

CITY OF JACKSON, MISSOURI
Jackson, Missouri

For the Year Ended December 31, 2016

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	14-44
<u>SUPPLEMENTAL INFORMATION</u>	
Schedule 1 Budgetary Comparison Schedule – Modified Cash Basis – General Fund	45
Notes to Budgetary Comparison Schedule	46

Schedule 2	Retirement Plan – Schedule of Changes in the Net Pension Liability and Related Ratios – General Division	47
Schedule 3	Retirement Plan – Schedule of Changes in the Net Pension Liability and Related Ratios – Police Division	48
Schedule 4	Retirement Plan – Schedule of Changes in the Net Pension Liability and Related Ratios – Fire Division	49
Schedule 5	Schedule of Employer Contributions	50

ADDITIONAL SUPPLEMENTARY INFORMATION

Exhibit 1	Combining Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – All General Fund Departments	51
Exhibit 2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – All General Fund Departments	52
Exhibit 3	Combining Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis – Nonmajor Governmental Funds	53
Exhibit 4	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – Nonmajor Governmental Funds	54
Exhibit 5	Combining Statement of Net Position – Modified Cash Basis – Enterprise Funds	55
Exhibit 6	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Enterprise Funds	56
Exhibit 7	Combining Statement of Net Position – Modified Cash Basis – Electric System Enterprise Funds	57
Exhibit 8	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Electric System Enterprise Funds	58
Exhibit 9	Combining Statement of Net Position – Modified Cash Basis – Waterworks and Sewerage Enterprise Funds	59
Exhibit 10	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Waterworks and Sewerage Enterprise Funds	60

Exhibit 11	Combining Statement of Net Position – Modified Cash Basis – Wastewater System Enterprise Funds	61
Exhibit 12	Combining Statement of Revenues, Expenses, and Changes in Net Position – Modified Cash Basis – Wastewater System Enterprise Funds	62
Exhibit 13	Statement of Revenues, Expenses, and Changes in Cash Balance – Unaudited – Jackson Municipal Band	63
Exhibit 14	Schedule of Findings and Responses	64

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA
EVERETT E. HEY, CPA
JERRY W. ROE, CPA

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

JEFFREY C. STRODER, CPA
SCOTT J. ROE, CPA
DAVID E. PRASANPHANICH, CPA

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, 2016, 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, 2016, 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 Retirement Plan – Schedules of Changes in the Net Pension Liability and Related Ratios on pages 46 through 48, and Schedule of Employer Contributions on page 49, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jackson, Missouri's basic financial statements. The budgetary comparison information and combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and 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 and combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Statement of Revenues, Expenses, and Changes in Cash Balance – Unaudited – Jackson Municipal Band has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017, on our consideration of the City of Jackson, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jackson, Missouri’s internal control over financial reporting and compliance.

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

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

Cape Girardeau, Missouri

June 9, 2017

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA
EVERETT E. HEY, CPA
JERRY W. ROE, CPA

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

JEFFREY C. STRODER, CPA
SCOTT J. ROE, CPA
DAVID E. PRASANPHANICH, CPA

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, 2016, and the related notes to the financial statements, which collectively comprise the City of Jackson, Missouri's basic financial statements, and have issued our report thereon dated June 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jackson, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jackson, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jackson, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2016-001, that we consider to be a material weakness.

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*.

City of Jackson, Missouri's Response to Findings

City of Jackson, Missouri's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. City of Jackson, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Cape Girardeau, Missouri
June 9, 2017

BASIC FINANCIAL STATEMENTS

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

December 31, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash	\$ 6,707,423	\$ 21,128,644	\$ 27,836,067
Restricted Cash	8,530,649	1,747,085	10,277,734
Bond Premium, Current Portion	-	-	-
Due to Other Funds	(440,995)	440,995	-
Prepaid Expense	247	26,017	26,264
Total Current Assets	<u>\$ 14,797,324</u>	<u>\$ 23,342,741</u>	<u>\$ 38,140,065</u>
<u>Capital Assets:</u>			
Land, Improvements, and Construction in Progress	\$ 2,908,745	\$ 2,140,920	\$ 5,049,665
Other Capital Assets, Net	19,587,960	37,573,854	57,161,814
Total Capital Assets, Net	<u>\$ 22,496,705</u>	<u>\$ 39,714,774</u>	<u>\$ 62,211,479</u>
<u>Other Assets:</u>			
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 37,294,029</u>	<u>\$ 63,057,515</u>	<u>\$ 100,351,544</u>
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Other Payables	\$ 82,862	\$ -	\$ 82,862
Payroll Withholdings	18,497	4,618	23,115
Taxes Payable	-	11,228	11,228
Court Bonds Payable	2,473	-	2,473
Performance Bond Deposits	17,922	-	17,922
Internal Balances	172,512	(172,512)	-
Deferred Options Payable	10,000	-	10,000
Discount on Revenue Bonds, Current Portion	-	3,016	3,016
Certificate of Participation, Current Portion	-	90,000	90,000
Lease Purchase Payable, Current Portion	-	85,000	85,000
Bonds Payable, Current Portion	-	770,000	770,000
Total Current Liabilities	<u>\$ 304,266</u>	<u>\$ 791,350</u>	<u>\$ 1,095,616</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits	\$ -	\$ 322,402	\$ 322,402
Discount on Revenue Bonds, Long-Term Portion	-	12,327	12,327
Lease Purchase Payable, Long-Term Portion	-	735,000	735,000
Certificate of Participation, Long-Term Portion	-	1,195,000	1,195,000
Bonds Payable, Long-Term Portion	-	6,485,000	6,485,000
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 8,749,729</u>	<u>\$ 8,749,729</u>
TOTAL LIABILITIES	<u>\$ 304,266</u>	<u>\$ 9,541,079</u>	<u>\$ 9,845,345</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 22,496,705	\$ 30,354,774	\$ 52,851,479
Restricted For:			
General Government	8,051,883	-	8,051,883
Debt Service	-	6,169,180	6,169,180
Transportation	2,950,138	-	2,950,138
Culture and Recreation	497,087	-	497,087
Unrestricted	<u>2,993,950</u>	<u>16,992,482</u>	<u>19,986,432</u>
TOTAL NET POSITION	<u>\$ 36,989,763</u>	<u>\$ 53,516,436</u>	<u>\$ 90,506,199</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2016

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	\$ 3,952,312	\$ 201,879	\$ -	\$ 1,444	\$ (3,748,989)	\$ -	\$ (3,748,989)
Public Safety	3,555,969	-	91,324	-	(3,464,645)	-	(3,464,645)
Judiciary and Court Related	19,241	135,761	-	-	116,520	-	116,520
Transportation	1,009,028	-	-	1,239,663	230,635	-	230,635
Public Health	482,765	434,014	-	-	(48,751)	-	(48,751)
Culture and Recreation	578,264	114,132	161,741	298,706	(3,685)	-	(3,685)
Total Governmental Activities	\$ 9,597,579	\$ 885,786	\$ 253,065	\$ 1,539,813	\$ (6,918,915)	\$ -	\$ (6,918,915)
Business-Type Activities:							
Electric System	\$ 14,218,516	\$ 16,796,331	\$ 18,446	\$ 590,183	\$ -	\$ 3,186,444	\$ 3,186,444
Waterworks and Sewerage System	2,219,917	2,168,862	-	109,245	-	58,190	58,190
Wastewater System	1,270,393	2,062,901	-	309,100	-	1,101,608	1,101,608
Total Business-Type Activities	\$ 17,708,826	\$ 21,028,094	\$ 18,446	\$ 1,008,528	\$ -	\$ 4,346,242	\$ 4,346,242
Total Primary Government	\$ 27,306,405	\$ 21,913,880	\$ 271,511	\$ 2,548,341	\$ (6,918,915)	\$ 4,346,242	\$ (2,572,673)
General Revenues:							
Taxes:							
Property Taxes					\$ 1,859,590	\$ -	\$ 1,859,590
I-55 Allocation					288,523	-	288,523
Franchise Tax					514,690	-	514,690
Sales Tax					4,410,320	-	4,410,320
County Road and Bridge Tax					125,514	-	125,514
Railroad and Utility Tax					5,116	-	5,116
Financial Institution Tax					9,193	-	9,193
Surcharge Tax					66,087	-	66,087
Gas Tax					366,387	-	366,387
Motor Vehicle Sales Tax					117,762	-	117,762
Investment Income					38,432	92,259	130,691
Gain (Loss) on Disposal of Capital Assets					(4,649)	(16,767)	(21,416)
Other Income					396,947	3,016	399,963
Internal Balances					1,062,778	(1,062,778)	-
Total General Revenues and Transfers					\$ 9,256,690	\$ (984,270)	\$ 8,272,420
Change in Net Position					\$ 2,337,775	\$ 3,361,972	\$ 5,699,747
Net Position - January 1, 2016					34,902,874	50,451,573	85,354,447
Prior Period Adjustment					(250,886)	(297,109)	(547,995)
Net Position - December 31, 2016					\$ 36,989,763	\$ 53,516,436	\$ 90,506,199

See Accompanying Notes to the Basic Financial Statements.

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

For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash	\$ 3,405,775	\$ 2,953,852	\$ 6,359,627
Restricted Cash	8,530,649	-	8,530,649
Prepaid Expense	<u>247</u>	<u>-</u>	<u>247</u>
TOTAL ASSETS	<u>\$ 11,936,671</u>	<u>\$ 2,953,852</u>	<u>\$ 14,890,523</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>CURRENT LIABILITIES :</u>			
Other Payables	\$ 100,785	\$ -	\$ 100,785
Deferred Options Payable	10,000	-	10,000
Due to Other Funds	440,995	-	440,995
Payroll Withholdings	<u>18,497</u>	<u>-</u>	<u>18,497</u>
TOTAL CURRENT LIABILITIES	<u>\$ 570,277</u>	<u>\$ -</u>	<u>\$ 570,277</u>
<u>LONG-TERM LIABILITIES :</u>			
Court Bonds Payable	<u>\$ 2,473</u>	<u>\$ -</u>	<u>\$ 2,473</u>
TOTAL LIABILITIES	<u>\$ 572,750</u>	<u>\$ -</u>	<u>\$ 572,750</u>
<u>FUND BALANCES:</u>			
Nonspendable	\$ 173	\$ -	\$ 173
Restricted	3,118,003	1,052,503	4,170,506
Committed	1,128,556	1,901,349	3,029,905
Assigned	4,298,524	-	4,298,524
Unassigned	<u>2,818,665</u>	<u>-</u>	<u>2,818,665</u>
Total Fund Balances	<u>\$ 11,363,921</u>	<u>\$ 2,953,852</u>	<u>\$ 14,317,773</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,936,671</u>	<u>\$ 2,953,852</u>	<u>\$ 14,890,523</u>

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2016

Fund Balances of Governmental Funds (Statement 3)	\$ 14,317,773
---	---------------

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.	22,496,705
---	------------

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.	<u>175,285</u>
--	----------------

Total Net Position of Governmental Activities (Statement 1)	<u>\$ 36,989,763</u>
---	----------------------

See Accompanying Notes to the Basic Financial Statements.

