

CITY OF JACKSON, MISSOURI  
Jackson, Missouri

For the Year Ended December 31, 2015

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri as of December 31, 2015, 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

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 45 through 47, and Schedule of Employer Contributions on page 48, which are the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jackson, Missouri's basic financial statements. The budgetary comparison information and combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison information, combining and individual non-major fund financial statements, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2016, 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 1, 2016

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jackson, Missouri, as of and for the year ended December 31, 2015, 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 1, 2016.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

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

### Purpose of this Report

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

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

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

Cape Girardeau, Missouri

June 1, 2016

BASIC FINANCIAL STATEMENTS

## CITY OF JACKSON, MISSOURI

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash	\$ 7,267,205	\$ 15,610,127	\$ 22,877,332
Restricted Cash	9,095,440	1,695,320	10,790,760
Bond Premium, Current Portion	-	-	-
Prepaid Expense	565	26,694	27,259
Total Current Assets	<u>\$ 16,363,210</u>	<u>\$ 17,332,141</u>	<u>\$ 33,695,351</u>
<u>Capital Assets:</u>			
Land, Improvements, and Construction in Progress	\$ 9,277,347	\$ 898,388	\$ 10,175,735
Other Capital Assets, Net	9,512,831	38,571,676	48,084,507
Total Capital Assets, Net	<u>\$ 18,790,178</u>	<u>\$ 39,470,064</u>	<u>\$ 58,260,242</u>
<u>Other Assets:</u>			
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -
<b>TOTAL ASSETS</b>	<u>\$ 35,153,388</u>	<u>\$ 56,802,205</u>	<u>\$ 91,955,593</u>
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Other Payables	\$ 69,898	\$ -	\$ 69,898
Payroll Withholdings	6,178	885	7,063
Taxes Payable	-	8,636	8,636
Court Bonds Payable	1,723	-	1,723
Performance Bond Deposits	17,227	-	17,227
Internal Balances	145,488	(145,488)	-
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	-	585,000	585,000
Total Current Liabilities	<u>\$ 250,514</u>	<u>\$ 627,049</u>	<u>\$ 877,563</u>
<u>Long-Term Liabilities:</u>			
Customer Deposits	\$ -	\$ 348,241	\$ 348,241
Discount on Revenue Bonds, Long-Term Portion	-	15,342	15,342
Lease Purchase Payable, Long-Term Portion	-	820,000	820,000
Certificate of Participation, Long-Term Portion	-	1,285,000	1,285,000
Bonds Payable, Long-Term Portion	-	3,255,000	3,255,000
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 5,723,583</u>	<u>\$ 5,723,583</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 250,514</u>	<u>\$ 6,350,632</u>	<u>\$ 6,601,146</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 18,790,178	\$ 33,350,064	\$ 52,140,242
Restricted For:			
General Government	9,118,299	-	9,118,299
Debt Service	2,198,384	3,807,474	6,005,858
Transportation	1,599,017	-	1,599,017
Culture and Recreation	#REF!	-	#REF!
Unrestricted	3,182,068	13,294,035	16,476,103
<b>TOTAL NET POSITION</b>	<u>#REF!</u>	<u>\$ 50,451,573</u>	<u>#REF!</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, 2015

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
<b>Governmental Activities:</b>							
General Government	\$ 2,861,620	\$ 157,374	\$ -	\$ -	\$ (2,704,246)	\$ -	\$ (2,704,246)
Public Safety	3,538,628	-	71,970	-	(3,466,658)	-	(3,466,658)
Judiciary and Court Related	19,973	164,519	-	-	144,546	-	144,546
Transportation	1,095,473	-	-	233,046	(862,427)	-	(862,427)
Public Health	456,725	406,041	-	-	(50,684)	-	(50,684)
Culture and Recreation	738,636	56,759	108,304	4,730,506	4,156,933	-	4,156,933
Total Governmental Activities	\$ 8,711,055	\$ 784,693	\$ 180,274	\$ 4,963,552	\$ (2,782,536)	\$ -	\$ (2,782,536)
<b>Business-Type Activities:</b>							
Electric System	\$ 14,934,854	\$ 16,786,022	\$ 27,257	\$ 16,592	\$ -	\$ 1,895,017	\$ 1,895,017
Waterworks and Sewerage System	2,657,174	1,745,858	-	22,399	-	(888,917)	(888,917)
Wastewater System	885,023	1,993,081	-	106,200	-	1,214,258	1,214,258
Total Business-Type Activities	\$ 18,477,051	\$ 20,524,961	\$ 27,257	\$ 145,191	\$ -	\$ 2,220,358	\$ 2,220,358
Total Primary Government	\$ 27,188,106	\$ 21,309,654	\$ 207,531	\$ 5,108,743	\$ (2,782,536)	\$ 2,220,358	\$ (562,178)
<b>General Revenues:</b>							
Taxes:							
Property Taxes					\$ 1,734,324	\$ -	\$ 1,734,324
I-55 Allocation					306,341	-	306,341
Franchise Tax					579,323	-	579,323
Sales Tax					4,331,046	-	4,331,046
County Road and Bridge Tax					124,557	-	124,557
Railroad and Utility Tax					4,280	-	4,280
Financial Institution Tax					11,732	-	11,732
Surcharge Tax					62,537	-	62,537
Gas Tax					366,357	-	366,357
Motor Vehicle Sales Tax					113,473	-	113,473
Investment Income					21,878	62,472	84,350
Gain (Loss) on Disposal of Capital Asset					-	-	-
Other Income					341,862	3,016	344,878
Internal Balances					859,018	(859,018)	-
Total General Revenues and Transfers					\$ 8,856,728	\$ (793,530)	\$ 8,063,198
Change in Net Position					\$ 6,074,192	\$ 1,426,828	\$ 7,501,020
Net Position - January 1, 2015					28,828,682	49,024,745	77,853,427
Net Position - December 31, 2015					\$ 34,902,874	\$ 50,451,573	\$ 85,354,447

See Accompanying Notes to the Basic Financial Statements.

## CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2015

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
<u>CURRENT ASSETS:</u>				
Cash	\$ 3,123,498	\$ 14,928	\$ 3,798,771	\$ 6,937,197
Restricted Cash	9,095,440	-	-	9,095,440
Prepaid Expense	565	-	-	565
<b>TOTAL ASSETS</b>	<b>\$ 12,219,503</b>	<b>\$ 14,928</b>	<b>\$ 3,798,771</b>	<b>\$ 16,033,202</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>CURRENT LIABILITIES:</u>				
Other Payables	\$ 87,125	\$ -	\$ -	\$ 87,125
Deferred Options Payable	10,000	-	-	10,000
Payroll Withholdings	6,178	-	-	6,178
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 103,303</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,303</b>
<u>LONG-TERM LIABILITIES:</u>				
Court Bonds Payable	\$ 1,723	\$ -	\$ -	\$ 1,723
<b>TOTAL LIABILITIES</b>	<b>\$ 105,026</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 105,026</b>
<u>FUND BALANCES:</u>				
Nonspendable	\$ 435	\$ -	\$ -	\$ 435
Restricted	4,181,670	-	1,388,106	5,569,776
Committed	1,230,829	14,928	2,410,665	3,656,422
Assigned	3,703,995	-	-	3,703,995
Unassigned	2,997,548	-	-	2,997,548
<b>Total Fund Balances</b>	<b>\$ 12,114,477</b>	<b>\$ 14,928</b>	<b>\$ 3,798,771</b>	<b>\$ 15,928,176</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,219,503</b>	<b>\$ 14,928</b>	<b>\$ 3,798,771</b>	<b>\$ 16,033,202</b>

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, 2015

Fund Balances of Governmental Funds (Statement 3)	\$ 15,928,176
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

18,790,178

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.

184,520

Total Net Position of Governmental Activities (Statement 1)	<u>\$ 34,902,874</u>
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See Accompanying Notes to the Basic Financial Statements.

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

For the Year Ended December 31, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>				
Taxes	\$ 2,313,647	\$ -	\$ 306,341	\$ 2,619,988
Grants and Contributions	189,274	4,721,505	34,476	4,945,255
Intergovernmental	4,555,169	-	539,677	5,094,846
Charges for Services	781,758	-	2,935	784,693
Use of Money and Property	17,181	-	4,697	21,878
Miscellaneous	<u>129,215</u>	<u>-</u>	<u>131,783</u>	<u>260,998</u>
TOTAL REVENUES	<u>\$ 7,986,244</u>	<u>\$ 4,721,505</u>	<u>\$ 1,019,909</u>	<u>\$ 13,727,658</u>
<u>EXPENDITURES:</u>				
General Government	\$ 2,838,823	\$ -	\$ -	\$ 2,838,823
Public Safety	3,385,528	-	3,394	3,388,922
Judiciary and Court Related	19,973	-	-	19,973
Transportation	589,130	-	1,174,391	1,763,521
Public Health	458,215	-	-	458,215
Culture and Recreation	<u>810,895</u>	<u>4,980,577</u>	<u>-</u>	<u>5,791,472</u>
TOTAL EXPENDITURES	<u>\$ 8,102,564</u>	<u>\$ 4,980,577</u>	<u>\$ 1,177,785</u>	<u>\$ 14,260,926</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES PAID	<u>\$ (116,320)</u>	<u>\$ (259,072)</u>	<u>\$ (157,876)</u>	<u>\$ (533,268)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In (Out)	<u>\$ 567,375</u>	<u>\$ 274,000</u>	<u>\$ 17,643</u>	<u>\$ 859,018</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 567,375</u>	<u>\$ 274,000</u>	<u>\$ 17,643</u>	<u>\$ 859,018</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENSES PAID AND OTHER USES	<u>\$ 451,055</u>	<u>\$ 14,928</u>	<u>\$ (140,233)</u>	<u>\$ 325,750</u>
FUND BALANCE, January 1, 2015	<u>11,663,422</u>	<u>-</u>	<u>3,939,004</u>	<u>15,602,426</u>
FUND BALANCE, December 31, 2015	<u>\$ 12,114,477</u>	<u>\$ 14,928</u>	<u>\$ 3,798,771</u>	<u>\$ 15,928,176</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, 2015

Excess (Deficiency) of Revenues Collected and Other Sources Over (Under) Expenditures Paid and Other Uses (Statement 4)	\$ 325,750
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Amounts reported for *governmental activities* in the  
statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	5,737,776
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An internal service fund is used by management to account for the usage of fuel from each fund.	<u>10,666</u>
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Total Change in Net Position (Statement 2)	<u>\$ 6,074,192</u>
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See Accompanying Notes to the Basic Financial Statements.

