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Office of the Mayor  
Tony T. Yarber, Mayor



219 South President Street  
Post Office Box 17  
Jackson, Mississippi 39205-0017  
Telephone: 601-960-1084  
Facsimile: 601-960-2193

June 13, 2017

Office of the State Auditor  
501 N. West Street, Suite 801  
Woolfolk Building  
Jackson, MS 39201

Re: Annual Municipal Audit

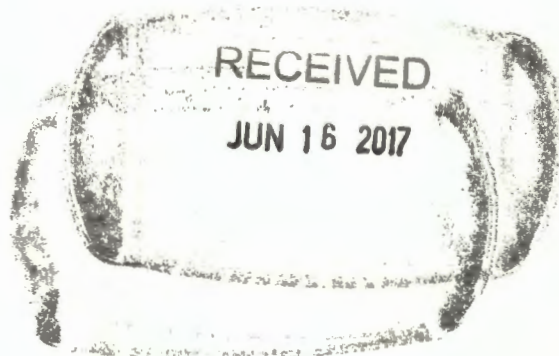
Department of Technical Assistance:

Accompanying this letter are two copies of the annual audit report of the City of Jackson, Mississippi, for the fiscal year ended September 30, 2016.

Sincerely,

Tony T. Yarber  
Mayor

dp  
Enclosures





**CITY OF JACKSON  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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**APRIL 28, 2017**

**Honorable Mayor, Members of the City Council, and  
Citizens of the City of Jackson, Mississippi:**

A requirement of Mississippi law is that local governments annually publish audited financial statements. Accordingly, the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016 for the City of Jackson, MS is submitted herewith.

An unmodified opinion on the financial statements of the City of Jackson, MS has been issued by Banks, Finley & White Co. for the year ended September 30, 2016. The Independent Auditor's Report is included in the front of the financial section of the CAFR. The City of Jackson is also required to have an audit performed in compliance with the Single Audit Act of 1996 regarding grants received from the federal government. The Single Audit report was issued by Banks, Finley & White Co.

The dedicated and professional staff of the Finance Division, Department of Administration, prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP). We maintain that the data is accurate in all material aspects and is presented in a manner designed to set forth fairly the financial activities of the various funds of the local government. The responsibility for the accuracy of the data and the fairness and completeness of the presentation, including any disclosures necessary to enable the reader to gain an understanding of the fiscal affairs of the City, is entrusted to the administration of the local government. We further assert that the internal controls implemented provide reasonable assurance that the financial statements are free of any material misstatements.

All of the governmental activities and business-type activities of the City of Jackson, MS, as well as the Jackson Redevelopment Authority (JRA) and the Capital City Convention Center Commission (component units of the city) are included in the 2016 CAFR. JRA and the Capital City Convention Center Commission are presented as a proprietary fund type within the CAFR because the City exercises significant oversight responsibility. The approval of JRA's administrative operating costs and appointments to its Board of Commissioners are authorized by the City's governing body. Additionally, JRA accounts for its separate funds and maintains revenues sufficient to meet their operating costs, debt service and system replacement and maintenance needs for their parking garages and other urban renewal projects. The Capital City Convention Center Commission is accountable as a component unit of the City because of its fiscal dependency on the City of Jackson.



Four Proprietary Funds, which provide a variety of services on a fee-for-services basis, are among those funds whose financial operations are included in the CAFR. These Proprietary Funds are the Water/Sewage Disposal System, Madison Sewage Disposal System, Transportation, and Sanitation and Recycling.

Organizationally, the 2016 CAFR provides information in three major sections: Introductory, Financial, and Statistical. The Introductory Section encompasses the Letter of Transmittal, the Organizational Chart of the Executive Branch of the City of Jackson, MS, and a list of principal elected and appointed officials. The Financial Section consists of the Independent Accountants' Report, the Basic Financial Statements, Notes to the Financial Statements and the various individual fund and account group financial statements and schedules. Additionally, a narrative introduction, overview, and analysis are provided in the form of Management's Discussion and Analysis (MD&A). We recommend that the MD&A on pages 4-12 be carefully examined by the reader to provide a more concise picture of the financial position of the City.

## **DESCRIPTION OF CITY OF JACKSON, MS**

### **Historical Background**

The City of Jackson, MS was founded in 1821 at the site of a trading post that was situated on a "high and handsome bluff" on the west bank of the Pearl River, which is located in the central region of the state. It is said that the trading post was operated by a French-Canadian trader named Louis LeFleur, who gave the town its original name of LeFleur's Bluff. The Mississippi Legislature wanted the seat of government moved out of the Natchez area and into a more central location. Thomas Hinds, James Patton and William Lattimore were then commissioned to locate the ideal site for the state capital. Their report to the General Assembly was that LeFleur's Bluff had "beautiful and healthful surroundings, good water, abundant timber, navigable waters, and nearness to the Natchez trace." A legislative act dated November 28, 1821 authorized the location to be the permanent seat of government and that it would be named Jackson in honor of Major General Andrew Jackson who later would become the seventh president of the United States. A \$3,500 contract was let to build Mississippi's first capitol, a two-story brick structure 40 feet by 30 feet, where the opening session was held on December 23, 1822. A second capitol building, popularly known as the "Old Capitol," was completed in 1840 and remained in use until 1903. The building, restored in 1961, has become Mississippi's Historical Museum. The New Capitol building, a magnificent structure patterned after the National Capitol, was completed in 1903.

During the Civil War, the town was ravaged and burned three times by Union troops under the command of General William Tecumseh Sherman. The destruction prompted the unwelcome nickname of "Chimneyville." Although less than 8,000 people lived in Jackson at the turn of the century, its population began accelerating rapidly after 1900.