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

For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes	\$ 2,374,280	\$ 288,523	\$ 2,662,803
Grants and Contributions	254,510	678,307	932,817
Intergovernmental	4,618,896	544,176	5,163,072
Charges for Services	883,442	2,344	885,786
Use of Money and Property	29,243	9,189	38,432
Miscellaneous	<u>177,765</u>	<u>145,880</u>	<u>323,645</u>
 TOTAL REVENUES	 \$ <u>8,338,136</u>	 \$ <u>1,668,419</u>	 \$ <u>10,006,555</u>
<u>EXPENDITURES:</u>			
General Government	\$ 3,950,440	\$ -	\$ 3,950,440
Public Safety	3,889,391	-	3,889,391
Judiciary and Court Related	19,241	-	19,241
Transportation	555,670	2,222,134	2,777,804
Public Health	460,475	-	460,475
Culture and Recreation	<u>1,279,359</u>	<u>313,634</u>	<u>1,592,993</u>
 TOTAL EXPENDITURES	 \$ <u>10,154,576</u>	 \$ <u>2,535,768</u>	 \$ <u>12,690,344</u>
 EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES PAID	 \$ <u>(1,816,440)</u>	 \$ <u>(867,349)</u>	 \$ <u>(2,683,789)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In (Out)	<u>1,065,884</u>	<u>7,502</u>	<u>1,073,386</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 \$ <u>1,065,884</u>	 \$ <u>7,502</u>	 \$ <u>1,073,386</u>
 EXCESS (DEFICIENCY) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENSES PAID AND OTHER USES	 \$ <u>(750,556)</u>	 \$ <u>(859,847)</u>	 \$ <u>(1,610,403)</u>
 FUND BALANCE, January 1, 2016	 <u>12,114,477</u>	 <u>3,813,699</u>	 <u>15,928,176</u>
 FUND BALANCE, December 31, 2016	 <u>\$ 11,363,921</u>	 <u>\$ 2,953,852</u>	 <u>\$ 14,317,773</u>

See Accompanying Notes to the Basic Financial Statements.

STATEMENT 4-A

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2016

Excess (Deficiency) of Revenues Collected and Other Sources Over (Under) Expenditures Paid and Other Uses (Statement 4)	\$ (1,610,403)
--	----------------

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.	3,957,413
---	-----------

An internal service fund is used by management to account for the usage of fuel from each fund.	<u>(9,235)</u>
--	----------------

Total Change in Net Position (Statement 2)	<u>\$ 2,337,775</u>
--	---------------------

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS

December 31, 2016

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
ASSETS					
CURRENT ASSETS:					
Cash	\$ 11,783,612	\$ 9,345,032	\$ -	\$ 21,128,644	\$ 347,796
Restricted Cash	-	679,752	1,067,333	1,747,085	-
Bond Premium, Current Portion	-	-	-	-	-
Prepaid Expense	-	26,017	-	26,017	-
Due from Other Funds	441,182	-	-	441,182	-
Total Current Assets	\$ 12,224,794	\$ 10,050,801	\$ 1,067,333	\$ 23,342,928	\$ 347,796
CAPITAL ASSETS:					
Capital Assets	\$ 25,015,175	\$ 24,703,751	\$ 26,427,298	\$ 76,146,224	\$ -
Construction in Progress	176,846	897,654	-	1,074,500	-
Less: Accumulated Depreciation	(10,649,287)	(12,623,176)	(14,233,487)	(37,505,950)	-
Total Capital Assets, Net	\$ 14,542,734	\$ 12,978,229	\$ 12,193,811	\$ 39,714,774	\$ -
OTHER ASSETS:					
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 26,767,528	\$ 23,029,030	\$ 13,261,144	\$ 63,057,702	\$ 347,796
LIABILITIES					
CURRENT LIABILITIES:					
Payroll Withholdings Payable	\$ 2,401	\$ 1,177	\$ 1,040	\$ 4,618	\$ -
Taxes Payable	11,228	-	-	11,228	-
Certificate of Participation, Current Portion	-	90,000	-	90,000	-
Lease Purchase Payable, Current Portion	-	85,000	-	85,000	-
Bonds Payable, Current Portion	-	770,000	-	770,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016	-
Due to Other Funds	-	187	-	187	-
Total Current Liabilities	\$ 13,629	\$ 949,380	\$ 1,040	\$ 964,049	\$ -
LONG TERM LIABILITIES:					
Customer Deposits	\$ 322,402	\$ -	\$ -	\$ 322,402	\$ -
Discount on Revenue Bonds, Long-Term Portion	-	12,327	-	12,327	-
Lease Purchase Payable, Long-Term Portion	-	735,000	-	735,000	-
Certificate of Participation, Long-Term Portion	-	1,195,000	-	1,195,000	-
Bonds Payable, Long-Term Portion	-	6,485,000	-	6,485,000	-
Total Long-Term Liabilities	\$ 322,402	\$ 8,427,327	\$ -	\$ 8,749,729	\$ -
TOTAL LIABILITIES	\$ 336,031	\$ 9,376,707	\$ 1,040	\$ 9,713,778	\$ -
NET POSITION					
Net Investment in Capital Assets	\$ 14,542,734	\$ 3,618,229	\$ 12,193,811	\$ 30,354,774	\$ -
Unrestricted	7,466,668	9,354,342	(1,040)	16,819,970	-
Restricted	4,422,095	679,752	1,067,333	6,169,180	347,797
TOTAL NET POSITION	\$ 26,431,497	\$ 13,652,323	\$ 13,260,104	\$ 53,343,924	\$ 347,797

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

172,512
\$ 53,516,436

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2016

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
OPERATING REVENUES COLLECTED:					
Electric System	\$ 16,814,777	\$ -	\$ -	\$ 16,814,777	\$ -
Waterworks and Sewerage System	-	2,168,862	-	2,168,862	-
Wastewater System	-	-	2,062,901	2,062,901	-
Fuel Usage	-	-	-	-	128,835
Total Operating Revenues Collected	\$ 16,814,777	\$ 2,168,862	\$ 2,062,901	\$ 21,046,540	\$ 128,835
OPERATING EXPENSES PAID:					
Electric Power Plant	\$ 12,159,985	\$ -	\$ -	\$ 12,159,985	\$ -
Electric Line Construction and Maintenance	1,206,941	-	-	1,206,941	-
Water Plant	-	273,897	-	273,897	-
Water Line Construction and Maintenance	-	915,287	-	915,287	-
Wastewater Operations	-	-	635,225	635,225	-
General	210,622	102,106	-	312,728	141,046
Depreciation	661,744	674,399	633,906	1,970,049	-
Total Operating Expenses Paid	\$ 14,239,292	\$ 1,965,689	\$ 1,269,131	\$ 17,474,112	\$ 141,046
OPERATING INCOME (LOSS)	\$ 2,575,485	\$ 203,173	\$ 793,770	\$ 3,572,428	\$ (12,211)
NON-OPERATING REVENUES COLLECTED (EXPENSES PAID):					
Interest Income	\$ 44,269	\$ 43,702	\$ 4,288	\$ 92,259	\$ -
Grants and Contributions	590,183	109,245	309,100	1,008,528	-
Insurance Proceeds	-	-	-	-	-
Premium Amortization	-	3,016	-	3,016	-
Gain/(Loss) on Disposal of Capital Assets	(16,095)	(672)	-	(16,767)	-
Miscellaneous	21,963	(47,978)	-	(26,015)	-
Amortization Expense	-	-	-	-	-
Interest Expense	-	(205,723)	-	(205,723)	-
Storm Damage Expense	-	-	-	-	-
Total Non-Operating Revenues Collected (Expenses Paid)	\$ 640,320	\$ (98,410)	\$ 313,388	\$ 855,298	\$ -
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 3,215,805	\$ 104,763	\$ 1,107,158	\$ 4,427,726	\$ (12,211)
TRANSFERS & CAPITAL CONTRIBUTIONS:					
Transfers In (Out)	(943,613)	(7,167,105)	7,017,940	(1,092,778)	30,000
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	\$ (943,613)	\$ (7,167,105)	\$ 7,017,940	\$ (1,092,778)	\$ 30,000
INCREASE (DECREASE) IN NET POSITION	\$ 2,272,192	\$ (7,062,342)	\$ 8,125,098	\$ 3,334,948	\$ 17,789
TOTAL NET POSITION, January 1, 2016	24,159,305	20,708,653	5,438,127	50,306,085	330,008
PRIOR PERIOD ADJUSTMENT	-	6,012	(303,121)	(297,109)	-
TOTAL NET POSITION, December 31, 2016	\$ 26,431,497	\$ 13,652,323	\$ 13,260,104	\$ 53,343,924	\$ 347,797

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

27,024
\$ 3,361,972

See Accompanying Notes to the Basic Financial Statements.

CITY OF JACKSON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2016

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.

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.
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.

Proprietary Funds

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

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

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

C. Measurement Focus and Basis of Accounting:

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

D. Assets, Liabilities, and Equity:

Cash and Cash Equivalents

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

Capital Assets

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

Long-Term Debt

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

Equity Classification

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

1. 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
Public Health	Landfill Receipts
Culture and Recreation	Pavilion Permits, Gate and Concession Stand Receipts

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

Operating Revenue and Expenses

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

F. Internal and Interfund Balances and Activities:

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

Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

G. Unemployment Insurance:

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

H. Vacation and Sick Pay:

The City permits employees to accumulate a limited amount of earned but unused vacation and sick leave. Vacation time and sick leave are considered as expenditures in the year paid. Compensation will not be paid in lieu of actually taking a vacation. Accumulated vacation time is paid if employment is terminated. The accrued vacation time payable is not recorded in the financial statements since the cash basis of accounting is employed. Although the possibility that all employees will terminate in the upcoming year is remote, management estimates the potential liability at December 31, 2016 would have been \$92,253.