## CITY OF JACKSON, MISSOURI

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUNDS

December 31, 2015

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash	\$ 10,361,775	\$ 5,248,352	\$ -	\$ 15,610,127	\$ 330,008
Restricted Cash	-	677,963	1,017,357	1,695,320	-
Bond Premium, Current Portion	-	-	-	-	-
Prepaid Expense	240	26,454	-	26,694	-
Due from Others	175,187	(175,187)	-	-	-
Total Current Assets	\$ 10,537,202	\$ 5,777,582	\$ 1,017,357	\$ 17,332,141	\$ 330,008
<b>CAPITAL ASSETS:</b>					
Capital Assets	\$ 24,167,161	\$ 38,720,666	\$ 13,583,815	\$ 76,471,642	\$ -
Construction in Progress	113,406	134,490	-	247,896	-
Less: Accumulated Depreciation	(10,301,587)	(17,785,351)	(9,162,536)	(37,249,474)	-
Total Capital Assets, Net	\$ 13,978,980	\$ 21,069,805	\$ 4,421,279	\$ 39,470,064	\$ -
<b>OTHER ASSETS:</b>					
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ASSETS</b>	<b>\$ 24,516,182</b>	<b>\$ 26,847,387</b>	<b>\$ 5,438,636</b>	<b>\$ 56,802,205</b>	<b>\$ 330,008</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Payroll Withholdings Payable	\$ -	\$ 376	\$ 509	\$ 885	\$ -
Taxes Payable	8,636	-	-	8,636	-
Certificate of Participation, Current Portion	-	90,000	-	90,000	-
Lease Purchase Payable, Current Portion	-	85,000	-	85,000	-
Bonds Payable, Current Portion	-	585,000	-	585,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016	-
Due to Others	-	-	-	-	-
Total Current Liabilities	\$ 8,636	\$ 763,392	\$ 509	\$ 772,537	\$ -
<b>LONG TERM LIABILITIES:</b>					
Customer Deposits	\$ 348,241	\$ -	\$ -	\$ 348,241	\$ -
Discount on Revenue Bonds, Long-Term Portion	-	15,342	-	15,342	-
Lease Purchase Payable, Long-Term Portion	-	820,000	-	820,000	-
Certificate of Participation, Long-Term Portion	-	1,285,000	-	1,285,000	-
Bonds Payable, Long-Term Portion	-	3,255,000	-	3,255,000	-
Total Long-Term Liabilities	\$ 348,241	\$ 5,375,342	\$ -	\$ 5,723,583	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 356,877</b>	<b>\$ 6,138,734</b>	<b>\$ 509</b>	<b>\$ 6,496,120</b>	<b>\$ -</b>
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt	\$ 13,978,980	\$ 14,949,805	\$ 4,421,279	\$ 33,350,064	\$ -
Unrestricted	8,052,829	5,096,227	(509)	13,148,547	-
Restricted	2,127,496	662,621	1,017,357	3,807,474	330,008
<b>TOTAL NET POSITION</b>	<b>\$ 24,159,305</b>	<b>\$ 20,708,653</b>	<b>\$ 5,438,127</b>	<b>\$ 50,306,085</b>	<b>\$ 330,008</b>

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

145,488  
\$ 50,451,573

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, 2015

	Enterprise Funds				Internal Service Fund
	Electric System	Waterworks and Sewerage System	Wastewater System	Total	
<b>OPERATING REVENUES COLLECTED:</b>					
Electric System	\$ 16,813,279	\$ -	\$ -	\$ 16,813,279	\$ -
Waterworks and Sewerage System	-	1,745,858	-	1,745,858	-
Wastewater System	-	-	1,993,081	1,993,081	-
Fuel Usage	-	-	-	-	151,634
Total Operating Revenues Collected	<u>\$ 16,813,279</u>	<u>\$ 1,745,858</u>	<u>\$ 1,993,081</u>	<u>\$ 20,552,218</u>	<u>\$ 151,634</u>
<b>OPERATING EXPENSES PAID:</b>					
Electric Power Plant	\$ 12,589,983	\$ -	\$ -	\$ 12,589,983	\$ -
Electric Line Construction and Maintenance	1,520,275	-	-	1,520,275	-
Water Plant	-	231,622	-	231,622	-
Water Line Construction and Maintenance	-	856,172	-	856,172	-
Wastewater Operations	-	-	643,673	643,673	-
General	205,500	106,886	-	312,386	137,405
Depreciation	646,389	1,231,324	242,564	2,120,277	-
Total Operating Expenses Paid	<u>\$ 14,962,147</u>	<u>\$ 2,426,004</u>	<u>\$ 886,237</u>	<u>\$ 18,274,388</u>	<u>\$ 137,405</u>
OPERATING INCOME (LOSS)	<u>\$ 1,851,132</u>	<u>\$ (680,146)</u>	<u>\$ 1,106,844</u>	<u>\$ 2,277,830</u>	<u>\$ 14,229</u>
<b>NON-OPERATING REVENUES COLLECTED (EXPENSES PAID):</b>					
Interest Income	\$ 26,742	\$ 32,982	\$ 2,748	\$ 62,472	\$ -
Grants and Contributions	16,592	22,399	106,200	145,191	-
Insurance Proceeds	-	-	-	-	-
Premium Amortization	-	3,016	-	3,016	-
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-
Miscellaneous	25,896	(36,207)	-	(10,311)	-
Amortization Expense	-	-	-	-	-
Interest Expense	-	(195,915)	-	(195,915)	-
Storm Damage Expense	-	-	-	-	-
Total Non-Operating Revenues Collected (Expenses Paid)	<u>\$ 69,230</u>	<u>\$ (173,725)</u>	<u>\$ 108,948</u>	<u>\$ 4,453</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 1,920,362	\$ (853,871)	\$ 1,215,792	\$ 2,282,283	\$ 14,229
<b>TRANSFERS &amp; CAPITAL CONTRIBUTIONS:</b>					
Transfers In (Out)	(759,832)	1,164,259	(1,293,445)	(889,018)	30,000
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>\$ (759,832)</u>	<u>\$ 1,164,259</u>	<u>\$ (1,293,445)</u>	<u>\$ (889,018)</u>	<u>\$ 30,000</u>
INCREASE (DECREASE) IN NET POSITION	\$ 1,160,530	\$ 310,388	\$ (77,653)	\$ 1,393,265	\$ 44,229
TOTAL NET POSITION, January 1, 2015	<u>22,998,775</u>	<u>20,398,265</u>	<u>5,515,780</u>	<u>48,912,820</u>	<u>285,779</u>
TOTAL NET POSITION, December 31, 2015	<u>\$ 24,159,305</u>	<u>\$ 20,708,653</u>	<u>\$ 5,438,127</u>	<u>\$ 50,306,085</u>	<u>\$ 330,008</u>

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

Change in net assets of business-type activities \$ 33,563  
\$ 1,426,828

See Accompanying Notes to the Basic Financial Statements.

## CITY OF JACKSON, MISSOURI

### NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. The Reporting Entity:

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

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

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

##### B. Basis of Presentation:

##### **Government-Wide Financial Statements**

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

## **Fund Financial Statements**

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

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

The funds of the financial reporting entity are described below:

### **Governmental Funds**

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

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

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

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

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

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

**Proprietary Funds**

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

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

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

### C. Measurement Focus and Basis of Accounting:

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

#### **Measurement Focus**

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

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

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

#### **Basis of Accounting**

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

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

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

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

D. Assets, Liabilities, and Equity:

**Cash and Cash Equivalents**

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

**Capital Assets**

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

**Government-Wide Statements**

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

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

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

**Fund Financial Statements**

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

## **Long-Term Debt**

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

## **Equity Classification**

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

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

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

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

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

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

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

E. Revenues, Expenditures, and Expenses:

**Program Revenues**

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

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

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

**Operating Revenue and Expenses**

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

F. Internal and Interfund Balances and Activities:

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

**Fund Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

G. Unemployment Insurance:

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

H. Vacation and Sick Pay:

The City permits employees to accumulate a limited amount of earned but unused vacation and sick leave. Vacation time and sick leave are considered as expenditures in the year paid. Compensation will not be paid in lieu of actually taking a vacation. Accumulated vacation time is paid if employment is terminated. The accrued vacation time payable is not recorded in the financial statements since the cash basis of accounting is employed. Although the possibility that all employees will terminate in the upcoming year is remote, management estimates the potential liability at December 31, 2015 would have been \$69,515.

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 2015 were levied on August 17, 2015. Taxes recorded in these financial statements are from the 2014 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, 2015 are as follows:

Deposits	
Demand Deposits	\$ 8,909,580
Interest Bearing Deposit Accounts	<u>24,758,512</u>
Total Deposits	<u>\$ 33,668,092</u>

The City holds petty cash of \$408.

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, 2015, the bank balance was \$33,848,170 and there was no exposure to custodial credit risk.