### **Jackson Today**

Presently, Jackson has 173,514 citizens within its radius of 113 square miles. Since 1985, the City of Jackson, MS operates under the mayor-council form of government. Prior to 1985, the commission form of government, which included a mayor and two commissioners elected at-large, was in place. Currently, the municipal government is comprised of the mayor, who is elected at large, and seven council members, who are elected by ward. The mayor and council members, who have policy-making and legislative





authority, serve four-year terms. The Mayor appoints, and the City Council approves, the Chief Administrative Officer, City Attorney, and eight department heads. City leaders are committed to ensuring that the municipality has a healthy financial outlook while providing essential services.

A comprehensive range of municipal services including public safety, street maintenance, water, sewer, and sanitation services, social programs, recreation activities, cultural events and general administration are provided to Jackson's citizens. These services are provided in the context of the broad public policy initiatives as determined by the elected officials of Jackson, MS. Public Safety, Economic Development, Infrastructure Stability, Innovation and Education were the policy initiatives for FY16.

The City of Jackson, MS is required to submit its municipal budget on an annual basis to the City Council for adoption on or before the fifteenth day of the last month in the fiscal year. A budget process, linking policy initiatives, services, and available resources, is utilized to develop the budget. As the primary financial planning and control document, the budget provides the foundation for City operations.

The budget is crafted to include expenditures by Fund, Department and Category:

Fund: General, Special Revenue, Debt Service, Proprietary, Trust, and Capital.

Department: Administration, General Government, Human & Cultural, Parks & Recreation, Police, Fire, Personnel, Public Works, and Planning.

Category: Personal Services, Supplies and Material, Other Services and Charges, and Capital Outlay.

General Property Taxes, Licenses and Permits, Fines and Forfeitures, Intergovernmental, Admissions, Fees, Rentals, Interest, Other Revenues, and Operating Transfers are the categories that comprise the revenue budget.

During the fiscal year, department heads may transfer resources within a department by following established guidelines. These transfers, along with other budget adjustments, are incorporated into Budget Revisions that must be approved by the City Council. The Executive Branch is afforded the opportunity to submit a maximum of three Budget Revisions to the City Council for approval within the fiscal year.

## **ECONOMIC OUTLOOK**

The City is the seat of government for the State of Mississippi and home to a diverse economy. In addition to governmental services, major industries located within the city limits or in close proximity include the Nissan auto plant and manufacturers of power, metal fabrication, airplane parts, and machine parts and engines. However due to the national economic downturn, the city, state, and industries alike have been impacted by the national recession. Jackson continues to be the site of the largest financial institutions in the state. Numerous healthcare facilities and health service agencies, including the state's only medical school provide employment to more than 30,090 professionals and staff.

As the educational, cultural, medical, and governmental center of the state, the Jackson metropolitan surrounding area has a relatively stable unemployment rate of 5.2 percent with an employed labor force of 256,100. This unemployment rate compares favorably to the state's overall unemployment rate of 6.2 percent. Over the previous years, the unemployment rate has ranged from a high of 5.7 percent to a low of 4.3 percent for 2016.



Jackson, MS, however, is highly dependent upon the public sector as an economic engine. While public sector employment is generally more stable than private sector employment, the spin-off businesses and entrepreneurial opportunities that are needed for sustained growth is not generated at the desired level. Thus, the economic development efforts must look toward business-government partnerships as a part of the solution.

The City of Jackson has taken a proactive approach to addressing our economic development initiatives. Our approach is multi-pronged; Jackson is partnered with the Central Mississippi Planning and Development District (CMPDD), Mississippi Development Authority (MDA), Hinds County Economic Development Authority, and the Greater Jackson Chamber Partnership. The City of Jackson is poised to make significant economic development changes in the immediate future. During fiscal year 2016, we have seen major industry growth, an increase in job creation and several new mixed use developments.

**Several of these developments are highlighted below:**

The Fondren is a proposed mixed-use development in the West Fondren neighborhood that is comprised of over 14,367 square feet of retail and office space. It also boasts a 100 room, 70,000 square foot hotel. This project represents a private investment in excess of \$25 million. The project is anticipated to create 75 full time jobs and 125 construction jobs over the life of the project.

Also located in Fondren, is the Whitney Place, a high quality mixed-use development. This project will improve existing historic storefronts along State Street in addition to the new construction. It is comprised of more than 179,100 square feet of residential, restaurant, retail and leasable office space. The property will also include a 100 room hotel. Developers will utilize the City's Jobs for Jacksonians Program to recruit qualified individuals and construction firms to meet the project's needs.

East Village Estates I & II Housing Development are comprised of 94 townhomes and a 2,500 square foot community center. The townhomes will include 1,520 square feet of living space with a 2-car garage. This development represents an investment of approximately \$15.3 million.

Helm Place I, II & III Housing Development is comprised of 158 townhomes and a 4,000 square foot community center. The townhomes will be 1,520 square feet of living space with a 2-car garage. This development represents an investment of approximately \$27.5 million.

P360 Powered by Mississippi Crossfit, proposes a state of the art indoor and outdoor multi-sport campus for tournaments, athletic events and year-round training for athletes and families. The recreational space and training facility will specialize in baseball and fast pitch softball. The facility will be strategically located between Tougaloo College and Interstate 55 and Highway 51. This project will resurrect approximately 23 acres of land that was previously used as an auction yard.

The project's master plan is divided into two phases:

**Phase 1 (shovel ready)**

- Renovation of a 12,000 square foot training arena which includes a practice area and fitness/crossfit center
- Installation of a 110 x 115 synthetic turf field
- Installation of a 60 x 80 synthetic turf field

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- Installation of a 450 x 450 synthetic turf field
- Two (2) dedicated softball fields for fast pitch
- 400 surface parking spaces
- Renovation of the 30,000 square foot building converting it to a 90,000 square foot building for multipurpose use. The building will be for medical, retail, restaurants, and office space.

#### Phase 2 (construction will begin within 24 months)

- Construct a 30,000 square foot multipurpose use building
- Construct a 25,000 square foot motel/hotel

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The City has also begun to benefit from a variety of downtown revitalization efforts. These efforts include the construction of the Westin Hotel. Upon completion, the hotel will be a nine-story hotel consisting of approximately 164,000 square feet, which will include a restaurant and bar, multiple meeting and ball rooms, a wellness center and 126 king size rooms, 72 queen size rooms and 7 suites. The project is expected to create 147 full-time jobs. Occupancy in the downtown area is at 88 percent and is expected to remain stable. The high percentage of college-educated residents who reside in Jackson is a positive trend that can further the City's efforts to becoming a dynamic urban center.