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 2016 were levied on August 15, 2016. Taxes recorded in these financial statements are from the 2015 and prior tax levies.

K. Non-Cash Transactions:

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

L. Deposits:

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

The City maintains at least one separate cash account for each fund. Each fund type's cash is displayed on the combined statement of assets, liabilities, and fund balances arising from cash transactions as "Cash" and "Restricted Cash" under each fund's caption. The deposits held at December 31, 2016 are as follows:

Deposits	
Demand Deposits	\$ 10,686,646
Interest Bearing Deposit Accounts	<u>27,426,517</u>
Total Deposits	<u>\$ 38,113,163</u>

The City holds petty cash of \$608.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2016, the bank balance was \$38,535,965, and there was no exposure to custodial credit risk.

Reconciliation to Statement of Net Position:	
Cash, Book Balance	\$ 38,112,555
Petty Cash	<u>608</u>
Cash, Statement of Net Position	<u>\$ 38,113,163</u>

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 9, 2017, the date the financial statements were available to be issued.

2. RETIREMENT PLAN

Summary of Significant Accounting Policies

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.

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 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 and receive a reduced allowance.

	<u>February 29, 2016 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. Employees Covered by Benefit Terms:

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	32
Active employees	<u>80</u>
	<u>165</u>

D. 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 10.30% of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

F. Actuarial Assumptions:

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

G. Discount Rate:

The discount rate used to measure the total pension liability is 7.13%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
Balances at 6/30/2015	\$ 15,371,375	\$ 16,256,401	\$ (885,026)
Changes for the Year:			
Service Cost	317,389	-	317,389
Interest	1,104,348	-	1,104,348
Difference Between Expected and Actual Experience	(369,933)	-	(369,933)
Changes of Assumptions	1,055,531	-	1,055,531
Contributions - Employer	-	319,621	(319,621)
Contributions - Employee	-	-	-
Net Investment Income	-	(31,848)	31,848
Benefit Payments, Including Refunds	(600,317)	(600,317)	-
Administrative Expense	-	(13,208)	13,208
Other Changes	-	(500,444)	500,444
Net Changes	<u>1,507,018</u>	<u>(826,196)</u>	<u>2,333,214</u>
Balances at 6/30/2016	<u>\$ 16,878,393</u>	<u>\$ 15,430,205</u>	<u>\$ 1,448,188</u>

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.13%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.13%) or 1% higher (8.13%) than the current rate.

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>6.13%</u>	<u>7.13%</u>	<u>8.13%</u>
\$ 3,992,447	\$ 1,448,188	\$ (645,050)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the employer recognized pension expense of \$1,296,127. Had the City prepared its financial statements in accordance with accounting principles generally accepted in the United States, the employer would have reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ (377,444)
Differences in assumptions	862,835	-
Excess (deficit) investment returns	1,456,263	-
Contributions subsequent to the measurement date*	<u>155,809</u>	<u>-</u>
Total	<u>\$ 2,474,907</u>	<u>\$ (377,444)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2017	\$ 666,845
2018	511,036
2019	511,036
2020	348,758
2021	<u>59,788</u>
Total	<u>\$2,097,463</u>

Police Division

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 55 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 50 and receive a reduced allowance.

	<u>February 29, 2016 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. Employees Covered by Benefit Terms:

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	21
Active employees	<u>22</u>
	<u>53</u>

D. 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 contribute 4% of their gross pay to the pension plan. Employer contribution rates are 13.8% of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

F. Actuarial Assumptions:

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

G. Discount Rate:

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 6/30/2015	<u>\$ 4,236,209</u>	<u>\$ 4,245,947</u>	<u>\$ (9,738)</u>
Changes for the Year:			
Service Cost	100,687	-	100,687
Interest	306,151	-	306,151
Difference Between Expected and Actual Experience	66,331	-	66,331
Changes of Assumptions	126,275		126,275
Contributions - Employer	-	115,831	(115,831)
Contributions - Employee	-	-	-
Net Investment Income	-	(3,587)	3,587
Benefit Payments, Including Refunds	(128,046)	(128,046)	-
Administrative Expense	-	(3,618)	3,618
Other Changes	-	20,930	(20,930)
Net Changes	<u>471,398</u>	<u>1,510</u>	<u>469,888</u>
Balances at 6/30/2016	<u>\$ 4,707,607</u>	<u>\$ 4,247,457</u>	<u>\$ 460,150</u>

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
\$ 1,267,655	\$ 460,150	\$ (189,454)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the employer recognized pension expense of \$225,861. Had the City prepared its financial statements in accordance with accounting principles generally accepted in the United States, the employer would have reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 55,139	\$ -
Differences in assumptions	102,632	-
Excess (deficit) investment returns	386,096	-
Contributions subsequent to the measurement date*	<u>60,179</u>	<u>-</u>
Total	<u>\$ 604,046</u>	<u>\$ -</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2017	\$204,527
2018	144,348
2019	144,349
2020	98,526
2021	12,296
Thereafter	<u>-0-</u>
Total	<u>\$604,046</u>

Fire Division

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 55 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 50 for fire and receive a reduced allowance.

	<u>February 29, 2016 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. Employees Covered by Benefit Terms:

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>18</u>
	<u>35</u>

D. 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 13.7% (Fire) of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

F. Actuarial Assumptions:

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 7.15% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

G. Discount Rate:

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit

payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2015	\$ 2,568,481	\$ 2,776,293	\$ (207,812)
Changes for the Year:			
Service Cost	105,601	-	105,601
Interest	185,519	-	185,519
Difference Between Expected and Actual Experience	(105,404)	-	(105,404)
Changes in Assumptions	94,327	-	94,327
Contributions - Employer	-	99,424	(99,424)
Contributions - Employee	-	-	-
Net Investment Income	-	8,921	(8,921)
Benefit Payments, Including Refunds	(125,135)	(125,135)	-
Administrative Expense	-	(2,440)	2,440
Other Changes	-	(109,475)	109,475
Net Changes	<u>154,908</u>	<u>(128,705)</u>	<u>283,613</u>
Balances at 6/30/2016	<u>\$ 2,723,389</u>	<u>\$ 2,647,588</u>	<u>\$ 75,801</u>

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
\$ 538,367	\$ 75,801	\$ (297,799)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the employer recognized pension expense of \$269,594. Had the City prepared its financial statements in accordance with accounting principles generally accepted in the United States, the employer would have reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ (102,625)
Differences in assumptions	84,731	-
Excess (deficit) investment returns	232,804	-
Contributions subsequent to the measurement date*	52,445	-
Total	<u>\$ 369,980</u>	<u>\$ (102,625)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2017	\$115,384
2018	62,939
2019	62,937
2020	35,325
2021	(2,166)
Thereafter	<u>(7,064)</u>
Total	<u>\$267,355</u>

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 \$43,935,148.

Long-term debt outstanding at December 31, 2016 consisted of the following:

Business-Type Activities:

Combined Waterworks and Sewerage System	
Revenue Bonds Series 2016	\$ 4,000,000
Equipment Lease Purchase Agreement Series 2015	820,000
Certificates of Participation Series 2013	1,285,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 2002A	1,680,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 2000A	75,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 2000B	510,000
Combined Waterworks and Sewerage System	
Revenue Bonds Series 1999	<u>990,000</u>
Total	<u>\$ 9,360,000</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2016:

Long-Term Debt, January 1, 2016	\$ 6,120,000
Additions	4,000,000
Retirements	<u>(760,000)</u>
Long-Term Debt, December 31, 2016	<u>\$ 9,360,000</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, 2016 was \$4,000,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
07/01/2017	2.340%	\$ 165,000	\$ 46,800	\$ 211,800
01/01/2018			44,870	44,870
07/01/2018	2.340%	180,000	44,870	224,870
01/01/2019			42,764	42,764
07/01/2019	2.340%	190,000	42,764	232,764
01/01/2020			40,540	40,540
07/01/2020	2.340%	245,000	40,540	285,540
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>\$4,000,000</u>	<u>\$778,286</u>	<u>\$4,778,286</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, 2016 was \$1,285,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05/1/2017			\$ 17,712	\$ 17,712
11/1/2017	2.000%	\$ 95,000	17,712	112,712
05/1/2018			16,762	16,762
11/1/2018	2.000%	100,000	16,762	116,762
05/1/2019			15,762	15,762
11/1/2019	2.000%	100,000	15,762	115,762
05/1/2020			14,762	14,762
11/1/2020	2.500%	100,000	14,762	114,762
05/1/2021			13,512	13,512
11/1/2021	2.500%	100,000	13,512	113,512
05/1/2022			12,262	12,262
11/1/2022	2.500%	105,000	12,262	117,262
05/1/2023			10,950	10,950
11/1/2023	3.000%	105,000	10,950	115,950
05/1/2024			9,375	9,375
11/1/2024	3.000%	110,000	9,375	119,375
05/1/2025			7,725	7,725
11/1/2025	3.000%	110,000	7,725	117,725
05/1/2026			6,075	6,075
11/1/2026	3.375%	115,000	6,075	121,075
05/1/2027			4,134	4,134
11/1/2027	3.375%	120,000	4,134	124,134
05/1/2028			2,109	2,109
11/1/2028	3.375%	<u>125,000</u>	<u>2,109</u>	<u>127,109</u>
		<u>\$1,285,000</u>	<u>\$262,280</u>	<u>\$1,547,280</u>