Reconciliation to Statement of Net Position:	
Cash, Book Balance	\$ 33,667,684
Petty Cash	<u>408</u>
Cash, Statement of Net Position	<u>\$ 33,668,092</u>

M. Subsequent Events:

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 1, 2016, 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](http://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 28, 2015 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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	30
Active employees	<u>81</u>
	<u>163</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 12.9% of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

F. Actuarial Assumptions:

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

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)
<b>Balances at 6/30/2014</b>	\$ 14,707,449	\$ 16,106,602	\$ (1,399,153)
<b>Changes for the Year:</b>			
Service Cost	312,308	-	312,308
Interest	1,056,460	-	1,056,460
Difference Between Expected and Actual Experience	(116,519)	-	(116,519)
Contributions - Employer	-	362,202	(362,202)
Contributions - Employee	-	-	-
Net Investment Income	-	311,075	(311,075)
Benefit Payments, Including Refunds	(588,323)	(588,323)	-
Administrative Expense	-	(14,074)	14,074
Other Changes	-	78,919	(78,919)
<b>Net Changes</b>	<u>663,926</u>	<u>149,799</u>	<u>514,127</u>
<b>Balances at 6/30/2015</b>	<u>\$ 15,371,375</u>	<u>\$ 16,256,401</u>	<u>\$ (885,026)</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% point lower (6.25%) or 1% higher (8.25%) than the current rate.

1% Decrease <u>6.25%</u>	Current Single Discount Rate Assumption <u>7.25%</u>	1% Increase <u>8.25%</u>
\$ 1,238,564	\$ (885,026)	\$(2,662,738)

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

For the year ended June 30, 2015, the employer recognized pension expense of \$291,383. The employer 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	\$ -	\$ (95,782)
Differences in assumptions	-	-
Excess (deficit) investment returns	680,728	-
Contributions subsequent to the measurement date*	149,264	-
Total	<u>\$ 829,992</u>	<u>\$ (95,782)</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, 2016.

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

Year ended:	
2016	\$149,445
2017	149,445
2018	149,445
2019	149,445
2020	<u>136,430</u>
Total	<u>\$734,210</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](http://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 28, 2015 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, 2015, 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	20
Active employees	<u>21</u>
	<u>51</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 14.4% of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

F. Actuarial Assumptions:

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

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)
<b>Balances at 6/30/2014</b>	\$ 3,990,396	\$ 4,328,654	\$ (338,258)
<b>Changes for the Year:</b>			
Service Cost	97,202	-	97,202
Interest	287,741	-	287,741
Difference Between Expected and Actual Experience	1,949	-	1,949
Contributions - Employer	-	108,903	(108,903)
Contributions - Employee	-	-	-
Net Investment Income	-	80,006	(80,006)
Benefit Payments, Including Refunds	(141,079)	(141,079)	-
Administrative Expense	-	(3,728)	3,728
Other Changes	-	(126,809)	126,809
<b>Net Changes</b>	<u>245,813</u>	<u>(82,707)</u>	<u>328,520</u>
<b>Balances at 6/30/2015</b>	<u>\$ 4,236,209</u>	<u>\$ 4,245,947</u>	<u>\$ (9,738)</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% point lower (6.25%) or 1% higher (8.25%) than the current rate.

1% Decrease <u>6.25%</u>	Current Single Discount Rate Assumption <u>7.25%</u>	1% Increase <u>8.25%</u>
\$ 675,012	\$ (9,738)	\$ (568,073)

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

For the year ended June 30, 2015, the employer recognized pension expense of \$253,414. The employer 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	\$ 1,588	\$ -
Differences in assumptions	-	-
Excess (deficit) investment returns	<u>182,421</u>	-
Contributions subsequent to the measurement date*	<u>71,203</u>	-
Total	<u>\$ 255,212</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, 2016.

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

Year ended:	
2016	\$ 45,966
2017	45,966
2018	45,966
2019	45,967
2020	71,347
Thereafter	<u>-0-</u>
Total	<u>\$255,212</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](http://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 28, 2015 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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>20</u>
	<u>34</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 14.3% (Fire) of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015.

F. Actuarial Assumptions:

The total pension liability in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% wage inflation; 3.0% price inflation
Salary Increase	3.5% to 6.8% including wage inflation
Investment Rate of Return	7.25%, net of investment and administrative expenses

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 3 years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

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>
	(a)	(b)	(a) - (b)
<b>Balances at 6/30/2014</b>	\$ 2,372,900	\$ 2,625,108	\$ (252,208)
<b>Changes for the Year:</b>			
Service Cost	102,254	-	102,254
Interest	173,190	-	173,190
Difference Between Expected and Actual Experience	(10,022)	-	(10,022)
Contributions - Employer	-	103,541	(103,541)
Contributions - Employee	-	-	-
Net Investment Income	-	55,660	(55,660)
Benefit Payments, Including Refunds	(69,841)	(69,841)	-
Administrative Expense	-	(2,517)	2,517
Other Changes	-	64,342	(64,342)
<b>Net Changes</b>	<u>195,581</u>	<u>151,185</u>	<u>44,396</u>
<b>Balances at 6/30/2015</b>	<u>\$ 2,568,481</u>	<u>\$ 2,776,293</u>	<u>\$ (207,812)</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% point 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>
\$ 186,535	\$ (207,812)	\$ (532,555)

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

For the year ended June 30, 2015, the employer recognized pension expense of \$46,470. The employer 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	\$ -	\$ (8,983)
Differences in assumptions	-	-
Excess (deficit) investment returns	110,450	-
Contributions subsequent to the measurement date*	<u>52,350</u>	<u>-</u>
Total	<u>\$ 162,800</u>	<u>\$ (8,983)</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, 2016.

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

Year ended:	
2016	\$ 26,574
2017	26,574
2018	26,574
2019	26,572
2020	(1,039)
Thereafter	<u>48,562</u>
Total	<u>\$153,817</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 \$43,522,064.

Long-term debt outstanding at December 31, 2015 consisted of the following:

#### Business-Type Activities:

Equipment Lease Purchase Agreement Series 2015	\$ 905,000
Certificates of Participation Series 2013	1,375,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2002A	1,900,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2000A	150,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2000B	625,000
Combined Waterworks and Sewerage System Revenue Bonds Series 1999	<u>1,165,000</u>
 Total	 <u>\$ 6,120,000</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2015:

Long-Term Debt, January 1, 2015	\$ 6,920,000
Additions	905,000
Retirements	<u>(1,705,000)</u>
Long-Term Debt, December 31, 2015	<u>\$ 6,120,000</u>

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

Certificates of Participation Series 2013 in the original amount of \$1,550,000, dated April 17, 2013. The outstanding balance due at December 31, 2015 was \$1,375,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05/1/2016			\$ 18,612	\$ 18,612
11/1/2016	2.000%	\$ 90,000	18,612	108,612
05/1/2017			17,712	17,712
11/1/2017	2.000%	95,000	17,712	112,712
05/1/2018			16,762	16,762
11/1/2018	2.000%	100,000	16,762	116,762
05/1/2019			15,762	15,762
11/1/2019	2.000%	100,000	15,762	115,762
05/1/2020			14,762	14,762
11/1/2020	2.500%	100,000	14,762	114,762
05/1/2021			13,512	13,512
11/1/2021	2.500%	100,000	13,512	113,512

05/1/2022			12,262	12,262
11/1/2022	2.500%	105,000	12,262	117,262
05/1/2023			10,950	10,950
11/1/2023	3.000%	105,000	10,950	115,950
05/1/2024			9,375	9,375
11/1/2024	3.000%	110,000	9,375	119,375
05/1/2025			7,725	7,725
11/1/2025	3.000%	110,000	7,725	117,725
05/1/2026			6,075	6,075
11/1/2026	3.375%	115,000	6,075	121,075
05/1/2027			4,134	4,134
11/1/2027	3.375%	120,000	4,134	124,134
05/1/2028			2,109	2,109
11/1/2028	3.375%	<u>125,000</u>	<u>2,109</u>	<u>127,109</u>
		<u>\$1,375,000</u>	<u>\$299,504</u>	<u>\$1,674,504</u>

Certificates of Participation Series 2006 in the original amount of \$1,455,000, dated December 1, 2006. These certificates were defeased during 2015 with the issuance of the Equipment Lease Purchase Agreement Series 2015. The Equipment Lease Purchase Agreement Series 2015, in the original amount of \$905,000 is dated October 1, 2015. The outstanding balance due at December 31, 2015 was \$905,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
03/01/16			\$ 7,107	\$ 7,107
09/01/16	2.280%	85,000	10,317	95,317
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>\$ 905,000</u>	<u>\$ 113,868</u>	<u>\$1,018,868</u>

The total debt service savings on the refinancing is \$278,543 and the present value of the debt service savings is \$223,586.

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, 2015 was \$1,900,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/16	5.375%	220,000	\$ 49,513	\$ 269,513
07/01/16			43,601	43,601
01/01/17	5.375%	225,000	43,601	268,601
07/01/17			37,554	37,554
01/01/18	5.375%	230,000	37,554	267,554
07/01/18			31,373	31,373
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>\$1,900,000</u>	<u>\$ 401,847</u>	<u>\$2,301,847</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, 2015 was \$150,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/16			\$ 4,161	\$ 4,161
07/01/16	5.500%	\$ 75,000	4,161	79,161
01/01/17			2,099	2,099
07/01/17	5.550%	30,000	2,099	32,099
01/01/18			1,266	1,266
07/01/18	5.600%	25,000	1,266	26,266
01/01/19			566	566
07/01/19	5.650%	15,000	566	15,566
01/01/20			143	143
07/01/20	5.700%	<u>5,000</u>	<u>143</u>	<u>5,143</u>
		<u>\$150,000</u>	<u>\$ 16,470</u>	<u>\$166,470</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, 2015 was \$625,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/16			\$ 17,044	\$ 17,044
07/01/16	5.625%	\$ 115,000	17,044	132,044
01/01/17			13,810	13,810
07/01/17	5.300%	120,000	13,810	133,810
01/01/18			10,630	10,630
07/01/18	5.400%	125,000	10,630	135,630
01/01/19			7,255	7,255
07/01/19	5.450%	130,000	7,255	137,255
01/01/20			3,713	3,713
07/01/20	5.500%	135,000	3,713	138,713
		<u>\$ 625,000</u>	<u>\$104,904</u>	<u>\$ 729,904</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, 2015 was \$1,165,000 bearing interest and maturing as follows:

