
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash	\$ 1	\$ -	\$ -
Restricted Cash	-	433,338	30,000
Prepaid Expense	23,801	-	-
Total Current Assets	\$ 23,802	\$ 433,338	\$ 30,000
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 30,690,873	\$ -	\$ -
Construction in Progress	1,963,001	-	-
Less: Accumulated Depreciation	(15,106,849)	-	-
Total Capital Assets	\$ 17,547,025	\$ -	\$ -
TOTAL ASSETS	\$ 17,570,827	\$ 433,338	\$ 30,000
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 650	\$ -	\$ -
Certificate of Participation, Current Portion	-	90,000	-
Lease Purchase Payable, Current Portion	-	95,000	-
Bonds Payable, Current Portion	-	735,000	-
Discount on Revenue Bonds, Current Portion	-	1,823	-
Due to Other Funds	187	-	-
Total Current Liabilities	\$ 837	\$ 921,823	\$ -
<u>LONG-TERM LIABILITIES:</u>			
Certificate of Participation, Long-Term Portion	\$ -	\$ 1,195,000	\$ -
Lease Purchase Payable, Long-Term Portion	-	385,000	-
Bonds Payable, Long-Term Portion	-	6,520,000	-
Discount on Revenue Bonds, Long-Term Portion	-	1,824	-
Total Long-Term Liabilities	\$ -	\$ 8,101,824	\$ -
TOTAL LIABILITIES	\$ 837	\$ 9,023,647	\$ -
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 17,547,025	\$ (9,020,000)	\$ -
Unrestricted	22,965	(3,647)	-
Restricted	-	433,338	30,000
TOTAL NET POSITION	\$ 17,569,990	\$ (8,590,309)	\$ 30,000

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
\$ -	\$ -	\$ 7,917,223	\$ 653,295	\$ 2,856,105	\$ 11,426,624
50,003	30,000	-	-	-	543,341
-	-	-	-	-	23,801
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 7,917,223</u>	<u>\$ 653,295</u>	<u>\$ 2,856,105</u>	<u>\$ 11,993,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,690,873
-	-	-	-	-	1,963,001
-	-	-	-	-	(15,106,849)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,547,025</u>
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 7,917,223</u>	<u>\$ 653,295</u>	<u>\$ 2,856,105</u>	<u>\$ 29,540,791</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650
-	-	-	-	-	90,000
-	-	-	-	-	95,000
-	-	-	-	-	735,000
-	-	-	-	-	1,823
-	-	-	-	-	187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 922,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,195,000
-	-	-	-	-	385,000
-	-	-	-	-	6,520,000
-	-	-	-	-	1,824
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,101,824</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,024,484</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,527,025
-	-	7,917,223	653,295	2,856,105	11,445,941
<u>50,003</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,341</u>
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 7,917,223</u>	<u>\$ 653,295</u>	<u>\$ 2,856,105</u>	<u>\$ 20,516,307</u>

See Independent Auditors' Report.

EXHIBIT 10

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

For the Year Ended December 31, 2020

	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	\$ 2,641,874	\$ -	\$ -
Sale of Water at Plant	7,428	-	-
Water Taps, Meters, and Boxes	<u>69,301</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>\$ 2,718,603</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Water Plant	\$ 461,509	\$ -	\$ -
Water Line Construction and Maintenance	473,627	-	-
General	122,110	-	-
Depreciation	<u>562,446</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,619,692</u>	<u>\$ -</u>	<u>\$ -</u>
OPERATING INCOME (LOSS)	<u>\$ 1,098,911</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 39,167	\$ 11,718	\$ -
Premium Amortization	-	2,648	-
Grants and Contributions	255,879	-	-
Miscellaneous	4,930	-	-
Interest Expense	<u>-</u>	<u>(203,426)</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 299,976</u>	<u>\$ (189,060)</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 1,398,887</u>	<u>\$ (189,060)</u>	<u>\$ -</u>
TRANSFERS IN (OUT)	<u>518,000</u>	<u>1,341,390</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 1,916,887</u>	<u>\$ 1,152,330</u>	<u>\$ -</u>
FUND BALANCE, January 1, 2020	<u>15,653,103</u>	<u>(9,742,639)</u>	<u>30,000</u>
FUND BALANCE, December 31, 2020	<u>\$ 17,569,990</u>	<u>\$ (8,590,309)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,641,874
-	-	-	-	-	7,428
-	-	-	-	-	69,301
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,718,603</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 461,509
-	-	277,888	-	92,399	843,914
-	-	-	-	-	122,110
-	-	-	-	-	562,446
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,888</u>	<u>\$ -</u>	<u>\$ 92,399</u>	<u>\$ 1,989,979</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (277,888)</u>	<u>\$ -</u>	<u>\$ (92,399)</u>	<u>\$ 728,624</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,211	\$ 55,096
-	-	-	-	-	2,648
-	-	-	-	-	255,879
-	-	-	-	-	4,930
-	-	-	-	-	(203,426)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,211</u>	<u>\$ 115,127</u>
\$ -	\$ -	\$ (277,888)	\$ -	\$ (88,188)	\$ 843,751
-	-	928,630	42,121	(591,360)	2,238,781
\$ -	\$ -	\$ 650,742	\$ 42,121	\$ (679,548)	\$ 3,082,532
<u>50,003</u>	<u>30,000</u>	<u>7,266,481</u>	<u>611,174</u>	<u>3,535,653</u>	<u>17,433,775</u>
<u><u>\$ 50,003</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 7,917,223</u></u>	<u><u>\$ 653,295</u></u>	<u><u>\$ 2,856,105</u></u>	<u><u>\$ 20,516,307</u></u>