Certificates of Participation Series 2015 in the original amount of \$905,000, dated October 1, 2015. The outstanding balance due at December 31, 2016 was \$820,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
03/01/17			\$ 9,348	\$ 9,348
09/01/17	2.280%	\$ 85,000	9,348	94,348
03/01/18			8,379	8,379
09/01/18	2.280%	85,000	8,379	93,379
03/01/19			7,410	7,410
09/01/19	2.280%	85,000	7,410	92,410
03/01/20			6,441	6,441
09/01/20	2.280%	85,000	6,441	91,441
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>\$ 820,000</u>	<u>\$ 96,444</u>	<u>\$ 916,444</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, 2016 was \$1,680,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/17	5.375%	\$ 225,000	\$ 43,601	\$ 268,601
07/01/17			37,554	37,554
01/01/18	5.375%	230,000	37,554	267,554
07/01/18			31,373	31,373
01/01/19	5.375%	230,000	31,373	261,373
07/01/19			25,191	25,191
01/01/20	5.000%	250,000	25,191	275,191
07/01/20			18,941	18,941
01/01/21	5.000%	240,000	18,941	258,941
07/01/21			12,941	12,941
01/01/22	5.100%	250,000	12,941	262,941
07/01/22			6,566	6,566
01/01/23	5.150%	<u>255,000</u>	<u>6,566</u>	<u>261,566</u>
		<u>\$1,680,000</u>	<u>\$ 308,733</u>	<u>\$1,988,733</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000A in the original amount of \$995,000, dated April 1, 2000. The outstanding balance due at December 31, 2016 was \$75,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/17			\$ 2,099	\$ 2,099
07/01/17	5.550%	\$ 30,000	2,099	32,099
01/01/18			1,266	1,266
07/01/18	5.600%	25,000	1,266	26,266
01/01/19			566	566
07/01/19	5.650%	15,000	566	15,566
01/01/20			143	143
07/01/20	5.700%	<u>5,000</u>	<u>143</u>	<u>5,143</u>
		<u>\$ 75,000</u>	<u>\$ 8,148</u>	<u>\$ 83,148</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000B in the original amount of \$1,895,000, dated November 1, 2000. The outstanding balance due at December 31, 2016 was \$510,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/17			\$ 13,810	\$ 13,810
07/01/17	5.300%	\$ 120,000	13,810	133,810
01/01/18			10,630	10,630
07/01/18	5.400%	125,000	10,630	135,630
01/01/19			7,255	7,255
07/01/19	5.450%	130,000	7,255	137,255
01/01/20			3,713	3,713
07/01/20	5.500%	<u>135,000</u>	<u>3,713</u>	<u>138,713</u>
		<u>\$ 510,000</u>	<u>\$ 70,816</u>	<u>\$ 580,816</u>

Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1999 in the original amount of \$3,405,000, dated November 18, 1999. The outstanding balance due at December 31, 2016 was \$990,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/17			\$ 28,172	\$ 28,172
07/01/17	5.625%	\$ 225,000	28,172	253,172
01/01/18			21,844	21,844
07/01/18	5.625%	240,000	21,844	261,844
01/01/19			15,094	15,094
07/01/19	5.750%	255,000	15,094	270,094
01/01/20			7,763	7,763
07/01/20	5.750%	<u>270,000</u>	<u>7,763</u>	<u>277,763</u>
		<u>\$ 990,000</u>	<u>\$ 145,746</u>	<u>\$1,135,746</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Governmental Activities</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Governmental Activities:				
Capital Assets not being Depreciated:				
Land, Improvements, and				
Construction in Progress	\$ 9,277,347	\$ 2,274,380	\$(8,642,982)	\$ 2,908,745
Other Assets	<u>45,145,813</u>	<u>12,492,169</u>	<u>(1,067,251)</u>	<u>56,570,731</u>
Total Assets at Historical Cost	\$ 54,423,160	\$14,766,549	\$(9,710,233)	\$59,479,476
Less Accumulated Depreciation	<u>(35,632,982)</u>	<u>(2,161,505)</u>	<u>811,716</u>	<u>(36,982,771)</u>
Capital Assets, Net	<u>\$ 18,790,178</u>	<u>\$12,605,044</u>	<u>\$(8,898,517)</u>	<u>\$22,496,705</u>

	<u>Business-Type Activities</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Capital Assets not being Depreciated:				
Land, Improvements and				
Construction in Progress	\$ 898,388	\$1,457,622	\$ (215,090)	\$ 2,140,920
Equipment	5,398,465	2,878,039	(650,199)	7,626,305
Plant	<u>70,422,685</u>	<u>965,876</u>	<u>(3,935,062)</u>	<u>67,453,499</u>
Total Assets at Historical				
Costs	\$ 76,719,538	\$5,301,537	\$(4,800,351)	\$ 77,220,724
Less Accumulated				
Depreciation	<u>(37,249,474)</u>	<u>(2,130,759)</u>	<u>1,874,283</u>	<u>(37,505,950)</u>
Capital Assets, Net	<u>\$ 39,470,064</u>	<u>\$3,170,778</u>	<u>\$(2,926,068)</u>	<u>\$ 39,714,774</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 58,476
Public Safety	260,800
Judicial and Court Related	-0-
Transportation	893,670
Public Health	22,290
Culture and Recreation	<u>240,836</u>
Total Depreciation Expense	<u>\$ 1,476,072</u>

Business-Type Activities:

Electric System	\$ 661,744
Waterworks and Sewerage System	674,399
Wastewater System	<u>633,906</u>
Total Depreciation Expense	<u>\$ 1,970,049</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, 2016	\$ 471,973
Amount, Subject to Above Restrictions, at	
December 31, 2015	<u>(813,382)</u>
Subtotal	\$ (341,409)
Less Amount Expended in Connection with Systems	<u>(273,923)</u>
Restricted Net Position-Water Surplus	<u>\$ -0-</u>

Restricted Net Position Balances are as follows:

Electric Capital Projects Accounts	\$4,422,095
Electric Reserve Account	-0-
Electric Debt Service Revenue Account	-0-
Water and Sewer Revenue Bond Account	569,749
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>1,067,333</u>
Total Restricted Net Position	<u>\$6,169,180</u>

The following Government Fund Balance constraints are also in effect:

Nonspendable

Cemetery	\$ 100
Recreational Development	<u>73</u>
Total Nonspendable	<u>\$ 173</u>

Restricted

Road Use Tax	\$1,052,503
Transportation Sales Tax	2,614,959
Recreational Sales Tax	496,587
Fire Protection Sales Tax	3,333
Community Development Block Grant	500
General	<u>2,624</u>
Total Restricted	<u>\$4,170,506</u>

Committed

Storm Water Maintenance	\$ 220,404
I-55 Allocation	1,677,231
Inmate Security	3,714
Capital Projects	-0-
Cemetery	988,712
Library	54,913
City Park	36,026
Public Park Foundation	33,856
Equitable Sharing	<u>15,049</u>
Total Committed	<u>\$3,029,905</u>

Assigned

Sales Tax	\$4,104,169
Landfill	190,405
Recreational Development	<u>3,950</u>
Total Assigned	<u>\$4,298,524</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, 2016, there were no significant adjustments in premiums based on actual experience.

7. USE OF ESTIMATES

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

8. NON-CASH TRANSACTIONS

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

Non-Cash transactions activity for the acquisition of property for the year ended December 31, 2016 was as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 81,049	\$ -0-
Electric Operation and Maintenance	976,054	-0-
Electric Surplus	-0-	856,662
Wastewater Operation and Maintenance	48,341	-0-
Water and Sewer Construction	-0-	620,960
Electric Capital Projects	-0-	200,441
Water and Sewer Operations and Maintenance	847,026	48,341
Water and Sewer Surplus	-0-	226,066
Total	<u>\$1,952,470</u>	<u>\$1,952,470</u>

9. CONTINGENT LIABILITIES

The City, through issuance of infrastructure projects bills, guarantees 13 individual loans at the Bank of Missouri totaling \$50,274 as of December 31, 2016.

10. COMMITMENTS

During 2016, the City has awarded a contract for a water system facility implementation project totaling \$2,127,552. As of December 31, 2016, \$618,436 has been paid on the project. The project is expected to be completed during 2017. Also during 2016, the City has awarded a contract for an interceptor project totaling \$211,530. As of December 31, 2016, \$29,318 has been paid on the project. The project is expected to be completed in 2017. Also during 2016, the City has awarded a contract for a restroom building project totaling \$20,250. As of December 31, 2016, \$-0- has been paid on the project. The project is expected to be completed in 2017. Also during 2016, the City has awarded a contract on a recreational trail project totaling \$780,115. As of December 31, 2016, \$745,011 has been paid on the project. Also during 2016, the City has awarded two contracts for electrical line improvements totaling \$185,800. As of December 31, 2016, \$134,208 has been paid on the projects.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 126 active and retired members in the plan.

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

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$435 to \$572 for single coverage and a range from \$767 to \$1,686, depending on levels of coverage, for family coverage. The same monthly premiums apply to retirees. For the year ended December 31, 2016, the City contributed \$1,288,582 and plan members eligible for benefits contributed \$8,596 to the plan.

12. 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, 2016, the taxes applicable to the City that were abated totaled \$13,253 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 2016.

13. COMMITMENT

In April 2016, the City purchased a new fire truck in the amount of \$440,995. The City expects to receive possession of this fire truck in May 2017.

14. PRIOR PERIOD ADJUSTMENT

Beginning equity of the governmental activities, as previously presented, has been reduced by \$250,886 for the net effect of several errors discovered in prior year capital asset records. In addition, the equity of the business-type activities has also been reduced by \$297,109 for errors in prior year capital asset records. This adjustment also appears as a \$6,012 increase and \$303,121 decrease in beginning equity of the Waterworks and Sewage System and Wastewater System major funds.

SUPPLEMENTAL INFORMATION

CITY OF JACKSON, MISSOURI

**BUDGETARY COMPARISON SCHEDULE - MODIFIED
CASH BASIS - GENERAL FUND**

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES:</u>				
Taxes	\$ 2,829,709	\$ 3,056,152	\$ 2,374,280	\$ (681,872)
Grants and Contributions	79,048	153,332	254,510	101,178
Intergovernmental	3,271,683	3,484,812	4,618,896	1,134,084
Charges for Services	707,250	746,000	883,442	137,442
Use of Money and Property	15,425	14,225	29,243	15,018
Miscellaneous	<u>57,450</u>	<u>45,006</u>	<u>177,765</u>	<u>132,759</u>
TOTAL REVENUES	\$ 6,960,565	\$ 7,499,527	\$ 8,338,136	\$ 838,609
<u>EXPENDITURES:</u>				
General Government	\$ 2,956,140	\$ 3,849,275	\$ 3,950,440	\$ (101,165)
Public Safety	3,264,416	4,080,773	3,889,391	191,382
Judiciary and Court Related	20,926	21,199	19,241	1,958
Transportation	658,510	1,382,892	555,670	827,222
Public Health	500,323	494,950	460,475	34,475
Culture and Recreation	<u>635,674</u>	<u>982,788</u>	<u>1,279,359</u>	<u>(296,571)</u>
TOTAL EXPENDITURES	\$ 8,035,989	\$ 10,811,877	\$ 10,154,576	\$ 657,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,075,424)	\$ (3,312,350)	\$ (1,816,440)	\$ 1,495,910
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In (Out)	\$ 970,846	\$ 1,099,527	\$ 1,065,884	\$ (33,643)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 970,846	\$ 1,099,527	\$ 1,065,884	\$ (33,643)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (104,578)	\$ (2,212,823)	\$ (750,556)	\$ 1,462,267
FUND BALANCE, January 1, 2016			<u>12,114,477</u>	
FUND BALANCE, December 31, 2016			<u>\$ 11,363,921</u>	

See Accompanying Notes to Budgetary Comparison Schedules.