<u>Due Date</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
01/01/16			\$ 33,094	\$ 33,094
07/01/16	5.625%	\$ 175,000	33,094	208,094
01/01/17			28,172	28,172
07/01/17	5.625%	225,000	28,172	253,172
01/01/18			21,844	21,844
07/01/18	5.625%	240,000	21,844	261,844
01/01/19			15,094	15,094
07/01/19	5.750%	255,000	15,094	270,094
01/01/20			7,763	7,763
07/01/20	5.750%	270,000	7,763	277,763
		<u>\$1,165,000</u>	<u>\$ 211,934</u>	<u>\$1,376,934</u>

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land, Improvements, and				
Construction in Progress	\$ 3,128,593	\$ 6,148,754	\$ -0-	\$ 9,277,347
Other Assets	<u>44,258,070</u>	<u>725,187</u>	<u>(1,150)</u>	<u>44,982,107</u>
Total Assets at Historical Cost	\$ 47,386,663	\$ 6,873,941	\$ (1,150)	\$54,259,454
Less Accumulated Depreciation	<u>(34,334,260)</u>	<u>(1,136,166)</u>	<u>1,150</u>	<u>(35,469,276)</u>
Capital Assets, Net	<u>\$ 13,052,403</u>	<u>\$ 5,737,775</u>	<u>\$ -0-</u>	<u>\$18,790,178</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	\$ 386,684	\$1,034,066	\$ (522,362)	\$ 898,388
Equipment	5,356,985	41,480	-0-	5,398,465
Plant	<u>69,726,832</u>	<u>695,853</u>	<u>-0-</u>	<u>70,422,685</u>
Total Assets at Historical				
Costs	\$ 75,470,501	\$1,771,399	\$ (522,362)	\$76,719,538
Less Accumulated				
Depreciation	<u>(35,129,197)</u>	<u>(2,120,277)</u>	<u>-0-</u>	<u>(37,249,474)</u>
Capital Assets, Net	<u>\$ 40,341,304</u>	<u>\$ (348,878)</u>	<u>\$ (522,362)</u>	<u>\$39,470,064</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 58,116
Public Safety	248,556
Judicial and Court Related	-0-
Transportation	750,453
Public Health	22,590
Culture and Recreation	<u>56,451</u>
Total Depreciation Expense	<u>\$ 1,136,166</u>

Business-Type Activities:

Electric System	\$ 646,389
Waterworks and Sewerage System	1,231,324
Wastewater System	<u>242,564</u>
Total Depreciation Expense	<u>\$ 2,120,277</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, 2015	\$ 507,832
Amount, Subject to Above Restrictions, at	
December 31, 2014	<u>(921,937)</u>
Subtotal	\$ (414,105)
Less Amount Expended in Connection with Systems	<u>(399,279)</u>
Restricted Net Position-Water Surplus	<u>\$ -0-</u>

Restricted Net Position Balances are as follows:

Electric Capital Projects Accounts	\$2,127,496
Electric Reserve Account	-0-
Electric Debt Service Revenue Account	-0-
Water and Sewer Revenue Bond Account	567,960
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>1,017,357</u>
Total Restricted Net Position	<u>\$3,822,816</u>

The following Government Fund Balance constraints are also in effect:

Nonspendable

Cemetery	\$ 362
Recreational Development	<u>73</u>
Total Nonspendable	<u>\$ 435</u>

Restricted

Road Use Tax	\$1,388,106
Transportation Sales Tax	3,698,964
Recreational Sales Tax	477,000
Fire Protection Sales Tax	3,333
Community Development Block Grant	500
General	<u>1,873</u>
Total Restricted	<u>\$5,569,776</u>

Committed

Storm Water Maintenance	\$ 210,911
I-55 Allocation	2,198,384
Inmate Security	1,370
Capital Projects	14,928
Cemetery	895,853
Library	179,822
City Park	57,026
Public Park Foundation	77,112
Equitable Sharing	<u>21,016</u>
Total Committed	<u>\$3,656,422</u>

Assigned

Sales Tax	\$3,451,705
Landfill	189,912
Recreational Development	<u>62,378</u>
Total Assigned	<u>\$3,703,995</u>

## 6. RISKS OF LOSS

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

The City is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2015, 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, 2015 was as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 47,490	\$ -0-
Electric Operation and Maintenance	734,266	-0-
Wastewater Replacement	-0-	5,042
Electric Surplus	-0-	355,110
Wastewater Operation and Maintenance	5,042	-0-
Water and Sewer Construction	-0-	68,233
Electric Capital Projects	-0-	426,646
Water and Sewer Operations and Maintenance	251,369	-0-
Water and Sewer Surplus	-0-	183,136
Total	<u>\$1,038,167</u>	<u>\$1,038,167</u>

## 9. CONTINGENT LIABILITIES

The City, through issuance of infrastructure projects bills, guarantees 13 individual loans at the Bank of Missouri totaling \$60,731 as of December 31, 2015.

## 10. COMMITMENTS

During 2014, the City has awarded a contract for a community center building project totaling \$5,677,100. As of December 31, 2015, \$5,354,418 has been paid on the project. The project is expected to be completed during 2016. During 2015, the City awarded a contract for road improvement totaling \$570,941. As of December 31, 2015, \$214,679 has been paid on the project. The project is expected to be completed in 2016. Also during 2015, the City has awarded a contract for a bridge replacement totaling \$1,388,757. As of December 31, 2015, \$660,411 has been paid on the project. The project is expected to be completed in 2016.

## 11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$514 to \$562 for single coverage and a range from \$610 to \$1,095, depending on levels of coverage, for family coverage. The same monthly premiums apply to retirees. For the year ended December 31, 2015, the City contributed \$1,428,105 and plan members eligible for benefits contributed \$20,583 to the plan.

## 12. SUBSEQUENT EVENTS

In January 2016 the City purchased real estate with a cost of \$121,577. The land is adjacent to the Civic Center and will be used for the expansion of the City's hiking and biking trail system. In April 2016 the Council approved the purchase of a new fire truck with an estimated cost of just over \$440,000. The new apparatus is expected to be placed in service early in 2017. Finally, in April 2016 the City issued Combined Waterworks and Sewerage System Revenue Bonds, Series 2016 for \$4,000,000. The proceeds of the bonds will be used to upgrade old and undersized water lines throughout the City. The bonds will be retired with annual principal and interest payments with the final payment due July 1, 2031.

SUPPLEMENTAL INFORMATION

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

For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES:</u>				
Taxes	\$ 2,829,709	\$ 2,922,683	\$ 2,313,647	\$ (609,036)
Grants and Contributions	79,048	90,548	189,274	98,726
Intergovernmental	3,271,683	3,336,954	4,555,169	1,218,215
Charges for Services	707,250	755,500	781,758	26,258
Use of Money and Property	15,425	12,475	17,181	4,706
Miscellaneous	<u>57,450</u>	<u>61,250</u>	<u>129,215</u>	<u>67,965</u>
TOTAL REVENUES	<u>\$ 6,960,565</u>	<u>\$ 7,179,410</u>	<u>\$ 7,986,244</u>	<u>\$ 806,834</u>
<u>EXPENDITURES:</u>				
General Government	\$ 2,956,140	\$ 3,105,377	\$ 2,838,823	\$ 266,554
Public Safety	3,275,916	3,356,183	3,385,528	(29,345)
Judiciary and Court Related	20,926	20,931	19,973	958
Transportation	658,510	733,953	589,130	144,823
Public Health	500,323	525,466	458,215	67,251
Culture and Recreation	<u>635,674</u>	<u>742,182</u>	<u>810,895</u>	<u>(68,713)</u>
TOTAL EXPENDITURES	<u>\$ 8,047,489</u>	<u>\$ 8,484,092</u>	<u>\$ 8,102,564</u>	<u>\$ 381,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (1,086,924)</u>	<u>\$ (1,304,682)</u>	<u>\$ (116,320)</u>	<u>\$ 1,188,362</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In (Out)	<u>\$ 970,846</u>	<u>\$ 966,297</u>	<u>\$ 567,375</u>	<u>\$ (398,922)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 970,846</u>	<u>\$ 966,297</u>	<u>\$ 567,375</u>	<u>\$ (398,922)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (116,078)</u>	<u>\$ (338,385)</u>	\$ 451,055	<u>\$ 789,440</u>
FUND BALANCE, January 1, 2015			<u>11,663,422</u>	
FUND BALANCE, December 31, 2015			<u>\$ 12,114,477</u>	

See Accompanying Notes to Budgetary Comparison Schedules.

CITY OF JACKSON, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2015

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 15, 2014, a public hearing was held in connection with adoption of the proposed budget for 2015. Excess disbursements and transfers were formally approved by budget amendment by the Board of Aldermen on February 17, 2016.