Jackson property owners pay property taxes for county, city, and school totaling \$179.03 per \$1000 of assessed value. The assessment rate is 10 percent for residential property, 15 percent for other real property and 30 percent for personal property. There is no local income tax in Jackson.

#### **FINANCIAL OUTLOOK**

The City's financial stability is evidenced by the general fund reserve, fund balance reserve policy, bond ratings and other fiscal determinants. An Unrestricted General Fund Reserve policy that is within range of the level cited by GFOA recommended practice has been adopted by the City Council. The City's unreserved fund balance amounted to 6.28 percent of the adopted General Fund operating revenues for FY 16.

The City remains financially stable. As mentioned elsewhere in this report, the city's unrestricted fund balance is below the policy requirement. The city continues to implement the following measures to restore its unrestricted fund balance reserve and to reduce the likelihood of this occurring in the future:

1. The city's proposed financial plan includes the establishment of a budget stabilization fund which will provide a mechanism by which funds which exceed budget needs (including the required fund balance) may be set aside.
2. The city must re-define its **core services**. The city has historically provided services that extend beyond public safety, water and wastewater and infrastructure (streets & bridges) management. Our citizens have benefited tremendously from these services but the cost of providing them has begun to drain the city of much needed resources which has affected the city's ability to provide the core services.
3. The city will continue to explore, create and implement additional revenue streams (i.e. parking meters, explore ways to monetize the city's assets, explore private management of certain city facilities).
4. The hiring of all non-essential personnel will be suspended.
5. All non-emergency overtime and overtime not previously approved by the department director will be suspended.





6. Requests for non-emergency purchases and travel will be suspended.
7. Reduce funding provided to outside agencies.
8. Discontinue the youth employment and the summer enrichment programs until the city's reserve has been restored.
9. The city continues to be pro-active in its efforts to eliminate fraud and abuse of city resources.

The unassigned General Fund balance available for future appropriation is \$6,931,448, which is below the City's General Fund reserve. An additional \$4,246,358 million is reserved for inventories and state tort claims required.

The City continues to be a standard place for investors with ratings of Baa2 on G.O. bonds and Baa3 on Revenue bonds by Moody's and A+ on G.O. bonds and A+ on Revenue bonds by Standard & Poor's.

The estimated ratio of net bonded debt to estimated assessed valuations and the amount of bonded debt per capita in FY 2016 are useful gauges of the City's debt position.

POPULATION:	173,514
BONDED DEBT PER CAPITA:	\$ 682.25
REAL & PERSONAL PROPERTY ASSESSED VALUE:	\$ 1,027,889,136
NET BONDED DEBT (G.O):	\$ 128,029,000
RATIO OF DEBT TO ASSESSED VALUE:	12.21%

The following charts reflect activities within the Debt Service Fund and Proprietary Funds (in thousands):

#### BONDS OUTSTANDING

Category	Amount Outstanding Sept. 30, 2016	Amount Outstanding Sept. 30, 2015
General Obligation	\$ 125,729	\$ 124,150
General Obligation Note	2,300	4,600
Tax Increment Limited Obligation	4,080	4,572
Bonded Debt	<u>\$ 132,109</u>	<u>\$ 133,322</u>
Revenue Bonds	222,455	227,910
Urban Renewal Bonds - Component Unit	11,515	14,877
Total	<u>\$ 366,079</u>	<u>\$ 376,109</u>





**PROPRIETARY FUNDS – CHANGES IN NET POSITION ( in thousands)**

Fund	2016	2015
Water/Sewage Disposal Fund	\$ 29,860	\$ 12,202
Madison / Ridgeland Sewage Disposal Fund	27	(7)
Transportation Fund	3,139	227
Sanitation Fund	(239)	626
Change in Net Position	<u>\$ 32,787</u>	<u>\$ 13,048</u>

The City of Jackson participates in two retirement systems administered by the Public Employees' Retirement System of Mississippi (PERS). Both systems are defined benefit plans and include a multi employer, cost-sharing pension plan and an agent multi employer pension plan. Substantially, the City of Jackson full-time employees participate in the multi employer cost-sharing pension plan. Benefit and contribution provisions are established by state law and may be amended only by the State of Mississippi Legislature. The employer and employees' contributions represented 15.75% and 9.00% of covered payroll, respectively.

Additionally, the City maintains the Employees' Group Benefit Fund (Internal Service) to account for the accumulation of revenues, principally contributions from the City of Jackson and employees to be used to fund future liabilities and current payment of employee medical claims and related administration expenditures of the City's group benefit plan. Revenues totaled \$7,605,911 and employee benefit costs were \$15,897,676 during fiscal year 2016. The City's General fund appropriated \$8,108,006 to the Employees' Group Benefit fund.

## **FINANCIAL POLICIES**

There are several distinct policies that provide the framework for the financial operations of the City. One such policy is the commitment to conservatism by the Executive Branch in projecting its annual revenues. This policy provides a safeguard to drastic reductions in a given budget cycle in the event of under budgeted or unbudgeted costs. The City of Jackson, MS also has a policy to carefully allocate one time revenues such that operating expenses are not increased.

## **SELECT RECOGNITIONS**



## SELECT RECOGNITIONS

**JPD Accreditation:** The Jackson Police Department received Accreditation from the MS Law Enforcement Accreditation Commission (MSLEAC) in February 2016. The MSLEAC assessment team consists of law enforcement practitioners (Chiefs and Sheriffs) whose agencies are already accredited. JPD met 140 standards set forth by the Accreditation Commission. JPD is the 27th agency to become accredited in the State of Mississippi.