CITY OF JACKSON, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GENERAL DIVISION

December 31, 2016

Fiscal Year Ended June 30,	2016	2015
Total Pension Liability		
Service Costs	\$ 317,389	\$ 312,308
Interest on the Pension Liability	1,104,348	1,056,460
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(369,933)	(116,519)
Changes of Assumptions	1,055,531	-
Benefit Payments, Including Refunds of Employee Contributions	(600,317)	(588,323)
Net Change in Total Pension Liability	1,507,018	663,926
Total Pension Liability - Beginning	15,371,375	14,707,449
Total Pension Liability - Ending (A)	<u>\$ 16,878,393</u>	<u>\$ 15,371,375</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 319,621	\$ 362,202
Contributions - Employees	-	-
Net Investment Income	(31,848)	311,075
Benefit Payments, Including Refunds of Employee Contributions	(600,317)	(588,323)
Pension Plan Administrative Expense	(13,208)	(14,074)
Other (Net Transfers)	(500,444)	78,919
Net Change in Plan Fiduciary Net Position	(826,196)	149,799
Plan Fiduciary Net Position - Beginning	16,256,401	16,106,602
Plan Fiduciary Net Position - Ending (B)	<u>\$ 15,430,205</u>	<u>\$ 16,256,401</u>
Net Pension Liability - Ending (A) - (B)	1,448,188	(885,026)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.42%	105.76%
Covered Valuation Payroll	\$ 2,984,393	\$ 2,867,196
Net Pension Liability as a Percentage of Covered Valuation Payroll	48.53%	-30.87%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSON, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE DIVISION

December 31, 2016

Fiscal Year Ended June 30,	2016	2015
Total Pension Liability		
Service Costs	\$ 100,687	\$ 97,202
Interest on the Pension Liability	306,151	287,741
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	66,331	1,949
Changes of Assumptions	126,275	-
Benefit Payments, Including Refunds of Employee Contributions	(128,046)	(141,079)
Net Change in Total Pension Liability	471,398	245,813
Total Pension Liability - Beginning	4,236,209	3,990,396
Total Pension Liability - Ending (A)	\$ 4,707,607	\$ 4,236,209
Plan Fiduciary Net Position		
Contributions - Employer	\$ 115,831	\$ 108,903
Contributions - Employees	-	-
Net Investment Income	(3,587)	80,006
Benefit Payments, Including Refunds of Employee Contributions	(128,046)	(141,079)
Pension Plan Administrative Expense	(3,618)	(3,728)
Other (Net Transfers)	20,930	(126,809)
Net Change in Plan Fiduciary Net Position	1,510	(82,707)
Plan Fiduciary Net Position - Beginning	4,245,947	4,328,654
Plan Fiduciary Net Position - Ending (B)	\$ 4,247,457	\$ 4,245,947
Net Pension Liability - Ending (A) - (B)	460,150	(9,738)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.23%	100.23%
Covered Valuation Payroll	\$ 913,901	\$ 813,943
Net Pension Liability as a Percentage of Covered Valuation Payroll	50.35%	-1.20%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSON, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FIRE DIVISION

December 31, 2016

Fiscal Year Ended June 30,	2016	2015
Total Pension Liability		
Service Costs	\$ 105,601	\$ 102,254
Interest on the Pension Liability	185,519	173,190
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(105,404)	(10,022)
Changes of Assumptions	94,327	-
Benefit Payments, Including Refunds of Employee Contributions	(125,135)	(69,841)
Net Change in Total Pension Liability	154,908	195,581
Total Pension Liability - Beginning	2,568,481	2,372,900
Total Pension Liability - Ending (A)	\$ 2,723,389	\$ 2,568,481
Plan Fiduciary Net Position		
Contributions - Employer	\$ 99,424	\$ 103,541
Contributions - Employees	-	-
Net Investment Income	8,921	55,660
Benefit Payments, Including Refunds of Employee Contributions	(125,135)	(69,841)
Pension Plan Administrative Expense	(2,440)	(2,517)
Other (Net Transfers)	(109,475)	64,342
Net Change in Plan Fiduciary Net Position	(128,705)	151,185
Plan Fiduciary Net Position - Beginning	2,776,293	2,625,108
Plan Fiduciary Net Position - Ending (B)	2,647,588	\$ 2,776,293
Net Pension Liability - Ending (A) - (B)	75,801	(207,812)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.22%	108.09%
Covered Valuation Payroll	\$ 703,538	\$ 707,270
Net Pension Liability as a Percentage of Covered Valuation Payroll	10.77%	-29.38%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSON, MISSOURI

SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

December 31, 2016

Fiscal Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 530,494	\$ 530,494	\$ -	\$ 4,613,089	11.50%
2015	549,615	548,953	662	4,356,254	12.60%
2014	593,804	593,805	(1)	4,435,043	13.39%
2013	653,778	653,779	(1)	4,420,010	14.79%
2012	390,854	640,494	(249,640)	4,254,302	15.06%
2011	358,446	279,179	79,267	4,098,854	6.81%
2010	352,423	237,822	114,601	4,090,627	5.81%
2009	195,245	195,245	-	4,060,697	4.81%
2008	226,798	226,752	46	3,910,223	5.80%
2007	251,168	251,168	-	3,799,759	6.61%

Notes to Schedule:**Valuation Date:**

February 29, 2016

Notes

The roll-forward of total pension liability from February 29, 2016 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal and Modified Terminal Funding
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	Multiple bases from 13 to 25 years
Asset Valuation Method:	5-year smoothed market, 20% corridor
Inflation:	3.25% wage inflation; 2.50% price inflation
Salary Increases:	3.25% to 7.15% including wage inflation
Investment Rate of Return:	7.25%, net of investment and expenses
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other Information:

New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

CITY OF JACKSON, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2016

1. BUDGETARY INFORMATION

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

On December 21, 2015, a public hearing was held in connection with adoption of the proposed budget for 2016. Excess disbursements and transfers were formally approved by budget amendment by the Board of Aldermen on February 16, 2017.

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, 2016

	General	Band	Cemetery	Landfill	Library	City Park	Public Park Foundation
<u>ASSETS</u>							
<u>CURRENT ASSETS:</u>							
Cash	\$ 3,389,962	\$ -	\$ -	\$ 764	\$ -	\$ -	\$ -
Restricted Cash	2,624	-	988,712	189,641	55,190	37,202	33,856
Prepaid Expense	-	-	100	-	-	-	-
TOTAL ASSETS	\$ 3,392,586	\$ -	\$ 988,812	\$ 190,405	\$ 55,190	\$ 37,202	\$ 33,856
<u>LIABILITIES AND FUND BALANCES</u>							
<u>CURRENT LIABILITIES:</u>							
Payroll Withholdings Payable	\$ 17,293	\$ -	\$ -	\$ -	\$ 28	\$ 1,176	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Deferred Options Payable	10,000	-	-	-	-	-	-
Other Payables	100,536	-	-	-	249	-	-
TOTAL CURRENT LIABILITIES	\$ 127,829	\$ -	\$ -	\$ -	\$ 277	\$ 1,176	\$ -
<u>LONG-TERM LIABILITIES:</u>							
Court Bonds Payable	\$ 2,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 130,302	\$ -	\$ -	\$ -	\$ 277	\$ 1,176	\$ -
<u>FUND BALANCES:</u>							
Nonspendable	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
Restricted	2,624	-	-	-	-	-	-
Committed	-	-	988,712	-	54,913	36,026	33,856
Assigned	-	-	-	190,405	-	-	-
Unassigned	3,259,660	-	-	-	-	-	-
Total Fund Balances	\$ 3,262,284	\$ -	\$ 988,812	\$ 190,405	\$ 54,913	\$ 36,026	\$ 33,856
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,392,586	\$ -	\$ 988,812	\$ 190,405	\$ 55,190	\$ 37,202	\$ 33,856

See Independent Auditors' Report.

EXHIBIT 1

Recreational Development	Equitable Sharing	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Community Development Block Grant	Total
\$ -	\$ 15,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405,775
3,950	-	4,104,169	2,614,959	496,513	3,333	500	8,530,649
73	-	-	-	74	-	-	247
<u>\$ 4,023</u>	<u>\$ 15,049</u>	<u>\$ 4,104,169</u>	<u>\$ 2,614,959</u>	<u>\$ 496,587</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,936,671</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,497
-	-	-	-	-	440,995	-	440,995
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	100,785
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,995</u>	<u>\$ -</u>	<u>\$ 570,277</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,473
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,995</u>	<u>\$ -</u>	<u>\$ 572,750</u>
\$ 73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173
-	-	-	2,614,959	496,587	3,333	500	3,118,003
-	15,049	-	-	-	-	-	1,128,556
3,950	-	4,104,169	-	-	-	-	4,298,524
-	-	-	-	-	(440,995)	-	2,818,665
<u>\$ 4,023</u>	<u>\$ 15,049</u>	<u>\$ 4,104,169</u>	<u>\$ 2,614,959</u>	<u>\$ 496,587</u>	<u>\$ (437,662)</u>	<u>\$ 500</u>	<u>\$ 11,363,921</u>
<u>\$ 4,023</u>	<u>\$ 15,049</u>	<u>\$ 4,104,169</u>	<u>\$ 2,614,959</u>	<u>\$ 496,587</u>	<u>\$ 3,333</u>	<u>\$ 500</u>	<u>\$ 11,936,671</u>

See Independent Auditors' Report.