CITY OF JACKSON, MISSOURISUPPLEMENTARY INFORMATION  
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEMSCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
GENERAL DIVISION

December 31, 2015

	<u>2015</u>
Fiscal Year Ended June 30, 2015	
<b>Total Pension Liability</b>	
Service Costs	\$ 312,308
Interest on the Pension Liability	1,056,460
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(116,519)
Changes of Assumptions	-
Benefit Payments, including Refunds of Employee Contributions	<u>(588,323)</u>
<b>Net Change in Total Pension Liability</b>	663,926
<b>Total Pension Liability - Beginning</b>	<u>14,707,449</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 15,371,375</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 362,202
Contributions - Employees	-
Net Investment Income	311,075
Benefit Payments, Including Refunds of Employee Contributions	(588,323)
Pension Plan Administrative Expense	(14,074)
Other (Net Transfers)	<u>78,919</u>
<b>Net Change in Plan Fiduciary Net Position</b>	149,799
<b>Plan Fiduciary Net Position - Beginning</b>	<u>16,106,602</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 16,256,401</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	(885,026)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	105.76%
<b>Covered Valuation Payroll</b>	\$ 2,867,196
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-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 SYSTEM

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
 POLICE DIVISION

December 31, 2015

	<u>2015</u>
Fiscal Year Ended June 30, 2015	
<b>Total Pension Liability</b>	
Service Costs	\$ 97,202
Interest on the Pension Liability	287,741
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,949
Changes of Assumptions	-
Benefit Payments, including Refunds of Employee Contributions	<u>(141,079)</u>
<b>Net Change in Total Pension Liability</b>	245,813
<b>Total Pension Liability - Beginning</b>	<u>3,990,396</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 4,236,209</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 108,903
Contributions - Employees	-
Net Investment Income	80,006
Benefit Payments, Including Refunds of Employee Contributions	(141,079)
Pension Plan Administrative Expense	(3,728)
Other (Net Transfers)	<u>(126,809)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(82,707)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>4,328,654</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 4,245,947</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	(9,738)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	100.23%
<b>Covered Valuation Payroll</b>	\$ 813,943
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-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 SYSTEM

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
 FIRE DIVISION

December 31, 2015

	<u>2015</u>
Fiscal Year Ended June 30, 2015	
<b>Total Pension Liability</b>	
Service Costs	\$ 102,254
Interest on the Pension Liability	173,190
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(10,022)
Changes of Assumptions	-
Benefit Payments, including Refunds of Employee Contributions	<u>(69,841)</u>
<b>Net Change in Total Pension Liability</b>	195,581
<b>Total Pension Liability - Beginning</b>	<u>2,372,900</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 2,568,481</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 103,541
Contributions - Employees	-
Net Investment Income	55,660
Benefit Payments, Including Refunds of Employee Contributions	(69,841)
Pension Plan Administrative Expense	(2,517)
Other (Net Transfers)	<u>64,342</u>
<b>Net Change in Plan Fiduciary Net Position</b>	151,185
<b>Plan Fiduciary Net Position - Beginning</b>	<u>2,625,108</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 2,776,293</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	(207,812)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	108.09%
<b>Covered Valuation Payroll</b>	\$ 707,270
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	-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, MISSOURISUPPLEMENTARY INFORMATION  
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

December 31, 2015

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
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%
2006	332,850	332,850	-	3,925,593	8.48%
2005	322,152	311,415	10,737	3,725,936	8.36%

**Notes to Schedule:****Valuation Date:**

February 28, 2015

## Notes

The roll-forward of total pension liability from February 28, 2015 to June 30, 2015 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
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	Multiple bases from 14 to 26 years
Asset Valuation Method:	5-year smoothed market, 20% corridor
Inflation:	3.5% wage inflation; 3.0% price inflation
Salary Increases:	3.5% to 6.8% including wage inflation
Investment Rate of Return:	7.25%, net of investment and administrative expenses
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period of study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

**Other Information:**

None

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, 2015

	<u>General</u>	<u>Band</u>	<u>Cemetery</u>	<u>Landfill</u>	<u>Library</u>	<u>City Park</u>	<u>Public Park Foundation</u>
<u>ASSETS</u>							
<u>CURRENT ASSETS:</u>							
Cash	\$ 3,101,654	\$ -	\$ -	\$ 828	\$ -	\$ -	\$ -
Restricted Cash	1,873	-	895,853	189,084	180,099	57,669	77,112
Prepaid Expense	-	-	362	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,103,527</b>	<b>\$ -</b>	<b>\$ 896,215</b>	<b>\$ 189,912</b>	<b>\$ 180,099</b>	<b>\$ 57,669</b>	<b>\$ 77,112</b>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>CURRENT LIABILITIES:</u>							
Payroll Withholdings Payable	\$ 5,507	\$ -	\$ -	\$ -	\$ 28	\$ 643	\$ -
Deferred Options Payable	10,000	-	-	-	-	-	-
Other Payables	86,876	-	-	-	249	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 102,383</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 277</b>	<b>\$ 643</b>	<b>\$ -</b>
<u>LONG-TERM LIABILITIES:</u>							
Court Bonds Payable	\$ 1,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ 104,106</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 277</b>	<b>\$ 643</b>	<b>\$ -</b>
<u>FUND BALANCES:</u>							
Nonspendable	\$ -	\$ -	\$ 362	\$ -	\$ -	\$ -	\$ -
Restricted	1,873	-	-	-	-	-	-
Committed	-	-	895,853	-	179,822	57,026	77,112
Assigned	-	-	-	189,912	-	-	-
Unassigned	2,997,548	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 2,999,421</b>	<b>\$ -</b>	<b>\$ 896,215</b>	<b>\$ 189,912</b>	<b>\$ 179,822</b>	<b>\$ 57,026</b>	<b>\$ 77,112</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,103,527</b>	<b>\$ -</b>	<b>\$ 896,215</b>	<b>\$ 189,912</b>	<b>\$ 180,099</b>	<b>\$ 57,669</b>	<b>\$ 77,112</b>

See Independent Auditors' Report.

EXHIBIT 1

<u>Recreational Development</u>	<u>Equitable Sharing</u>	<u>Sales Tax</u>	<u>Transportation Sales Tax</u>	<u>Recreational Sales Tax</u>	<u>Fire Protection Sales Tax</u>	<u>Community Development Block Grant</u>	<u>Total</u>
\$ -	\$ 21,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,123,498
62,378	-	3,451,705	3,698,964	476,870	3,333	500	9,095,440
73	-	-	-	130	-	-	565
<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>\$ 12,219,503</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,178
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	87,125
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,303</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,723</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,026</u>
\$ 73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435
-	-	-	3,698,964	477,000	3,333	500	4,181,670
-	21,016	-	-	-	-	-	1,230,829
62,378	-	3,451,705	-	-	-	-	3,703,995
-	-	-	-	-	-	-	2,997,548
<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>\$ 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>\$ 12,219,503</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, 2015

	<u>General</u>	<u>Band</u>	<u>Cemetery</u>	<u>Landfill</u>	<u>Library</u>	<u>City Park</u>
<u>REVENUES:</u>						
Taxes	\$ 1,759,989	\$ 152,321	\$ 152,321	\$ -	\$ 1,390	\$ 247,626
Grants and Contributions	71,970	-	-	-	-	9,050
Intergovernmental	53,516	6,904	6,905	-	-	11,225
Charges for Services	614,730	-	71,525	38,744	-	6,385
Use of Money and Property	9,254	-	766	299	-	232
Miscellaneous	121,945	-	-	-	-	6,441
TOTAL REVENUES	<u>\$ 2,631,404</u>	<u>\$ 159,225</u>	<u>\$ 231,517</u>	<u>\$ 39,043</u>	<u>\$ 1,390</u>	<u>\$ 280,959</u>
<u>EXPENDITURES:</u>						
General Government	\$ 1,786,676	\$ -	\$ 157,501	\$ -	\$ -	\$ -
Public Safety	3,385,528	-	-	-	-	-
Judiciary and Court Related	19,973	-	-	-	-	-
Transportation	589,130	-	-	-	-	-
Public Health	306,187	-	-	152,028	-	-
Culture and Recreation	-	157,153	-	-	(1)	401,024
TOTAL EXPENDITURES	<u>\$ 6,087,494</u>	<u>\$ 157,153</u>	<u>\$ 157,501</u>	<u>\$ 152,028</u>	<u>\$ (1)</u>	<u>\$ 401,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,456,090)	\$ 2,072	\$ 74,016	\$ (112,985)	\$ 1,391	\$ (120,065)
<u>OTHER FINANCING SOURCES (USES):</u>						
Operating Transfers In (Out)	<u>\$ 3,427,525</u>	<u>\$ (2,072)</u>	<u>\$ (2,410)</u>	<u>\$ 91,000</u>	<u>\$ -</u>	<u>\$ 85,739</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 3,427,525</u>	<u>\$ (2,072)</u>	<u>\$ (2,410)</u>	<u>\$ 91,000</u>	<u>\$ -</u>	<u>\$ 85,739</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (28,565)	\$ -	\$ 71,606	\$ (21,985)	\$ 1,391	\$ (34,326)
FUND BALANCE, January 1, 2015	<u>3,027,986</u>	<u>-</u>	<u>824,609</u>	<u>211,897</u>	<u>178,431</u>	<u>91,352</u>
FUND BALANCE, December 31, 2015	<u>\$ 2,999,421</u>	<u>\$ -</u>	<u>\$ 896,215</u>	<u>\$ 189,912</u>	<u>\$ 179,822</u>	<u>\$ 57,026</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,313,647
103,650	4,604	-	-	-	-	-	-	189,274
-	-	21,016	2,234,831	1,173,214	523,523	524,035	-	4,555,169
-	50,374	-	-	-	-	-	-	781,758
-	141	-	3,759	2,730	-	-	-	17,181
-	-	-	54	775	-	-	-	129,215
<u>\$ 103,650</u>	<u>\$ 55,119</u>	<u>\$ 21,016</u>	<u>\$ 2,238,644</u>	<u>\$ 1,176,719</u>	<u>\$ 523,523</u>	<u>\$ 524,035</u>	<u>\$ -</u>	<u>\$ 7,986,244</u>
\$ -	\$ -	\$ -	\$ 136,872	\$ 757,774	\$ -	\$ -	\$ -	\$ 2,838,823
-	-	-	-	-	-	-	-	3,385,528
-	-	-	-	-	-	-	-	19,973
-	-	-	-	-	-	-	-	589,130
-	-	-	-	-	-	-	-	458,215
<u>9,589</u>	<u>123,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,771</u>	<u>-</u>	<u>-</u>	<u>810,895</u>
<u>\$ 9,589</u>	<u>\$ 123,359</u>	<u>\$ -</u>	<u>\$ 136,872</u>	<u>\$ 757,774</u>	<u>\$ 119,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,102,564</u>
\$ 94,061	\$ (68,240)	\$ 21,016	\$ 2,101,772	\$ 418,945	\$ 403,752	\$ 524,035	\$ -	\$ (116,320)
<u>\$ (24,000)</u>	<u>\$ 17,921</u>	<u>\$ -</u>	<u>\$ (1,706,703)</u>	<u>\$ (425,381)</u>	<u>\$ (370,209)</u>	<u>\$ (524,035)</u>	<u>\$ -</u>	<u>\$ 567,375</u>
<u>\$ (24,000)</u>	<u>\$ 17,921</u>	<u>\$ -</u>	<u>\$ (1,706,703)</u>	<u>\$ (425,381)</u>	<u>\$ (370,209)</u>	<u>\$ (524,035)</u>	<u>\$ -</u>	<u>567,375</u>
\$ 70,061	\$ (50,319)	\$ 21,016	\$ 395,069	\$ (6,436)	\$ 33,543	\$ -	\$ -	\$ 451,055
<u>7,051</u>	<u>112,770</u>	<u>-</u>	<u>3,056,636</u>	<u>3,705,400</u>	<u>443,457</u>	<u>3,333</u>	<u>500</u>	<u>11,663,422</u>
<u>\$ 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>

See Independent Auditors' Report.