See Independent Auditors' Report.

EXHIBIT 11

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

December 31, 2020

	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Restricted Cash	\$ -	\$ 1,134,865	\$ 1,134,865
Total Current Assets	\$ -	\$ 1,134,865	\$ 1,134,865
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 27,043,634	\$ -	\$ 27,043,634
Construction in Progress	777,933	-	777,933
Less: Accumulated Depreciation	(16,425,487)	-	(16,425,487)
Net Capital Assets	\$ 11,396,080	\$ -	\$ 11,396,080
TOTAL ASSETS	\$ 11,396,080	\$ 1,134,865	\$ 12,530,945
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 680	\$ -	\$ 680
TOTAL LIABILITIES	\$ 680	\$ -	\$ 680
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 11,396,080	\$ -	\$ 11,396,080
Unrestricted	(680)	-	(680)
Restricted	-	1,134,865	1,134,865
TOTAL NET POSITION	\$ 11,395,400	\$ 1,134,865	\$ 12,530,265

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, 2020

	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>OPERATING REVENUES:</u>			
Collection of Sewer Billings	\$ 2,217,219	\$ -	\$ 2,217,219
Industrial Discharge Permits	450	-	450
TOTAL OPERATING REVENUES	\$ 2,217,669	\$ -	\$ 2,217,669
<u>OPERATING EXPENSES:</u>			
Wastewater Operations	\$ 859,932	\$ 2,046	\$ 861,978
Depreciation	537,246	-	537,246
TOTAL OPERATING EXPENSES	\$ 1,397,178	\$ 2,046	\$ 1,399,224
OPERATING INCOME	\$ 820,491	\$ (2,046)	\$ 818,445
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 15,095	\$ -	\$ 15,095
Capital Contributions	29,000	-	29,000
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$ 44,095	\$ -	\$ 44,095
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 864,586	\$ (2,046)	\$ 862,540
<u>TRANSFERS IN (OUT):</u>			
Transfers In (Out)	\$ (818,560)	\$ -	\$ (818,560)
TOTAL TRANSFERS	(818,560)	-	(818,560)
INCREASE (DECREASE) IN NET POSITION	\$ 46,026	\$ (2,046)	\$ 43,980
FUND BALANCE, January 1, 2019	11,349,374	1,136,911	12,486,285
FUND BALANCE, December 31, 2019	\$ 11,395,400	\$ 1,134,865	\$ 12,530,265

See Independent Auditors' Report.

EXHIBIT 13

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, 2020

REVENUES COLLECTED:

Property Tax from City of Jackson	\$ 115,660
Interest Income	<u>2,909</u>
TOTAL REVENUES COLLECTED	\$ 118,569

EXPENSES PAID:

Band Director's Salary	\$ 11,700
Concert Talent	7,000
Instruments and Sound Equipment	37,207
Music	234
Taxes	14,189
Repairs and Maintenance	10,904
Wages	106,934
Utilities	242
Advertising and Marketing	9,470
Concerts	640
Uniforms	515
Insurance	6,928
Other	<u>4,051</u>
TOTAL EXPENSES PAID	<u>210,014</u>

EXCESS OF REVENUES COLLECTED

OVER (UNDER) EXPENSES PAID \$ (91,445)

CASH, January 1, 2020 289,756

CASH, December 31, 2020 \$ 198,311

See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA

JERRY W. ROE, CPA

JEFFREY C. STRODER, CPA

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(1955 - 2014)

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SCOTT J. ROE, CPA

DAVID E. PRASANPHANICH, CPA

SASHA N. WILLIAMS, CPA

RHEANNA L. GREER, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City 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, 2020.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a material weakness.