EXHIBIT 2

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

For the Year Ended December 31, 2016

	<u>General</u>	<u>Band</u>	<u>Cemetery</u>	<u>Landfill</u>	<u>Library</u>	<u>City Park</u>
<u>REVENUES:</u>						
Taxes	\$ 1,781,250	\$ 163,591	\$ 163,591	\$ -	\$ 91	\$ 265,757
Grants and Contributions	91,324	-	-	-	-	-
Intergovernmental	53,362	6,892	6,892	-	-	11,197
Charges for Services	607,551	-	99,875	61,884	-	6,231
Use of Money and Property	12,644	-	2,397	322	-	86
Miscellaneous	172,917	-	-	-	-	-
TOTAL REVENUES	<u>\$ 2,719,048</u>	<u>\$ 170,483</u>	<u>\$ 272,755</u>	<u>\$ 62,206</u>	<u>\$ 91</u>	<u>\$ 283,271</u>
<u>EXPENDITURES:</u>						
General Government	\$ 1,817,867	\$ -	\$ 178,625	\$ -	\$ -	\$ -
Public Safety	3,442,175	-	-	-	-	-
Judiciary and Court Related	19,241	-	-	-	-	-
Transportation	555,670	-	-	-	-	-
Public Health	307,762	-	-	152,713	-	-
Culture and Recreation	-	168,592	-	-	-	393,017
TOTAL EXPENDITURES	<u>\$ 6,142,715</u>	<u>\$ 168,592</u>	<u>\$ 178,625</u>	<u>\$ 152,713</u>	<u>\$ -</u>	<u>\$ 393,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,423,667)	\$ 1,891	\$ 94,130	\$ (90,507)	\$ 91	\$ (109,746)
<u>OTHER FINANCING SOURCES (USES):</u>						
Operating Transfers In (Out)	<u>\$ 3,686,530</u>	<u>\$ (1,891)</u>	<u>\$ (1,533)</u>	<u>\$ 91,000</u>	<u>\$ (125,000)</u>	<u>\$ 88,746</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 3,686,530</u>	<u>\$ (1,891)</u>	<u>\$ (1,533)</u>	<u>\$ 91,000</u>	<u>\$ (125,000)</u>	<u>\$ 88,746</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 262,863	\$ -	\$ 92,597	\$ 493	\$ (124,909)	\$ (21,000)
FUND BALANCE, January 1, 2016	<u>2,999,421</u>	<u>-</u>	<u>896,215</u>	<u>189,912</u>	<u>179,822</u>	<u>57,026</u>
FUND BALANCE, December 31, 2016	<u>\$ 3,262,284</u>	<u>\$ -</u>	<u>\$ 988,812</u>	<u>\$ 190,405</u>	<u>\$ 54,913</u>	<u>\$ 36,026</u>

See Independent Auditors' Report.

EXHIBIT 2

Public Park Foundation	Recreational Development	Equitable Sharing	Sales Tax	Transportation Sales Tax	Recreational Sales Tax	Fire Protection Sales Tax	Community Development Block Grant	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,374,280
157,570	4,172	-	-	-	-	-	1,444	254,510
-	-	2,668	2,269,695	1,197,722	535,190	535,278	-	4,618,896
-	51,622	-	-	-	56,279	-	-	883,442
(1)	353	-	6,417	7,025	-	-	-	29,243
-	-	-	4,623	225	-	-	-	177,765
<u>\$ 157,569</u>	<u>\$ 56,147</u>	<u>\$ 2,668</u>	<u>\$ 2,280,735</u>	<u>\$ 1,204,972</u>	<u>\$ 591,469</u>	<u>\$ 535,278</u>	<u>\$ 1,444</u>	<u>\$ 8,338,136</u>
\$ -	\$ (59,124)	\$ 8,635	\$ 139,953	\$ 1,864,484	\$ -	\$ -	\$ -	\$ 3,950,440
-	-	-	-	-	-	447,216	-	3,889,391
-	-	-	-	-	-	-	-	19,241
-	-	-	-	-	-	-	-	555,670
-	-	-	-	-	-	-	-	460,475
<u>136,936</u>	<u>223,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,122</u>	<u>-</u>	<u>1,444</u>	<u>1,279,359</u>
<u>\$ 136,936</u>	<u>\$ 164,124</u>	<u>\$ 8,635</u>	<u>\$ 139,953</u>	<u>\$ 1,864,484</u>	<u>\$ 356,122</u>	<u>\$ 447,216</u>	<u>\$ 1,444</u>	<u>\$ 10,154,576</u>
\$ 20,633	\$ (107,977)	\$ (5,967)	\$ 2,140,782	\$ (659,512)	\$ 235,347	\$ 88,062	\$ -	\$ (1,816,440)
<u>\$ (63,889)</u>	<u>\$ 49,549</u>	<u>\$ -</u>	<u>\$ (1,488,318)</u>	<u>\$ (424,493)</u>	<u>\$ (215,760)</u>	<u>\$ (529,057)</u>	<u>\$ -</u>	<u>\$ 1,065,884</u>
<u>\$ (63,889)</u>	<u>\$ 49,549</u>	<u>\$ -</u>	<u>\$ (1,488,318)</u>	<u>\$ (424,493)</u>	<u>\$ (215,760)</u>	<u>\$ (529,057)</u>	<u>\$ -</u>	<u>1,065,884</u>
\$ (43,256)	\$ (58,428)	\$ (5,967)	\$ 652,464	\$ (1,084,005)	\$ 19,587	\$ (440,995)	\$ -	\$ (750,556)
<u>77,112</u>	<u>62,451</u>	<u>21,016</u>	<u>3,451,705</u>	<u>3,698,964</u>	<u>477,000</u>	<u>3,333</u>	<u>500</u>	<u>12,114,477</u>
<u>\$ 33,856</u>	<u>\$ 4,023</u>	<u>\$ 15,049</u>	<u>\$ 4,104,169</u>	<u>\$ 2,614,959</u>	<u>\$ 496,587</u>	<u>\$ (437,662)</u>	<u>\$ 500</u>	<u>\$ 11,363,921</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

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

December 31, 2016

	<u>Road Use Tax Fund</u>	<u>Storm Water Maintenance Fund</u>	<u>I-55 Allocation Fund</u>	<u>Capital Projects Fund</u>	<u>Inmate Security Fund</u>	<u>Total</u>
<u>ASSETS</u>						
<u>CURRENT ASSETS:</u>						
Cash	\$ 1,052,503	\$ 220,404	\$ 1,677,231	\$ -	\$ 3,714	\$ 2,953,852
TOTAL ASSETS	<u>\$ 1,052,503</u>	<u>\$ 220,404</u>	<u>\$ 1,677,231</u>	<u>\$ -</u>	<u>\$ 3,714</u>	<u>\$ 2,953,852</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE:</u>						
Restricted	\$ 1,052,503	\$ -	\$ -	\$ -	\$ -	\$ 1,052,503
Committed	<u>-</u>	<u>220,404</u>	<u>1,677,231</u>	<u>-</u>	<u>3,714</u>	<u>1,901,349</u>
TOTAL FUND BALANCE	<u>\$ 1,052,503</u>	<u>\$ 220,404</u>	<u>\$ 1,677,231</u>	<u>\$ -</u>	<u>\$ 3,714</u>	<u>\$ 2,953,852</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,052,503</u>	<u>\$ 220,404</u>	<u>\$ 1,677,231</u>	<u>\$ -</u>	<u>\$ 3,714</u>	<u>\$ 2,953,852</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2016

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Capital Projects Fund	Inmate Security Fund	Totals
REVENUES:						
Taxes	\$ -	\$ -	\$ 288,523	\$ -	\$ -	\$ 288,523
Intergovernmental	544,176	-	-	-	-	544,176
Charges for Services	-	-	-	-	2,344	2,344
Grants and Contributions	379,601	-	-	298,706	-	678,307
Use of Money and Property	5,211	-	3,978	-	-	9,189
Miscellaneous	-	11,899	133,981	-	-	145,880
TOTAL REVENUES	\$ 928,988	\$ 11,899	\$ 426,482	\$ 298,706	\$ 2,344	\$ 1,668,419
EXPENDITURES:						
Transportation	\$ 1,034,591	\$ 2,406	\$ 1,185,137	\$ -	\$ -	\$ 2,222,134
Culture and Recreation	-	-	-	313,634	-	313,634
Public Safety	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,034,591	\$ 2,406	\$ 1,185,137	\$ 313,634	\$ -	\$ 2,535,768
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (105,603)	\$ 9,493	\$ (758,655)	\$ (14,928)	\$ 2,344	\$ (867,349)
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	\$ -	\$ -	\$ 237,502	\$ -	\$ -	\$ 237,502
Operating Transfers (Out)	(230,000)	-	-	-	-	(230,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (230,000)	\$ -	\$ 237,502	\$ -	\$ -	\$ 7,502
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (335,603)	\$ 9,493	\$ (521,153)	\$ (14,928)	\$ 2,344	\$ (859,847)
FUND BALANCE, January 1, 2016	1,388,106	210,911	2,198,384	14,928	1,370	3,813,699
FUND BALANCE, December 31, 2016	\$ 1,052,503	\$ 220,404	\$ 1,677,231	\$ -	\$ 3,714	\$ 2,953,852

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

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

December 31, 2016

<u>ASSETS</u>	<u>Electric System</u>	<u>Waterworks and Sewerage System</u>	<u>Wastewater System</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>				
Cash	\$ 11,783,612	\$ 9,345,032	\$ -	\$ 21,128,644
Restricted Cash	-	679,752	1,067,333	1,747,085
Bond Premium, Current Portion	-	-	-	-
Prepaid Expense	-	26,017	-	26,017
Due from Others	441,182	-	-	441,182
Total Current Assets	<u>\$ 12,224,794</u>	<u>\$ 10,050,801</u>	<u>\$ 1,067,333</u>	<u>\$ 23,342,928</u>
<u>CAPITAL ASSETS:</u>				
Capital Assets	\$ 25,015,175	\$ 24,703,751	\$ 26,427,298	\$ 76,146,224
Construction in Progress	176,846	897,654	-	1,074,500
Less: Accumulated Depreciation	<u>(10,649,287)</u>	<u>(12,623,176)</u>	<u>(14,233,487)</u>	<u>(37,505,950)</u>
Total Capital Assets, Net	<u>\$ 14,542,734</u>	<u>\$ 12,978,229</u>	<u>\$ 12,193,811</u>	<u>\$ 39,714,774</u>
<u>OTHER ASSETS:</u>				
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 26,767,528</u>	<u>\$ 23,029,030</u>	<u>\$ 13,261,144</u>	<u>\$ 63,057,702</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Payroll Withholdings Payable	\$ 2,401	\$ 1,177	\$ 1,040	\$ 4,618
Taxes Payable	11,228	-	-	11,228
Due to Others	-	187	-	187
Certificate of Participation, Current Portion	-	90,000	-	90,000
Lease Purchase Payable, Current Portion	-	85,000	-	85,000
Bonds Payable, Current Portion	-	770,000	-	770,000
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016
Due to Other Funds	-	-	-	-
Total Current Liabilities	<u>\$ 13,629</u>	<u>\$ 949,380</u>	<u>\$ 1,040</u>	<u>\$ 964,049</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits	\$ 322,402	\$ -	\$ -	\$ 322,402
Certificate of Participation, Long-Term Portion	-	1,195,000	-	1,195,000
Lease Purchase Payable, Long-Term Portion	-	735,000	-	735,000
Bonds Payable, Long-Term Portion	-	6,485,000	-	6,485,000
Discount on Revenue Bonds, Long-Term Portion	-	12,327	-	12,327
Total Long-Term Liabilities	<u>\$ 322,402</u>	<u>\$ 8,427,327</u>	<u>\$ -</u>	<u>\$ 8,749,729</u>
TOTAL LIABILITIES	<u>\$ 336,031</u>	<u>\$ 9,376,707</u>	<u>\$ 1,040</u>	<u>\$ 9,713,778</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 14,542,734	\$ 3,618,229	\$ 12,193,811	\$ 30,354,774
Unrestricted	7,466,668	9,354,342	(1,040)	16,819,970
Restricted	<u>4,422,095</u>	<u>679,752</u>	<u>1,067,333</u>	<u>6,169,180</u>
TOTAL NET POSITION	<u>\$ 26,431,497</u>	<u>\$ 13,652,323</u>	<u>\$ 13,260,104</u>	<u>\$ 53,343,924</u>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2016