### Best Place to Live

U. S. News and World Report released rankings in 2016 of the Best Places to Live. Jackson was ranked 91 out of 100 comparable cities across the U.S. The report described the city as, *"Jackson, the largest metro area in Mississippi, is leading the charge for the state's arts, culinary and cultural progression. But unlike many other places undergoing revitalization, Jackson maintained much of its distinct Southern charm, a characteristic that is drawing new chefs, artists and other movers and shakers to this region in droves."*

### Jackson Named in Multiple National Rankings

1. Among Top 150 Best Places for Business and Careers
2. Among Top 100 Cost of Doing Business
3. Ranked 135<sup>TH</sup> in Job Growth
4. Ranked 110<sup>TH</sup> in Education

In 2016, Forbes named the Capital City in four of its national rankings. Here's the magazine's description: *Jackson is located on the Pearl River and is famous for its music, including Gospel, Blues, and R&B. Jackson is also home to the world famous Malaco Records recording studio, where many notable musicians got their start. The city hosts a number of cultural events including CelticFest Mississippi, Crossroads Film Festival, Jubilee Jam, Mississippi State Fair and the USA International Ballet Competition. A number of Jackson's downtown sites provide historical and cultural homage to the city's past and present including the Alamo Theatre, the Mississippi Governor's Mansion, the Oaks House Museum, the Mississippi Sports Hall of Fame and Museum, the Mississippi Agriculture and Forestry Museum and the Mississippi Museum of Art.*

**PGA Tournament:** Sanderson Farms announced that it would remain the title sponsor of the PGA event in Mississippi's capital city through 2026. The Sanderson Farms PGA Championship is a premiere tournament drawing thousands to Jackson, where they patronize retail shops, restaurants and hotels. The tournament helps boost our economy and place us on a national stage, showing that our great city is a venue to host world-class events.

## FUTURE INITIATIVES

**What Works Cities Initiative:** The City unveiled a new open data portal in April 2016 that gives all citizens access to important city information. The City has been heavily involved in the What Works Cities initiative since late last year. The mission of What Works Cities is to elevate and accelerate cities' use of data and evidence to engage citizens, make government more effective, and improve people's lives. Initially, our portal will track road repairs, economic development projects, crime statistics and the Mayor's goals.

**Lead Safe Jackson Housing Program:** The U.S. Department of Housing and Urban Development (HUD) awarded the City of Jackson's Office of Housing and Community Development approximately \$1.3 million to identify and mitigate lead-based paint and other housing and health hazards in low-income homes at significant risk for exposure. The Lead Safe Jackson Housing Program enables eligible low-and-moderate income homeowners in the City of Jackson to make repairs and improvements to their homes to provide a lead safe home environment for young children.





The city will address and remediate lead-based paint and other housing related health hazards in a total of 77 eligible low-income units in the county. The City along with its partner, Green and Healthy Homes Initiative, will work with the Mississippi Center for Justice, the Jackson Medical Mall Foundation, Excel By 5 Mississippi and Mississippi Housing Partnership.

**Community Improvement:** The Administration restructured the division to place it within the Police Department in 2014. Since then, we've torn down nearly 260 dilapidated structures. That compares no structures being demolished in 2013. Ridding communities of these abandoned structures helps reduce crime. It also supports beautification and helps build stronger communities.

**FEMA Hazard Mitigation Grant:** This grant was awarded to the City of Jackson for The Lynch Creek Drainage - Phase II construction in the amount \$1,969,762.00 with a federal share of \$1,477,321.00 and a non-federal share of \$492,447.00. This grant is designed to help communities implement hazard mitigation measures following a presidential major disaster declaration. This grant will also reduce or eliminate long term risk to people and property from natural hazards and reduce repetitive flooding that affected apartment buildings and households in the West Jackson area near Ellis Avenue and Robinson Rd. The city will widen the creek and improve the slope by deepening Lynch Creek from St. Charles Ave past Robinson Rd.

**Civil Rights Gallery:** The Smith Robertson Museum & Cultural Center was awarded a \$20,000.00 grant from Nissan of North America. The monies awarded will be used to complete the Civil Rights Gallery at the museum. This exhibition will open in May 2017 and will display artifacts and renderings from the 1963 Woolworth sit-in in Jackson.

## **PROGRESS UPDATE**

### **Capital Improvement Plan**

Jackson's Capital Improvement Plan (CIP) will transform the city through comprehensive improvement to its roads, bridges and drainage, and water/sewer systems. The City of Jackson will benefit immensely from the CIP. It will improve the quality of life for citizens and visitors alike by ensuring that jobs and minority participation are integrated components of the CIP projects as well as employment opportunities for local Jacksonians through the Jackson 500 program. Further, the CIP will emphasize complete streets ensuring safe, ADA compliant thoroughways that offer a variety of modes of transportation including public transportation, pedestrian and bike routes. Improving the state and capacity of our infrastructure systems will facilitate economic development opportunities which will attract, sustain and grow businesses. As part of the CIP, the City of Jackson will also incorporate green infrastructure projects. Greening the Capital City will make our communities more vibrant, protect natural resources and improve water quality.

The City utilized the 1% Sales Tax program as a jump start to the larger and more comprehensive CIP. We expect to move forward with continuing to implement this plan in the coming year.