The City of Jackson, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Jackson, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. 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

April 29, 2021

CITY OF JACKSON, MISSOURISCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Provided to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF INTERIOR:</u>				
Passed-Through Missouri Department of Natural Resources - Outdoor Recreation - Acquisition, Development and Planning	15.916	29-01707	\$ -	\$ 2,080
TOTAL U.S. DEPARTMENT OF INTERIOR				\$ 2,080
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ -	\$ 2,643
TOTAL U.S. DEPARTMENT OF JUSTICE				\$ 2,643
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Highway Safety Cluster:				
Passed-Through Missouri Department of Transportation - National Priority Safety Programs	20.616	20-M2HVE-05-015 20-PT-02-053 20-154-AL-059	\$ - - - 439	\$ 1,028 697 2,164 2,164
Total Highway Safety Cluster				
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				\$ 2,164
<u>U.S. DEPARTMENT OF TREASURY:</u>				
Passed-Through Cape Girardeau County - COVID 19 - Coronavirus Relief Fund (1)	21.019	N/A	\$ -	\$ 697,976
TOTAL U.S. DEPARTMENT OF TREASURY				\$ 697,976
<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	\$ -	\$ 22,190
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				\$ 22,190
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed-Through Missouri State Emergency Management Agency - Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-53	\$ -	\$ 4,471
Direct - Assistance to Firefighters Grant	97.044	EMW-2018-FR-00436	90,496	221,064
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				\$ 225,535
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 90,496	\$ 952,588

(1) Denotes Major Program.

CITY OF JACKSON, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the City of Jackson, Missouri under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Jackson, Missouri.

B. Basis of Presentation:

The Schedule is presented in accordance with the Uniform Guidance, 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 paid for goods and services. This is the same basis of accounting presented in the financial statements.

D. Indirect Cost Rate:

The City’s grant programs involve reimbursement of the City’s actual cost of administering the programs, and therefore, the City is not reimbursed for indirect costs and does not apply any indirect cost rate.

CITY OF JACKSON, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs.

CFDA Number
21.019

Name of Federal Program
COVID 19 – Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee: yes 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:

2020-001 Written Policies and Procedures

Federal Program: COVID 19 – Coronavirus Relief Fund (21.019). U.S. Department of the Treasury passed through the State of Missouri and Cape Girardeau County.

Criteria: Uniform Guidance requires policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.

Condition: Although no noncompliance with federal grant requirements was noted, the City did not have written policies and procedures over the components of grant administration.

Cause: The City had no written policies and relied on each department head receiving grant funding to comply with all applicable compliance requirements.

Effect: The federal government believes that not having written policies and procedures for grant administration increases the risk that the City will not comply with applicable compliance requirements.

Questioned Costs: None.

Context: Total federal grant expenditures totaled \$952,588 during the year ended December 31, 2020.

Repeat Finding: No.

EXHIBIT 15
Page 3

Recommendation:	We recommend the City develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.
Views of Responsible Officials and Planned Corrective Actions:	The City has already begun to develop the appropriate written policies in order to implement this recommendation.

CITY OF JACKSON, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2020

1. FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs noted that were required to be reported.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs in the audit of the year ended December 31, 2019.



City of Jackson

EXHIBIT 17

CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2020

The City of Jackson, Missouri respectfully submits the following corrective action plan for its finding in the Schedule of Finding and Questioned Costs.

Finding: 2020-001 Written Policies and Procedures

Finding Type: Internal Control

Name of
Contact Person: Ms. Joan Evans, IT Director

Recommendation: We recommend the City develop written policies and procedures related to cash management, cost allowability, procurement, and conflict of interest provisions for federal funds it receives.

Corrective Action: The City has already begun to develop written policies in order to implement this recommendation.

Proposed
Completion Date: Immediately