	Electric System	Waterworks and Sewerage System	Wastewater System	Total
<u>OPERATING REVENUES:</u>				
Electric System	\$ 16,814,777	\$ -	\$ -	\$ 16,814,777
Waterworks and Sewerage System	-	2,168,862	-	2,168,862
Wastewater System	-	-	2,062,901	2,062,901
Total Operating Revenues	<u>\$ 16,814,777</u>	<u>\$ 2,168,862</u>	<u>\$ 2,062,901</u>	<u>\$ 21,046,540</u>
<u>OPERATING EXPENSES:</u>				
Electric Power Plant	\$ 12,159,985	\$ -	\$ -	\$ 12,159,985
Electric Line Construction and Maintenance	1,206,941	-	-	1,206,941
Water Plant	-	273,897	-	273,897
Water Line Construction and Maintenance	-	915,287	-	915,287
Wastewater Operations	-	-	635,225	635,225
General	210,622	102,106	-	312,728
Depreciation	661,744	674,399	633,906	1,970,049
Total Operating Expenses	<u>\$ 14,239,292</u>	<u>\$ 1,965,689</u>	<u>\$ 1,269,131</u>	<u>\$ 17,474,112</u>
OPERATING INCOME (LOSS)	<u>\$ 2,575,485</u>	<u>\$ 203,173</u>	<u>\$ 793,770</u>	<u>\$ 3,572,428</u>
<u>NON-OPERATING REVENUES</u>				
<u>(EXPENSES):</u>				
Interest Income	\$ 44,269	\$ 43,702	\$ 4,288	\$ 92,259
Grants and Contributions	590,183	109,245	309,100	1,008,528
Premium Amortization	-	3,016	-	3,016
Gain/(Loss) on Disposal of Capital Asset	(16,095)	(672)	-	(16,767)
Miscellaneous	21,963	(47,978)	-	(26,015)
Amortization Expense	-	-	-	-
Interest Expense	-	(205,723)	-	(205,723)
Storm Damage Expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>\$ 640,320</u>	<u>\$ (98,410)</u>	<u>\$ 313,388</u>	<u>\$ 855,298</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 3,215,805	\$ 104,763	\$ 1,107,158	\$ 4,427,726
<u>TRANSFERS & CAPITAL CONTRIBUTIONS:</u>				
Transfers In (Out)	<u>(943,613)</u>	<u>(7,167,105)</u>	<u>7,017,940</u>	<u>(1,092,778)</u>
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>\$ (943,613)</u>	<u>\$ (7,167,105)</u>	<u>\$ 7,017,940</u>	<u>\$ (1,092,778)</u>
INCREASE (DECREASE) IN NET POSITION	\$ 2,272,192	\$ (7,062,342)	\$ 8,125,098	\$ 3,334,948
NET POSITION, January 1, 2016	24,159,305	20,708,653	5,438,127	50,306,085
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>6,012</u>	<u>(303,121)</u>	<u>(297,109)</u>
NET POSITION, December 31, 2016	<u>\$ 26,431,497</u>	<u>\$ 13,652,323</u>	<u>\$ 13,260,104</u>	<u>\$ 53,343,924</u>

See Independent Auditors' Report.

EXHIBIT 7

CITY OF JACKSON, MISSOURI

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

December 31, 2016

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
<u>ASSETS</u>			
<u>CURRENT ASSETS :</u>			
Cash	\$ -	\$ -	\$ 7,361,517
Restricted Cash	-	-	-
Bond Premium, Current Portion	-	-	-
Prepaid Expense	-	-	-
Due from Other Funds	187	-	440,995
Total Current Assets	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ 7,802,512</u>
<u>CAPITAL ASSETS :</u>			
Capital Assets	\$ 25,015,175	\$ -	\$ -
Construction in Progress	176,846	-	-
Less: Accumulated Depreciation	<u>(10,649,287)</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 14,542,734</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 14,542,921</u>	<u>\$ -</u>	<u>\$ 7,802,512</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES :</u>			
Taxes Payable	\$ 11,228	\$ -	\$ -
Payroll Withholdings Payable	2,401	-	-
Bonds Payable, Current Portion	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>\$ 13,629</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES :</u>			
Customer Deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,402</u>
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,402</u>
TOTAL LIABILITIES	<u>\$ 13,629</u>	<u>\$ -</u>	<u>\$ 322,402</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 14,542,734	\$ -	\$ -
Unrestricted	(13,442)	-	7,480,110
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 14,529,292</u>	<u>\$ -</u>	<u>\$ 7,480,110</u>

See Independent Auditors' Report.

EXHIBIT 7

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ 4,422,095	\$ 11,783,612
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	441,182
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,422,095</u>	<u>\$ 12,224,794</u>
\$ -	\$ -	\$ -	\$ 25,015,175
-	-	-	176,846
-	-	-	(10,649,287)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,542,734</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,422,095</u>	<u>\$ 26,767,528</u>
\$ -	\$ -	\$ -	\$ 11,228
-	-	-	2,401
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,629</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,402</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,402</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,031</u>
\$ -	\$ -	\$ -	\$ 14,542,734
-	-	-	7,466,668
-	-	4,422,095	4,422,095
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,422,095</u>	<u>\$ 26,431,497</u>

See Independent Auditors' Report.

EXHIBIT 8

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

For the Year Ended December 31, 2016

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
<u>OPERATING REVENUES:</u>			
Collection of Electric Billings	\$ 16,548,927	\$ -	\$ -
URD Services	126,855	-	-
Cable TV-Pole Rent	84,591	-	-
Connection Charges	40,340	-	-
TOTAL OPERATING REVENUES	<u>\$ 16,800,713</u>	<u>\$ -</u>	<u>\$ 14,064</u>
<u>OPERATING EXPENSES:</u>			
Electric Power Plant	\$ 12,159,985	\$ -	\$ -
Electric Line Construction and Maintenance	1,003,140	-	203,601
General	210,622	-	-
Depreciation	661,744	-	-
TOTAL OPERATING EXPENSES	<u>\$ 14,035,491</u>	<u>\$ -</u>	<u>\$ 203,601</u>
OPERATING INCOME (LOSS)	<u>\$ 2,765,222</u>	<u>\$ -</u>	<u>\$ (189,537)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 44,269	\$ -	\$ -
Insurance Proceeds	-	-	-
Grants and Contributions	214,866	-	375,317
Gain/(Loss) on Disposal of Capital Asset	(16,095)	-	-
Miscellaneous	26,723	-	-
Amortization Expense	-	-	-
Interest Expense	-	-	-
Storm Damage Expense	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES) BEFORE TRANSFERS	<u>\$ 269,763</u>	<u>\$ -</u>	<u>\$ 375,317</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 3,034,985	\$ -	\$ 185,780
TRANSFERS IN (OUT)	<u>(2,476,464)</u>	<u>-</u>	<u>(766,708)</u>
CHANGE IN NET POSITION	\$ 558,521	\$ -	\$ (580,928)
NET POSITION, January 1, 2016	<u>13,970,771</u>	<u>-</u>	<u>8,061,038</u>
NET POSITION, December 31, 2016	<u>\$ 14,529,292</u>	<u>\$ -</u>	<u>\$ 7,480,110</u>

See Independent Auditors' Report.

EXHIBIT 8

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ -	\$ 16,548,927
-	-	-	126,855
-	-	-	84,591
-	-	-	40,340
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,814,777</u>
\$ -	\$ -	\$ -	\$ 12,159,985
-	-	200	1,206,941
-	-	-	210,622
-	-	-	661,744
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 14,239,292</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200)</u>	<u>\$ 2,575,485</u>
\$ -	\$ -	\$ -	\$ 44,269
-	-	-	-
-	-	-	590,183
-	-	-	(16,095)
-	-	(4,760)	21,963
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,760)</u>	<u>\$ 640,320</u>
\$ -	\$ -	\$ (4,960)	\$ 3,215,805
-	-	2,299,559	(943,613)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,294,599</u>	<u>\$ 2,272,192</u>
-	-	2,127,496	24,159,305
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,422,095</u>	<u>\$ 26,431,497</u>

See Independent Auditors' Report.

EXHIBIT 9

CITY OF JACKSON, MISSOURI

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

December 31, 2016

<u>ASSETS</u>	Waterworks and Sewerage Operations and Maintenance Fund	Water and Sewer Revenue Bond Fund	Water and Sewer Depreciation Reserve Fund
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ -
Restricted Cash	-	569,749	30,000
Prepaid Expense	26,017	-	-
Bond Premium, Current Portion	-	-	-
Total Current Assets	<u>\$ 26,017</u>	<u>\$ 569,749</u>	<u>\$ 30,000</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 24,703,751	\$ -	\$ -
Construction in Progress	897,654	-	-
Less: Accumulated Depreciation	(12,623,176)	-	-
Total Capital Assets	<u>\$ 12,978,229</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTHER ASSETS:</u>			
Bond Premiums	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 13,004,246</u>	<u>\$ 569,749</u>	<u>\$ 30,000</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 1,177	\$ -	\$ -
Certificate of Participation, Current Portion	-	90,000	-
Lease Purchase Payable, Current Portion	-	85,000	-
Bonds Payable, Current Portion	-	770,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-
Due to Other Funds	187	-	-
Total Current Liabilities	<u>\$ 1,364</u>	<u>\$ 948,016</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Certificate of Participation, Long-Term Portion	\$ -	\$ 1,195,000	\$ -
Lease Purchase Payable, Long-Term Portion	-	735,000	-
Bonds Payable, Long-Term Portion	-	6,485,000	-
Discount on Revenue Bonds, Long-Term Portion	-	12,327	-
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 8,427,327</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 1,364</u>	<u>\$ 9,375,343</u>	<u>\$ -</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 12,978,229	\$ (9,360,000)	\$ -
Unrestricted	24,653	(15,343)	-
Restricted	-	569,749	30,000
TOTAL NET POSITION	<u>\$ 13,002,882</u>	<u>\$ (8,805,594)</u>	<u>\$ 30,000</u>

See Independent Auditors' Report.