### **Tiger Grant Award**

Transportation Investment Generating Economic Recovery (TIGER) is a supplementary discretionary grant program included in the American Recovery and Reinvestment Act of 2009. The U.S. Department of Transportation allocated \$500 million towards infrastructure improvement projects across the United States. The City of Jackson submitted an application for the reconstruction of two streets. On October 27, 2015, the U.S. Department of Transportation announced the City of Jackson would be awarded \$16,500,000.00 for the construction and engineering design for the two roadway projects







Government Finance Officers Association

**Certificate of  
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Reporting**

Presented to

**City of Jackson  
Mississippi**

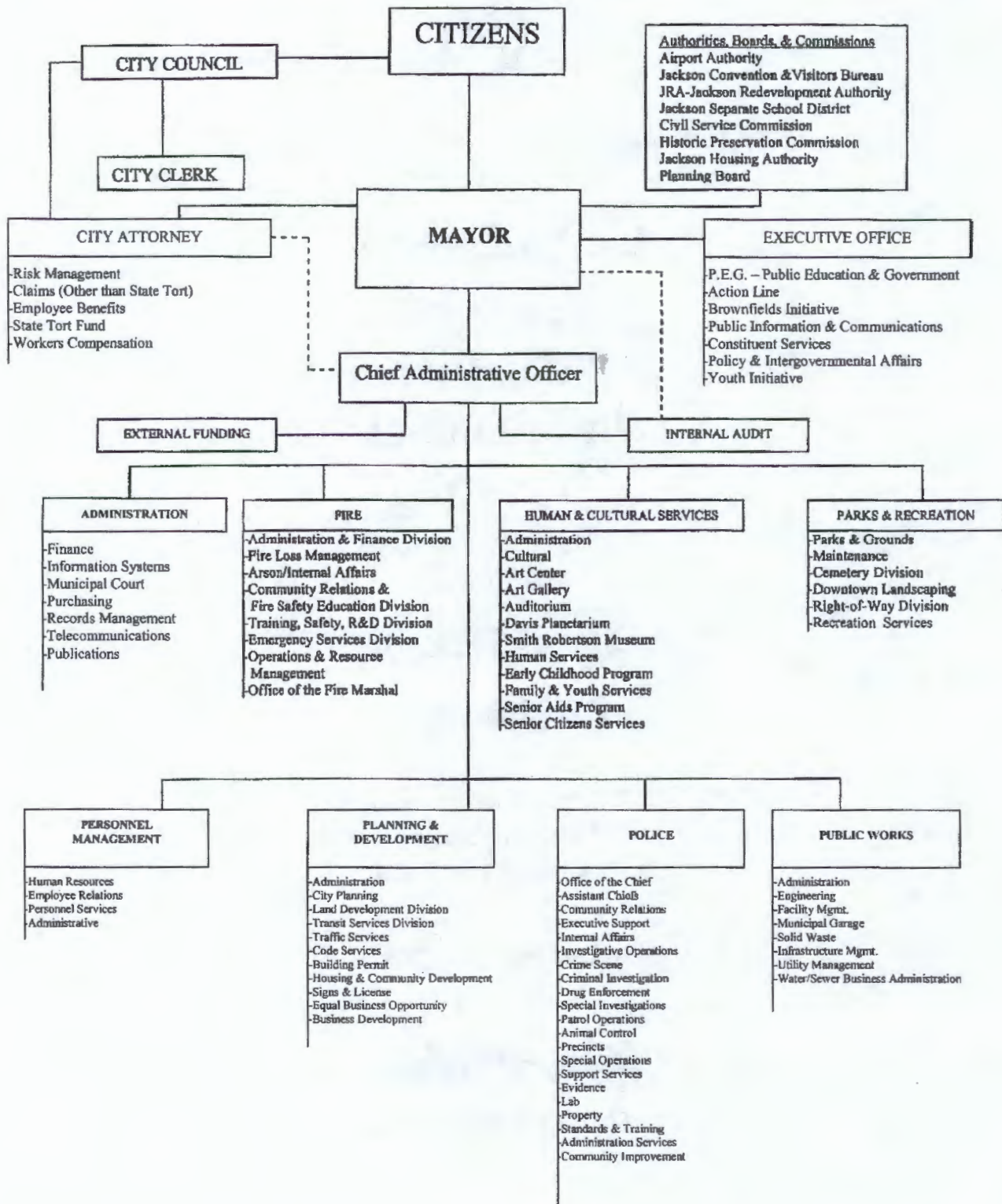
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

# CITY OF JACKSON ORGANIZATIONAL CHART



**CITY OF JACKSON**  
**MAYOR, CITY COUNCIL AND CITY OFFICIALS**  
**SEPTEMBER 30, 2016**

**EXECUTIVE**

Tony Yarber  
MAYOR

**LEGISLATIVE**

**CITY COUNCIL**

Ashby Foote  
Ward 1

Melvin Priester, Jr.  
Ward 2

Kenneth Stokes  
Ward 3

De'Keither Stamps  
Ward 4

Charles Tillman  
Ward 5

Tyrone Hendrix  
Ward 6  
President of Council

Margaret C. Barrett-Simon  
Ward 7  
Vice President of Council

Kristi Moore  
City Clerk

**EXECUTIVE BRANCH**

Marshand Crisler  
Interim Chief Administrative Officer

Jackie Woods  
Chief of Staff

Chief of Police  
Fire Chief  
Interim Director of Public Works  
Director of Planning and Development  
Director of Human and Cultural Services  
Director of Parks and Recreation  
Director of Personnel Management  
Interim Director of Administration  
Director of Communications  
City Attorney

Lee Vance  
Ronerick Simpson  
Jerriot Smash  
Eric Jefferson  
Adriane Dorsey-Kidd  
Allen Jones  
Denise McKay  
Michelle Day  
Shelia Byrd  
Monica Joiner

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JUN 16 2017

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# **BANKS, FINLEY, WHITE & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

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JUN 16 2017

The Honorable Mayor Tony Yarber  
and Honorable Members of the City Council  
City of Jackson, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jackson, Mississippi (the City) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit of the City of Jackson, Mississippi, as follows: the Capital City Convention Center Commission which represents 10.11 percent, 25.90 percent, and 10.60 percent, respectively, of the assets, net position, and revenues of the Capital City Convention Center Commission. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for this component unit, is based solely on the report of the other auditors. 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 *Governmental 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.



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1. The first part of the paper discusses the importance of the study and the objectives of the research. It also provides a brief overview of the methodology used in the study.

2. The second part of the paper presents the results of the study. It includes a detailed description of the data collected and the analysis performed. The results are presented in a clear and concise manner, using tables and figures where appropriate.

3. The third part of the paper discusses the implications of the study. It highlights the key findings and their significance for the field of study. It also discusses the limitations of the study and suggests areas for future research.