CITY OF JACKSON, MISSOURICOMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND  
BALANCES - MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

<u>ASSETS</u>	<u>Road Use Tax Fund</u>	<u>Storm Water Maintenance Fund</u>	<u>I-55 Allocation Fund</u>	<u>Inmate Security Fund</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>					
Cash	\$ 1,388,106	\$ 210,911	\$ 2,198,384	\$ 1,370	\$ 3,798,771
<b>TOTAL ASSETS</b>	<u>\$ 1,388,106</u>	<u>\$ 210,911</u>	<u>\$ 2,198,384</u>	<u>\$ 1,370</u>	<u>\$ 3,798,771</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<b>LIABILITIES</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE:</u>					
Restricted	\$ 1,388,106	\$ -	\$ -	\$ -	\$ 1,388,106
Committed	-	210,911	2,198,384	1,370	2,410,665
<b>TOTAL FUND BALANCE</b>	<u>\$ 1,388,106</u>	<u>\$ 210,911</u>	<u>\$ 2,198,384</u>	<u>\$ 1,370</u>	<u>\$ 3,798,771</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,388,106</u>	<u>\$ 210,911</u>	<u>\$ 2,198,384</u>	<u>\$ 1,370</u>	<u>\$ 3,798,771</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, 2015

	Road Use Tax Fund	Storm Water Maintenance Fund	I-55 Allocation Fund	Inmate Security Fund	Totals
<u>REVENUES:</u>					
Taxes	\$ -	\$ -	\$ 306,341	\$ -	\$ 306,341
Intergovernmental	539,677	-	-	-	539,677
Charges for Services	-	-	-	2,935	2,935
Grants and Contributions	34,476	-	-	-	34,476
Use of Money and Property	2,690	-	2,007	-	4,697
Miscellaneous	-	9,805	121,978	-	131,783
TOTAL REVENUES	\$ 576,843	\$ 9,805	\$ 430,326	\$ 2,935	\$ 1,019,909
<u>EXPENDITURES:</u>					
Transportation	\$ 280,026	\$ -	\$ 894,365	\$ -	\$ 1,174,391
Public Safety	-	-	-	3,394	3,394
TOTAL EXPENDITURES	\$ 280,026	\$ -	\$ 894,365	\$ 3,394	\$ 1,177,785
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 296,817	\$ 9,805	\$ (464,039)	\$ (459)	\$ (157,876)
<u>OTHER FINANCING SOURCES (USES):</u>					
Operating Transfers In	\$ -	\$ -	\$ 247,643	\$ -	\$ 247,643
Operating Transfers (Out)	(230,000)	-	-	-	(230,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (230,000)	\$ -	\$ 247,643	\$ -	\$ 17,643
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 66,817	\$ 9,805	\$ (216,396)	\$ (459)	\$ (140,233)
FUND BALANCE, January 1, 2015	1,321,289	201,106	2,414,780	1,829	3,939,004
FUND BALANCE, December 31, 2015	\$ 1,388,106	\$ 210,911	\$ 2,198,384	\$ 1,370	\$ 3,798,771

See Independent Auditors' Report.

## CITY OF JACKSON, MISSOURI

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

December 31, 2015

<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	\$ 10,361,775	\$ 5,248,352	\$ -	\$ 15,610,127
Restricted Cash	-	677,963	1,017,357	1,695,320
Bond Premium, Current Portion	-	-	-	-
Prepaid Expense	240	26,454	-	26,694
Due from Others	175,187	(175,187)	-	-
Total Current Assets	<u>\$ 10,537,202</u>	<u>\$ 5,777,582</u>	<u>\$ 1,017,357</u>	<u>\$ 17,332,141</u>
<u>CAPITAL ASSETS:</u>				
Capital Assets	\$ 24,167,161	\$ 38,720,666	\$ 13,583,815	\$ 76,471,642
Construction in Progress	113,406	134,490	-	247,896
Less: Accumulated Depreciation	(10,301,587)	(17,785,351)	(9,162,536)	(37,249,474)
Total Capital Assets, Net	<u>\$ 13,978,980</u>	<u>\$ 21,069,805</u>	<u>\$ 4,421,279</u>	<u>\$ 39,470,064</u>
<u>OTHER ASSETS:</u>				
Bond Premium, Long-Term Portion	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ 24,516,182</u>	<u>\$ 26,847,387</u>	<u>\$ 5,438,636</u>	<u>\$ 56,802,205</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Payroll Withholdings Payable	\$ -	\$ 376	\$ 509	\$ 885
Taxes Payable	8,636	-	-	8,636
Certificate of Participation, Current Portion	-	90,000	-	90,000
Lease Purchase Payable, Current Portion	-	85,000	-	85,000
Bonds Payable, Current Portion	-	585,000	-	585,000
Discount on Revenue Bonds, Current Portion	-	3,016	-	3,016
Due To Other Funds	-	-	-	-
Total Current Liabilities	<u>\$ 8,636</u>	<u>\$ 763,392</u>	<u>\$ 509</u>	<u>\$ 772,537</u>
<u>LONG-TERM LIABILITIES:</u>				
Customer Deposits	\$ 348,241	\$ -	\$ -	\$ 348,241
Certificate of Participation, Long-Term Portion	-	1,285,000	-	1,285,000
Lease Purchase Payable, Long-Term Portion	-	820,000	-	820,000
Bonds Payable, Long-Term Portion	-	3,255,000	-	3,255,000
Discount on Revenue Bonds, Long-Term Portion	-	15,342	-	15,342
Total Long-Term Liabilities	<u>\$ 348,241</u>	<u>\$ 5,375,342</u>	<u>\$ -</u>	<u>\$ 5,723,583</u>
TOTAL LIABILITIES	<u>\$ 356,877</u>	<u>\$ 6,138,734</u>	<u>\$ 509</u>	<u>\$ 6,496,120</u>
<u>NET POSITION</u>				
Invested in Capital Assets, Net of Related Debt	\$ 13,978,980	\$ 14,949,805	\$ 4,421,279	\$ 33,350,064
Unrestricted	8,052,829	5,096,227	(509)	13,148,547
Restricted	2,127,496	662,621	1,017,357	3,807,474
TOTAL NET POSITION	<u>\$ 24,159,305</u>	<u>\$ 20,708,653</u>	<u>\$ 5,438,127</u>	<u>\$ 50,306,085</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, 2015

	Electric System	Waterworks and Sewerage System	Wastewater System	Total
<u>OPERATING REVENUES:</u>				
Electric System	\$ 16,813,279	\$ -	\$ -	\$ 16,813,279
Waterworks and Sewerage System	-	1,745,858	-	1,745,858
Wastewater System	-	-	1,993,081	1,993,081
Total Operating Revenues	<u>\$ 16,813,279</u>	<u>\$ 1,745,858</u>	<u>\$ 1,993,081</u>	<u>\$ 20,552,218</u>
<u>OPERATING EXPENSES:</u>				
Electric Power Plant	\$ 12,589,983	\$ -	\$ -	\$ 12,589,983
Electric Line Construction and Maintenance	1,520,275	-	-	1,520,275
Water Plant	-	231,622	-	231,622
Water Line Construction and Maintenance	-	856,172	-	856,172
Wastewater Operations	-	-	643,673	643,673
General	205,500	106,886	-	312,386
Depreciation	646,389	1,231,324	242,564	2,120,277
Total Operating Expenses	<u>\$ 14,962,147</u>	<u>\$ 2,426,004</u>	<u>\$ 886,237</u>	<u>\$ 18,274,388</u>
OPERATING INCOME (LOSS)	<u>\$ 1,851,132</u>	<u>\$ (680,146)</u>	<u>\$ 1,106,844</u>	<u>\$ 2,277,830</u>
<u>NON-OPERATING REVENUES</u>				
<u>(EXPENSES):</u>				
Interest Income	\$ 26,742	\$ 32,982	\$ 2,748	\$ 62,472
Grants and Contributions	16,592	22,399	106,200	145,191
Premium Amortization	-	3,016	-	3,016
Gain/(Loss) on Disposal of Capital Asset	-	-	-	-
Miscellaneous	25,896	(36,207)	-	(10,311)
Amortization Expense	-	-	-	-
Interest Expense	-	(195,915)	-	(195,915)
Storm Damage Expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>\$ 69,230</u>	<u>\$ (173,725)</u>	<u>\$ 108,948</u>	<u>\$ 4,453</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 1,920,362</u>	<u>\$ (853,871)</u>	<u>\$ 1,215,792</u>	<u>\$ 2,282,283</u>
<u>TRANSFERS &amp; CAPITAL CONTRIBUTIONS:</u>				
Transfers In (Out)	<u>(759,832)</u>	<u>1,164,259</u>	<u>(1,293,445)</u>	<u>(889,018)</u>
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>\$ (759,832)</u>	<u>\$ 1,164,259</u>	<u>\$ (1,293,445)</u>	<u>\$ (889,018)</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 1,160,530</u>	<u>\$ 310,388</u>	<u>\$ (77,653)</u>	<u>\$ 1,393,265</u>
NET POSITION, January 1, 2015	<u>22,998,775</u>	<u>20,398,265</u>	<u>5,515,780</u>	<u>48,912,820</u>
NET POSITION, December 31, 2015	<u>\$ 24,159,305</u>	<u>\$ 20,708,653</u>	<u>\$ 5,438,127</u>	<u>\$ 50,306,085</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, 2015

<u>ASSETS</u>	<u>Electric Operations and Maintenance Fund</u>	<u>Electric Reserve Fund</u>	<u>Electric Surplus Fund</u>
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ 8,234,279
Restricted Cash	-	-	-
Bond Premium, Current Portion	-	-	-
Prepaid Expense	240	-	-
Due from Other Funds	187	-	175,000
Total Current Assets	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ 8,409,279</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 24,167,161	\$ -	\$ -
Construction in Progress	113,406	-	-
Less: Accumulated Depreciation	(10,301,587)	-	-
Total Capital Assets, Net	<u>\$ 13,978,980</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,979,407</u>	<u>\$ -</u>	<u>\$ 8,409,279</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Taxes Payable	\$ 8,636	\$ -	\$ -
Bonds Payable, Current Portion	-	-	-
Total Current Liabilities	<u>\$ 8,636</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Customer Deposits	\$ -	\$ -	\$ 348,241
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,241</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 8,636</u>	<u>\$ -</u>	<u>\$ 348,241</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 13,978,980	\$ -	\$ -
Unrestricted	(8,209)	-	8,061,038
Restricted	-	-	-
<b>TOTAL NET POSITION</b>	<u>\$ 13,970,771</u>	<u>\$ -</u>	<u>\$ 8,061,038</u>

See Independent Auditors' Report.