EXHIBIT 9

Water and Sewer Bond Reserve Fund	Water and Sewer Contingent Fund	Water and Sewer Surplus Fund	Water and Sewer Replacement Fund	Water and Sewer Construction Fund	Total
\$ -	\$ -	\$ 4,931,219	\$ 484,811	\$ 3,929,002	\$ 9,345,032
50,003	30,000	-	-	-	679,752
-	-	-	-	-	26,017
-	-	-	-	-	-
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,931,219</u>	<u>\$ 484,811</u>	<u>\$ 3,929,002</u>	<u>\$ 10,050,801</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,703,751
-	-	-	-	-	897,654
-	-	-	-	-	(12,623,176)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,978,229</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,931,219</u>	<u>\$ 484,811</u>	<u>\$ 3,929,002</u>	<u>\$ 23,029,030</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177
-	-	-	-	-	90,000
-	-	-	-	-	85,000
-	-	-	-	-	770,000
-	-	-	-	-	3,016
-	-	-	-	-	187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 949,380</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,195,000
-	-	-	-	-	735,000
-	-	-	-	-	6,485,000
-	-	-	-	-	12,327
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,427,327</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,376,707
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,618,229
-	-	4,931,219	484,811	3,929,002	9,354,342
<u>50,003</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>679,752</u>
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,931,219</u>	<u>\$ 484,811</u>	<u>\$ 3,929,002</u>	<u>\$ 13,652,323</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, 2016

	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	\$ 2,051,498	\$ -	\$ -
Sale of Water at Plant	6,615	-	-
Water Taps, Meters, and Boxes	<u>110,749</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>\$ 2,168,862</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Water Plant	\$ 273,897	\$ -	\$ -
Water Line Construction and Maintenance	485,189	-	-
General	102,106	-	-
Depreciation	<u>674,399</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,535,591</u>	<u>\$ -</u>	<u>\$ -</u>
OPERATING INCOME (LOSS)	<u>\$ 633,271</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 16,827	\$ 25,083	\$ -
Premium Amortization	-	3,016	-
Gain/(Loss) on Disposal of Capital Asset	(672)	-	-
Grants and Contributions	109,245	-	-
Miscellaneous	2,925	(223)	-
Interest Expense	<u>-</u>	<u>(205,723)</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 128,325</u>	<u>\$ (177,847)</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 761,596	\$ (177,847)	\$ -
TRANSFERS IN (OUT)	<u>(8,860,422)</u>	<u>(3,057,349)</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	\$ (8,098,826)	\$ (3,235,196)	\$ -
NET POSITION, January 1, 2016	21,095,696	(5,570,398)	30,000
PRIOR PERIOD ADJUSTMENT	<u>6,012</u>	<u>-</u>	<u>-</u>
NET POSITION, December 31, 2016	<u>\$ 13,002,882</u>	<u>\$ (8,805,594)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,051,498
-	-	-	-	-	6,615
-	-	-	-	-	110,749
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,168,862</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,897
-	-	273,924	-	156,174	915,287
-	-	-	-	-	102,106
-	-	-	-	-	674,399
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,924</u>	<u>\$ -</u>	<u>\$ 156,174</u>	<u>\$ 1,965,689</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (273,924)</u>	<u>\$ -</u>	<u>\$ (156,174)</u>	<u>\$ 203,173</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,792	\$ 43,702
-	-	-	-	-	3,016
-	-	-	-	-	(672)
-	-	-	-	-	109,245
-	-	1,272	-	(51,952)	(47,978)
-	-	-	-	-	(205,723)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,272</u>	<u>\$ -</u>	<u>\$ (50,160)</u>	<u>\$ (98,410)</u>
\$ -	\$ -	\$ (272,652)	\$ -	\$ (206,334)	\$ 104,763
-	-	1,154,505	42,121	3,554,040	(7,167,105)
\$ -	\$ -	\$ 881,853	\$ 42,121	\$ 3,347,706	\$ (7,062,342)
50,003	30,000	4,049,366	442,690	581,296	20,708,653
-	-	-	-	-	6,012
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,931,219</u>	<u>\$ 484,811</u>	<u>\$ 3,929,002</u>	<u>\$ 13,652,323</u>

See Independent Auditors' Report.

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

December 31, 2016

<u>ASSETS</u>	<u>Wastewater Operations and Maintenance Fund</u>	<u>Wastewater Replacement Fund</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>			
Restricted Cash	\$ -	\$ 1,067,333	\$ 1,067,333
Total Current Assets	<u>\$ -</u>	<u>\$ 1,067,333</u>	<u>\$ 1,067,333</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 26,427,298	\$ -	\$ 26,427,298
Less: Accumulated Depreciation	<u>(14,233,487)</u>	<u>-</u>	<u>(14,233,487)</u>
Net Capital Assets	<u>\$ 12,193,811</u>	<u>\$ -</u>	<u>\$ 12,193,811</u>
TOTAL ASSETS	<u>\$ 12,193,811</u>	<u>\$ 1,067,333</u>	<u>\$ 13,261,144</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	<u>\$ 1,040</u>	<u>\$ -</u>	<u>\$ 1,040</u>
TOTAL LIABILITIES	<u>\$ 1,040</u>	<u>\$ -</u>	<u>\$ 1,040</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 12,193,811	\$ -	\$ 12,193,811
Unrestricted	(1,040)	-	(1,040)
Restricted	<u>-</u>	<u>1,067,333</u>	<u>1,067,333</u>
TOTAL NET POSITION	<u>\$ 12,192,771</u>	<u>\$ 1,067,333</u>	<u>\$ 13,260,104</u>

See Independent Auditors' Report.

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

For the Year Ended December 31, 2016

	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>OPERATING REVENUES:</u>			
Collection of Sewer Billings	\$ 2,062,451	\$ -	\$ 2,062,451
Industrial Discharge Permits	450	-	450
TOTAL OPERATING REVENUES	<u>\$ 2,062,901</u>	<u>\$ -</u>	<u>\$ 2,062,901</u>
<u>OPERATING EXPENSES:</u>			
Wastewater Operations	\$ 633,897	\$ 1,328	\$ 635,225
Depreciation	633,906	-	633,906
TOTAL OPERATING EXPENSES	<u>\$ 1,267,803</u>	<u>\$ 1,328</u>	<u>\$ 1,269,131</u>
OPERATING INCOME	<u>\$ 795,098</u>	<u>\$ (1,328)</u>	<u>\$ 793,770</u>
<u>NON-OPERATING REVENUES</u>			
<u>(EXPENSES):</u>			
Interest Income	\$ 4,034	\$ 254	\$ 4,288
Capital Contributions	309,100	-	309,100
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 313,134</u>	<u>\$ 254</u>	<u>\$ 313,388</u>
NET INCOME (LOSS) BEFORE TRANSFERS & CAPITAL CONTRIBUTIONS	\$ 1,108,232	\$ (1,074)	\$ 1,107,158
<u>TRANSFERS & CAPITAL CONTRIBUTIONS:</u>			
Transfers In (Out)	<u>\$ 6,966,890</u>	<u>\$ 51,050</u>	<u>\$ 7,017,940</u>
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>6,966,890</u>	<u>51,050</u>	<u>7,017,940</u>
INCREASE (DECREASE) IN NET POSITION	\$ 8,075,122	\$ 49,976	\$ 8,125,098
TOTAL NET POSITION, January 1, 2016	4,420,770	1,017,357	5,438,127
PRIOR PERIOD ADJUSTMENT	<u>(303,121)</u>	<u>-</u>	<u>(303,121)</u>
TOTAL NET POSITION, December 31, 2016	<u>\$ 12,192,771</u>	<u>\$ 1,067,333</u>	<u>\$ 13,260,104</u>

See Independent Auditors' Report.

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

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

For the Year Ended December 31, 2016

REVENUES COLLECTED:

Property Tax from City of Jackson	\$ 164,207	
Interest Income	<u>2,441</u>	
TOTAL REVENUES COLLECTED		\$ 166,648

EXPENSES PAID:

Band Director's Salary	\$ 8,000	
Concert Talent	4,600	
Instruments and Sound Equipment	7,324	
Music	387	
Taxes	7,308	
Repairs and Maintenance	727	
Wages	68,420	
Utilities	236	
Advertising and Marketing	16,038	
Fall Concert	-	
Site Improvements	80,345	
Insurance	991	
Other	<u>6,086</u>	
TOTAL EXPENSES PAID		<u>200,462</u>

EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENSES PAID	\$ (33,814)
--	-------------

CASH, January 1, 2016	<u>277,868</u>
-----------------------	----------------

CASH, December 31, 2016	<u><u>\$ 244,054</u></u>
-------------------------	--------------------------

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2016

2016-001 Significant Audit Adjustments:

Criteria:	Statement on Auditing Standards (SAS) No. 115 indicates that the “restatement of previously issued financial statements to reflect the correction of a material misstatement” should be regarded as a material weakness in internal controls.
Condition:	Prior period adjustments were recorded, which restated beginning net assets of the governmental activities and business-type activities by \$250,886 and \$297,109, respectively.
Context:	Total capital assets reported in the governmental activities and business-type activities were \$22,496,705 and \$39,714,774, respectively.
Effect:	Total assets and total equity of previously presented financial statements were overstated.
Cause:	The City’s capital asset records contained several errors. There were instances where assets had been recorded twice, there were some assets owned by the City that had never been recorded. There were also instances where assets were recorded, but were recorded in the wrong funds.
Recommendation:	Management should review capital asset transactions carefully to ensure that all transactions are appropriately recorded in the proper funds.
Views of Responsible Officials and Planned Corrective Action:	Management will review the asset lists submitted with each of the appropriate departmental heads to verify the accuracy of the submittals and thereby alleviate such material weaknesses.