4. The final part of the paper is a conclusion. It summarizes the main points of the paper and provides a final statement on the importance of the study.

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jackson, Mississippi, as of September 30, 2016, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Federal Grants Special Revenue Fund, and the Capital Project Improvement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

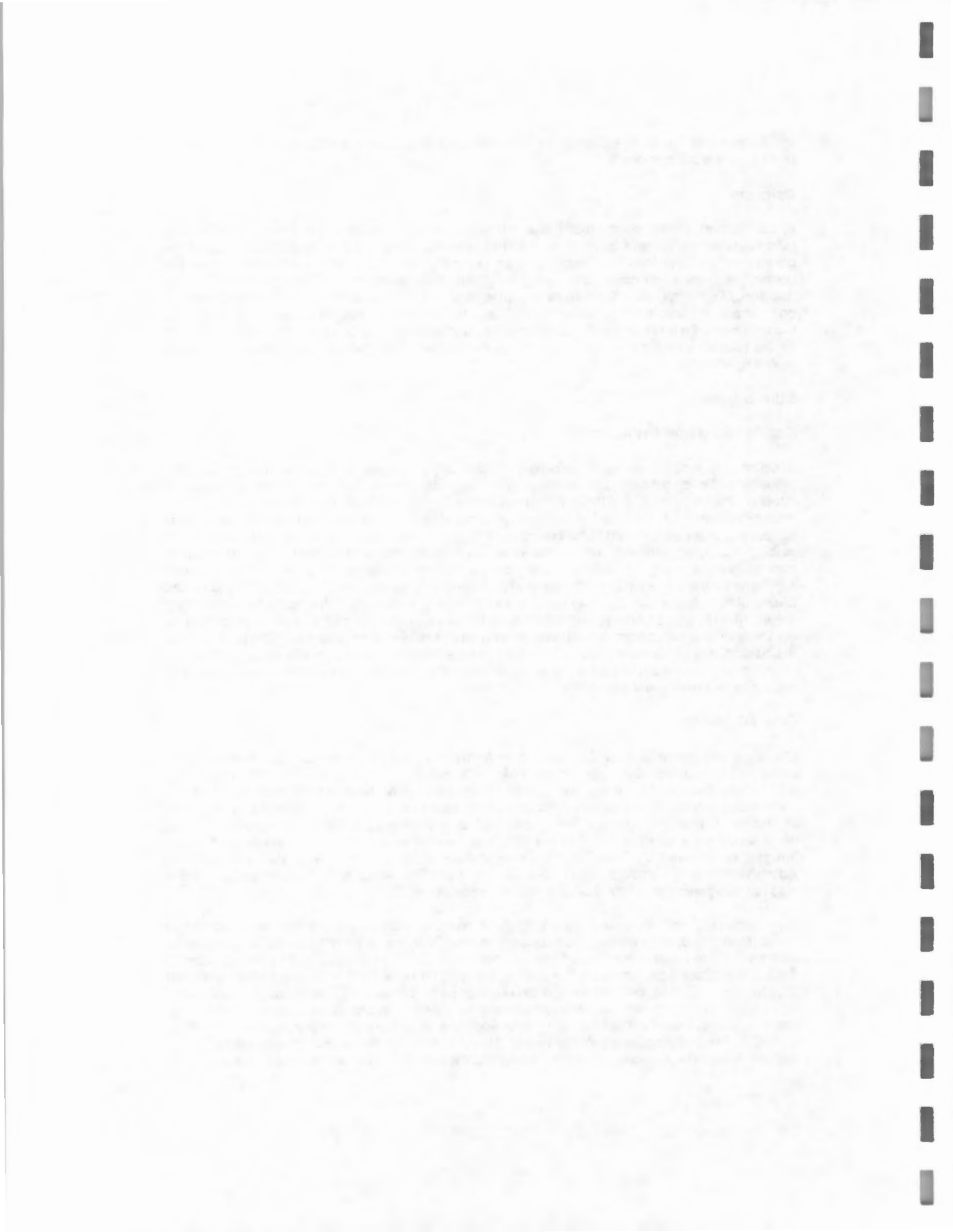
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 99 through 110 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jackson, Mississippi's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, capital asset schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the





other auditors, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2017, on our consideration of the City of Jackson, Mississippi'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 City of Jackson, Mississippi's internal control over financial reporting and compliance.

*Barr, Fing, White & Co*

Jackson, Mississippi  
April 28, 2017

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## CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

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As financial management of the City of Jackson, we offer readers of the City of Jackson's financial statements this narrative overview and analysis of the financial activities of the City of Jackson for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - x of this report.

### Financial Highlights

- The assets of the City of Jackson exceeded its liabilities at the close of the most recent fiscal year by \$247 million (*net position*). Of this amount, there is \$(104) million in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by 20 million.
- As of the close of the current fiscal year, the City of Jackson's governmental funds reported *combined* ending fund balances of \$31.4 million, an increase of \$3.1 million in comparison with the prior year. Approximately twenty-two (22) percent of this total amount is \$6.9 million (unassigned) and is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year unassigned fund balance for the general fund was \$6.9 million, or 7.2 percent of total general fund expenditures.
- The City of Jackson's total debt increased by \$14 million (3.6 percent) during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Jackson's basic financial statements. The City of Jackson's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Jackson's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Jackson's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Jackson is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Jackson that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Jackson include general government, public safety, public works, human & cultural services, employee benefits, and interest on long term debt. The business-type activities of the City of Jackson include water/sewer, transportation and sanitation.

The government-wide financial statements include the City of Jackson itself (known as the *primary government*), and a legally separate redevelopment authority and Capital City Convention Center Commission for which the City of Jackson is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13-15 of this report.



## CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Jackson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Jackson can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Jackson maintains fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Federal Grant Fund, Debt Service Fund, Improvement Fund, 1998 General Obligation Bond Fund, 2003 General Obligation Bond Fund, 2009 General Obligation Bond Fund, and Capitol Street 2-Way, all of which are considered to be major funds. Data from the other seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Jackson adopts an annual budget for all of its funds. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16-29 of this report.