EXHIBIT 7

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ 2,127,496	\$ 10,361,775
-	-	-	-
-	-	-	-
-	-	-	240
-	-	-	175,187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,496</u>	<u>\$ 10,537,202</u>
\$ -	\$ -	\$ -	\$ 24,167,161
-	-	-	113,406
-	-	-	(10,301,587)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,978,980</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,496</u>	<u>\$ 24,516,182</u>
\$ -	\$ -	\$ -	\$ 8,636
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,636</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,241</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,241</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,877</u>
\$ -	\$ -	\$ -	\$ 13,978,980
-	-	-	8,052,829
-	-	2,127,496	2,127,496
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,496</u>	<u>\$ 24,159,305</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, 2015

	Electric Operations and Maintenance Fund	Electric Reserve Fund	Electric Surplus Fund
<u>OPERATING REVENUES:</u>			
Collection of Electric Billings	\$ 16,736,399	\$ -	\$ -
URD Services	29,498	-	-
Cable TV-Pole Rent	16,587	-	-
Connection Charges	30,795	-	-
TOTAL OPERATING REVENUES	<u>\$ 16,813,279</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Electric Power Plant	\$ 12,589,983	\$ -	\$ -
Electric Line Construction and Maintenance	1,030,607	-	247,830
General	205,500	-	-
Depreciation	646,389	-	-
TOTAL OPERATING EXPENSES	<u>\$ 14,472,479</u>	<u>\$ -</u>	<u>\$ 247,830</u>
OPERATING INCOME (LOSS)	<u>\$ 2,340,800</u>	<u>\$ -</u>	<u>\$ (247,830)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 26,742	\$ -	\$ -
Insurance Proceeds	-	-	-
Grants and Contributions	16,592	-	-
Gain/(Loss) on Disposal of Capital Asset	-	-	-
Miscellaneous	27,846	-	-
Amortization Expense	-	-	-
Interest Expense	-	-	-
Storm Damage Expense	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES) BEFORE TRANSFERS	<u>\$ 71,180</u>	<u>\$ -</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ 2,411,980	\$ -	\$ (247,830)
TRANSFERS IN (OUT)	<u>(2,212,043)</u>	<u>(130,000)</u>	<u>2,350,358</u>
CHANGE IN NET POSITION	\$ 199,937	\$ (130,000)	\$ 2,102,528
NET POSITION, January 1, 2015	<u>13,770,834</u>	<u>130,000</u>	<u>5,958,510</u>
NET POSITION, December 31, 2015	<u>\$ 13,970,771</u>	<u>\$ -</u>	<u>\$ 8,061,038</u>

See Independent Auditors' Report.

EXHIBIT 8

Electric Debt Service Fund	Electric Debt Service Reserve Fund	Electric Capital Projects	Total
\$ -	\$ -	\$ -	\$ 16,736,399
-	-	-	29,498
-	-	-	16,587
-	-	-	30,795
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,813,279</u>
\$ -	\$ -	\$ -	\$ 12,589,983
-	-	241,838	1,520,275
-	-	-	205,500
-	-	-	646,389
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,838</u>	<u>\$ 14,962,147</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (241,838)</u>	<u>\$ 1,851,132</u>
\$ -	\$ -	\$ -	\$ 26,742
-	-	-	-
-	-	-	16,592
-	-	-	-
-	-	(1,950)	25,896
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,950)</u>	<u>\$ 69,230</u>
\$ -	\$ -	\$ (243,788)	\$ 1,920,362
-	(341,500)	(426,647)	(759,832)
<u>\$ -</u>	<u>\$ (341,500)</u>	<u>\$ (670,435)</u>	<u>\$ 1,160,530</u>
-	341,500	2,797,931	22,998,775
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,127,496</u>	<u>\$ 24,159,305</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, 2015

<u>ASSETS</u>	<u>Waterworks and Sewerage Operations and Maintenance Fund</u>	<u>Water and Sewer Revenue Bond Fund</u>	<u>Water and Sewer Depreciation Reserve Fund</u>
<u>CURRENT ASSETS:</u>			
Cash	\$ -	\$ -	\$ -
Restricted Cash	-	567,960	30,000
Prepaid Expense	26,454	-	-
Bond Premium, Current Portion	-	-	-
Total Current Assets	<u>\$ 26,454</u>	<u>\$ 567,960</u>	<u>\$ 30,000</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 38,720,666	\$ -	\$ -
Construction in Progress	134,490	-	-
Less: Accumulated Depreciation	<u>(17,785,351)</u>	<u>-</u>	<u>-</u>
Total Capital Assets	<u>\$ 21,069,805</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTHER ASSETS:</u>			
Bond Premiums	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,096,259</u>	<u>\$ 567,960</u>	<u>\$ 30,000</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	\$ 376	\$ -	\$ -
Certificate of Participation, Current Portion	-	90,000	-
Lease Purchase Payable, Current Portion	-	85,000	-
Bonds Payable, Current Portion	-	585,000	-
Discount on Revenue Bonds, Current Portion	-	3,016	-
Due to Other Funds	<u>187</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>\$ 563</u>	<u>\$ 763,016</u>	<u>\$ -</u>
<u>LONG-TERM LIABILITIES:</u>			
Certificate of Participation, Long-Term Portion	\$ -	\$ 1,285,000	\$ -
Lease Purchase Payable, Long-Term Portion	-	820,000	-
Bonds Payable, Long-Term Portion	-	3,255,000	-
Discount on Revenue Bonds, Long-Term Portion	-	15,342	-
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ 5,375,342</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 563</u>	<u>\$ 6,138,358</u>	<u>\$ -</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 21,069,805	\$ (6,120,000)	\$ -
Unrestricted	25,891	(3,016)	-
Restricted	<u>-</u>	<u>552,618</u>	<u>30,000</u>
<b>TOTAL NET POSITION</b>	<u>\$ 21,095,696</u>	<u>\$ (5,570,398)</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
\$ -	\$ -	\$ 4,049,366	\$ 442,690	\$ 756,296	\$ 5,248,352
50,003	30,000	-	-	-	677,963
-	-	-	-	-	26,454
-	-	-	-	-	-
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,049,366</u>	<u>\$ 442,690</u>	<u>\$ 756,296</u>	<u>\$ 5,952,769</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,720,666
-	-	-	-	-	134,490
-	-	-	-	-	(17,785,351)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,069,805</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,049,366</u>	<u>\$ 442,690</u>	<u>\$ 756,296</u>	<u>\$ 27,022,574</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376
-	-	-	-	-	90,000
-	-	-	-	-	85,000
-	-	-	-	-	585,000
-	-	-	-	-	3,016
-	-	-	-	175,000	175,187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ 938,579</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,285,000
-	-	-	-	-	820,000
-	-	-	-	-	3,255,000
-	-	-	-	-	15,342
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,375,342</u>
\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 6,313,921
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,949,805
-	-	4,049,366	442,690	581,296	5,096,227
50,003	30,000	-	-	-	662,621
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,049,366</u>	<u>\$ 442,690</u>	<u>\$ 581,296</u>	<u>\$ 20,708,653</u>

See Independent Auditors' Report.

## EXHIBIT 10

## CITY OF JACKSON, MISSOURI

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

For the Year Ended December 31, 2015

	Waterworks and Sewerage Operations and Maintenance Fund	Water and Sewer Revenue Bond Fund	Water and Sewer Depreciation Reserve Fund
<u>OPERATING REVENUES:</u>			
Collection of Water Billings	\$ 1,663,412	\$ -	\$ -
Sale of Water at Plant	5,041	-	-
Water Taps, Meters and Boxes	<u>77,405</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>\$ 1,745,858</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OPERATING EXPENSES:</u>			
Water Plant	\$ 231,622	\$ -	\$ -
Water Line Construction and Maintenance	513,993	-	-
General	106,886	-	-
Depreciation	<u>1,231,324</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>\$ 2,083,825</u>	<u>\$ -</u>	<u>\$ -</u>
OPERATING INCOME (LOSS)	<u>\$ (337,967)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	\$ 12,010	\$ 20,207	\$ -
Premium Amortization	-	3,016	-
Gain/(Loss) on Disposal of Capital Asset	-	-	-
Grants and Contributions	22,399	-	-
Miscellaneous	3,381	(39,588)	-
Interest Expense	<u>-</u>	<u>(195,915)</u>	<u>-</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 37,790</u>	<u>\$ (212,280)</u>	<u>\$ -</u>
NET INCOME (LOSS) BEFORE TRANSFERS	\$ (300,177)	\$ (212,280)	\$ -
TRANSFERS IN (OUT)	<u>(649,540)</u>	<u>996,524</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	\$ (949,717)	\$ 784,244	\$ -
NET POSITION, January 1, 2015	<u>22,045,413</u>	<u>(6,354,642)</u>	<u>30,000</u>
NET POSITION, December 31, 2015	<u>\$ 21,095,696</u>	<u>\$ (5,570,398)</u>	<u>\$ 30,000</u>

See Independent Auditors' Report.

EXHIBIT 10

Water and Sewer Bond Reserve Fund	Water and Sewer Contingent Fund	Water and Sewer Surplus Fund	Water and Sewer Replacement Fund	Water and Sewer Construction Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,663,412
-	-	-	-	-	5,041
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,745,858
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,622
-	-	203,968	3,309	134,902	856,172
-	-	-	-	-	106,886
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,231,324</u>
\$ -	\$ -	\$ 203,968	\$ 3,309	\$ 134,902	\$ 2,426,004
\$ -	\$ -	\$ (203,968)	\$ (3,309)	\$ (134,902)	\$ (680,146)
\$ -	\$ -	\$ -	\$ -	\$ 765	\$ 32,982
-	-	-	-	-	3,016
-	-	-	-	-	-
-	-	-	-	-	22,399
-	-	-	-	-	(36,207)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,915)</u>
\$ -	\$ -	\$ -	\$ -	\$ 765	\$ (173,725)
\$ -	\$ -	\$ (203,968)	\$ (3,309)	\$ (134,137)	\$ (853,871)
<u>(111,076)</u>	<u>-</u>	<u>854,903</u>	<u>42,121</u>	<u>31,327</u>	<u>1,164,259</u>
\$ (111,076)	\$ -	\$ 650,935	\$ 38,812	\$ (102,810)	\$ 310,388
<u>161,079</u>	<u>30,000</u>	<u>3,398,431</u>	<u>403,878</u>	<u>684,106</u>	<u>20,398,265</u>
<u>\$ 50,003</u>	<u>\$ 30,000</u>	<u>\$ 4,049,366</u>	<u>\$ 442,690</u>	<u>\$ 581,296</u>	<u>\$ 20,708,653</u>

See Independent Auditors' Report.

## CITY OF JACKSON, MISSOURI

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

December 31, 2015

<u>ASSETS</u>	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>CURRENT ASSETS:</u>			
Restricted Cash	\$ -	\$ 1,017,357	\$ 1,017,357
Total Current Assets	<u>\$ -</u>	<u>\$ 1,017,357</u>	<u>\$ 1,017,357</u>
<u>CAPITAL ASSETS:</u>			
Capital Assets	\$ 13,583,815	\$ -	\$ 13,583,815
Less: Accumulated Depreciation	<u>(9,162,536)</u>	<u>-</u>	<u>(9,162,536)</u>
Net Capital Assets	<u>\$ 4,421,279</u>	<u>\$ -</u>	<u>\$ 4,421,279</u>
TOTAL ASSETS	<u>\$ 4,421,279</u>	<u>\$ 1,017,357</u>	<u>\$ 5,438,636</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Payroll Withholding Payable	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 509</u>
TOTAL LIABILITIES	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ 509</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 4,421,279	\$ -	\$ 4,421,279
Unrestricted	(509)	-	(509)
Restricted	<u>-</u>	<u>1,017,357</u>	<u>1,017,357</u>
TOTAL NET POSITION	<u>\$ 4,420,770</u>	<u>\$ 1,017,357</u>	<u>\$ 5,438,127</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, 2015

	Wastewater Operations and Maintenance Fund	Wastewater Replacement Fund	Total
<u>OPERATING REVENUES:</u>			
Collection of Sewer Billings	\$ 1,992,631	\$ -	\$ 1,992,631
Industrial Discharge Permits	450	-	450
TOTAL OPERATING REVENUES	<u>\$ 1,993,081</u>	<u>\$ -</u>	<u>\$ 1,993,081</u>
<u>OPERATING EXPENSES:</u>			
Wastewater Operations	\$ 643,673	\$ -	\$ 643,673
Depreciation	242,564	-	242,564
TOTAL OPERATING EXPENSES	<u>\$ 886,237</u>	<u>\$ -</u>	<u>\$ 886,237</u>
OPERATING INCOME	<u>\$ 1,106,844</u>	<u>\$ -</u>	<u>\$ 1,106,844</u>
<u>NON-OPERATING REVENUES</u>			
<u>(EXPENSES):</u>			
Interest Income	\$ 2,748	\$ -	\$ 2,748
Capital Contributions	106,200	-	106,200
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 108,948</u>	<u>\$ -</u>	<u>\$ 108,948</u>
NET INCOME (LOSS) BEFORE TRANSFERS & CAPITAL CONTRIBUTIONS	\$ 1,215,792	\$ -	\$ 1,215,792
<u>TRANSFERS &amp; CAPITAL CONTRIBUTIONS:</u>			
Transfers In (Out)	<u>\$ (1,339,503)</u>	<u>\$ 46,058</u>	<u>\$ (1,293,445)</u>
TOTAL TRANSFERS & CAPITAL CONTRIBUTIONS	<u>(1,339,503)</u>	<u>46,058</u>	<u>(1,293,445)</u>
INCREASE (DECREASE) IN NET POSITION	\$ (123,711)	\$ 46,058	\$ (77,653)
TOTAL NET POSITION, January 1, 2015	<u>4,544,481</u>	<u>971,299</u>	<u>5,515,780</u>
TOTAL NET POSITION, December 31, 2015	<u><u>\$ 4,420,770</u></u>	<u><u>\$ 1,017,357</u></u>	<u><u>\$ 5,438,127</u></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, 2015

REVENUES COLLECTED:

Property Tax from City of Jackson	\$ 157,168	
Interest Income	<u>2,327</u>	
TOTAL REVENUES COLLECTED		\$ 159,495

EXPENSES PAID:

Band Director's Salary	\$ 8,000	
Concert Talent	3,500	
Instruments and Sound Equipment	47,839	
Music	1,620	
Taxes	6,728	
Repairs and Maintenance	734	
Wages	71,800	
Utilities	284	
Advertising and Marketing	16,059	
Fall Concert	6,028	
Memorials	4,061	
Insurance	972	
Other	<u>1,208</u>	
TOTAL EXPENSES PAID		<u>168,833</u>

EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENSES PAID	\$ (9,338)
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CASH, January 1, 2015	<u>287,206</u>
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CASH, December 31, 2015	<u><u>\$ 277,868</u></u>
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See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

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

## *Certified Public Accountants*

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

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

#### Report on Compliance for Each Major Federal Program

We have audited the City of Jackson, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Jackson, Missouri's major federal program for the year ended December 31, 2015. The City of Jackson, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of Jackson, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Jackson, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Jackson, Missouri's compliance.

## Opinion on the Major Federal Program

In our opinion, the City of Jackson, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

## Report on Internal Control Over Compliance

Management of the City of Jackson, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Jackson, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Jackson, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

Cape Girardeau, Missouri  
June 1, 2016

## CITY OF JACKSON, MISSOURI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures
<u>U.S. DEPARTMENT OF INTERIOR:</u>			
Passed-Through Missouri Department of Natural Resources - Outdoor Recreation - Acquisition, Development and Planning	15.916	29-01614	\$ 9,000
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>\$ 9,000</u>
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 937
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 937</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Highway Planning and Construction Cluster:			
Passed-Through Missouri Department of Transportation - Highway Planning and Construction	20.205	STP-9900(064) TAP-3000(008)	\$ 133,421 23,033
Passed-Through Missouri Department of Natural Resources - Recreational Trails Program	20.219	RTP #2014-13	<u>5,775</u> \$ 162,229
Highway Safety Clusters:			
Passed-Through Missouri Department of Transportation - State and Community Highway Safety	20.600	16-PT-02-101 15-PT-02-112	\$ 6,891 4,134
Passed-Through University of Central Missouri - National Priority Safety Programs	20.616	15-M2HVE-05-027 15-M5HVE-03-035 15-M2HVE-05-020	400 367 <u>494</u> \$ 12,286
Passed-Through Missouri Department of Transportation - Alcohol Open Container Requirements	20.607	15-154-AL-092	<u>\$ 3,672</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>\$ 178,187</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY:</u>			
Passed-Through Missouri Department of Natural Resources - Capitalization Grants for Wastewater Treatment Works	66.458	NPSRFJ41	\$ 4,222
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 4,222</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed-Through Missouri Department of Social Services - Low-Income Home Energy Assistance	93.568	130979000	\$ 27,257
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 27,257</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Passed-Through Missouri State Emergency Management Agency - Hazard Mitigation Grant (1)	97.039	FEMA-DR-1980-MO #0067	\$ 1,783,748
Passed-Through Missouri State Emergency Management Agency - Emergency Management Performance Grants	97.042	2015-EP-00043-053	<u>11,432</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 1,795,180</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,014,783</u>

(1) Denotes Major Program.

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

CITY OF JACKSON, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

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

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

B. Basis of Presentation:

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

C. Basis of Accounting:

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

D. Subrecipients:

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

CITY OF JACKSON, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

1. SUMMARY OF AUDITORS' RESULTS:

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?                    \_\_\_\_\_ yes                      X   no
- Significant deficiencies identified?                    \_\_\_\_\_ yes                      X   none reported

Noncompliance material to financial statements noted?                    \_\_\_\_\_ yes                      X   no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?                    \_\_\_\_\_ yes                      X   no
- Significant deficiencies identified?                    \_\_\_\_\_ yes                      X   none reported

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

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

Identification of major programs.

CFDA Number  
97.039

Name of Federal Program  
Hazard Mitigation Grant Program

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

Auditee qualified as low-risk auditee: \_\_\_\_\_ yes   X   no

2. FINANCIAL STATEMENT FINDINGS:

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

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

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

CITY OF JACKSON, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2015

1. FINANCIAL STATEMENT FINDINGS

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

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs in the audit of the year ended December 31, 2015.

CITY OF JACKSON, MISSOURI

CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2015

There were no federal findings that would require a corrective action plan for 2015.