**Proprietary funds.** The City of Jackson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Jackson uses enterprise funds to account for its Water/Sewage Disposal System Fund, Madison Sewage Disposal System Funds, Transportation Fund and Sanitation Funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Jackson's various functions. The City of Jackson uses an Internal Service Fund to account for its Employee Group Health Benefit Fund. Because these services predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water/Sewage Disposal System Fund and Sanitation Fund, both of which are considered to be major funds of the City of Jackson. Data from the other two (2) proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report. The Internal Service Fund is presented in the Proprietary Fund financial statements as governmental activities.

The basic proprietary fund financial statements can be found on pages 30-34 of this report.

**Fiduciary funds.** Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The function of the City's principal trust fund is discussed in Note 6.A.2. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The purpose of the City's Agency Funds is to collect and remit to the related organizations the proceeds of a special sales tax received from the State.

The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

# CITY OF JACKSON, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-90 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Jackson's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on page 91-94 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major proprietary funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and individual fund statements and schedules can be found on pages 95-110 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Jackson, assets exceeded liabilities by \$247 million at the close of September 30, 2016.

By far the largest portion of the City of Jackson's net position (140 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Jackson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Jackson's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GASB 68 was implemented in fiscal year 2015. Prior year amounts were not restated to reflect the implementation of GASB 68.

City of Jackson's Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 129,228	\$ 127,959	\$ 124,210	\$ 97,990	\$ 253,438	\$ 225,949
Capital assets	285,588	286,634	487,781	482,310	773,369	768,944
Total assets	414,816	414,593	611,991	580,300	1,026,807	994,893
Deferred Outflows of Resources	32,463	25,591	3,896	1,930	36,359	27,521
Long-term liabilities outstanding	368,548	177,048	278,748	274,686	647,296	451,734
Other Liabilities	59,391	220,336	31,155	32,346	90,546	252,682
Total Liabilities	427,939	397,384	309,903	307,032	737,842	704,416
Deferred Inflows of Resources	78,201	88,773	385	2,386	78,586	91,159
Net position:						
Net investment in capital assets	125,652	121,798	218,760	213,137	344,412	334,935
Restricted	5,962	5,926	-	-	5,962	5,926
Unrestricted	(190,475)	(173,697)	86,839	59,675	(103,636)	(114,022)
Total net position	\$ (58,861)	\$ (45,973)	\$ 305,599	\$ 272,812	\$ 246,738	\$ 226,839

The City of Jackson's total net position increased by \$20 million during the current fiscal year.



**CITY OF JACKSON, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

City of Jackson's Changes in Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 9,592	\$ 10,125	\$ 75,098	\$ 71,914	\$ 84,690	\$ 82,039
Operating grants and contributions	13,486	11,912	509	570	13,995	12,482
Capital grants and contributions	2,697	5,200	6,415	2,143	9,112	7,343
<b>General revenues:</b>						
Property taxes	69,708	77,881	-	-	69,708	77,881
Sales taxes	36,731	31,937	-	-	36,731	31,937
Franchise taxes	8,119	8,975	-	-	8,119	8,975
Other	942	1,448	1,791	126	2,733	1,574
<b>Total revenues</b>	<b>141,275</b>	<b>147,478</b>	<b>83,813</b>	<b>74,753</b>	<b>225,088</b>	<b>222,231</b>
<b>Expenses:</b>						
General government	40,545	40,626	-	-	40,545	40,626
Public safety	68,029	64,797	-	-	68,029	64,797
Public works	13,375	19,595	-	-	13,375	19,595
Human and cultural services	16,297	16,719	-	-	16,297	16,719
Employee benefits	6,486	1,564	-	-	6,486	1,564
Interest on long-term debt	7,825	5,911	-	-	7,825	5,911
Water/Sewer	-	-	32,851	45,439	32,851	45,439
Transportation	-	-	8,200	8,213	8,200	8,213
Madison-Ridgeland Sewage	-	-	60	55	60	55
Sanitation	-	-	11,996	10,857	11,996	10,857
<b>Total expenses</b>	<b>152,557</b>	<b>149,212</b>	<b>53,107</b>	<b>64,564</b>	<b>205,664</b>	<b>213,776</b>
Increase in net position before transfers	(11,282)	(1,734)	30,706	10,189	19,424	8,455
Transfers	(2,081)	(3,054)	2,081	3,054	-	-
<b>Increase in net position</b>	<b>(13,363)</b>	<b>(4,788)</b>	<b>32,787</b>	<b>13,243</b>	<b>19,424</b>	<b>8,455</b>
Net position - October 1, 2015	(45,973)	195,200	272,812	276,684	226,839	407,332
Prior year adjustment	475	(236,385)	-	(17,115)	475	(253,500)
<b>Net position - September 30, 2016</b>	<b>\$ (58,861)</b>	<b>\$ (45,973)</b>	<b>\$ 305,599</b>	<b>\$ 272,812</b>	<b>\$ 246,738</b>	<b>\$ 162,287</b>

**Governmental activities.** Governmental activities decreased the City of Jackson's net position by \$13 million.

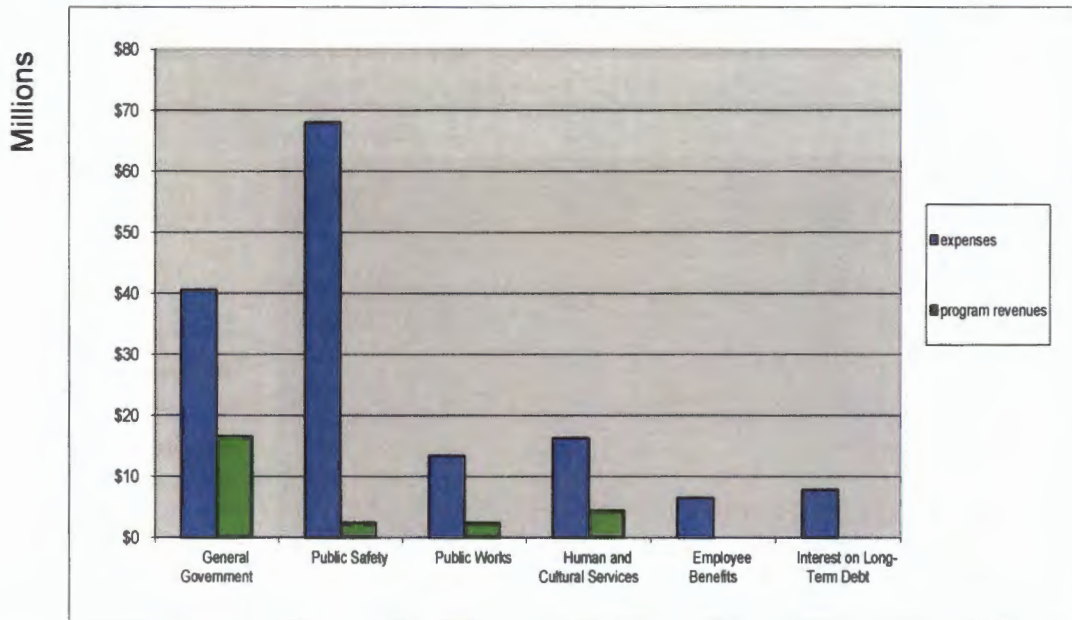
In FY 2007, the City issued \$65 million in General Obligation Bonds on behalf of the Capital City Convention Center Commission to construct the Convention Center. A special sales tax levy was established to pay the debt service for the bonds. The bonds couldn't be issued as revenue bonds because of the uncertainty of the sales tax collections; therefore, the bonds were issued as GO Bonds of the City with full, faith and credit of the City. The asset (the Convention Center facility) is the property of the Capital City Convention Commission and recorded on the books of the Commission, but the liability (the bonds to construct the Convention Center) is on the books of the City.

In prior years, the City had not presented the asset resulting from the 1997 contribution of bond proceeds to fund the actuarial accrued liability for the MRS plan. In 2007, pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the City calculated its net pension obligation. In adopting GASB Statement No. 27, the City has increased net position - beginning of year in the government wide financial statements of governmental activities by \$25.6 million to recognize the net pension asset calculated under GASB Statement No. 27.

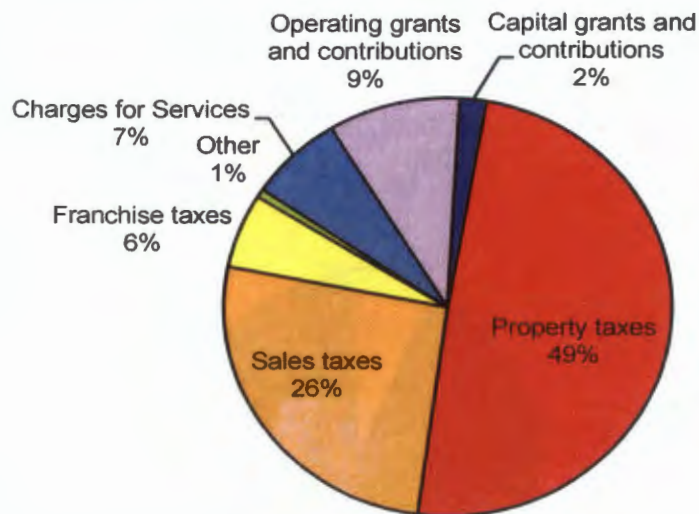


# CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

## Expenses and Program Revenues – Governmental Activities



## Revenues by source – Governmental Activities



## Financial Analysis of the Government's Funds

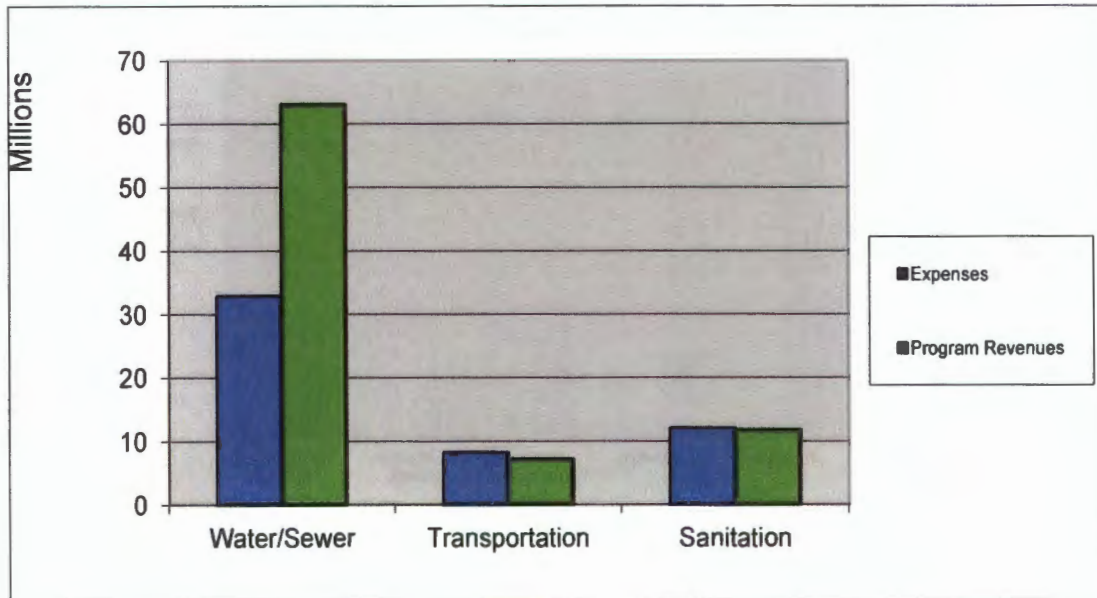
As noted earlier, the City of Jackson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Jackson's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Jackson's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

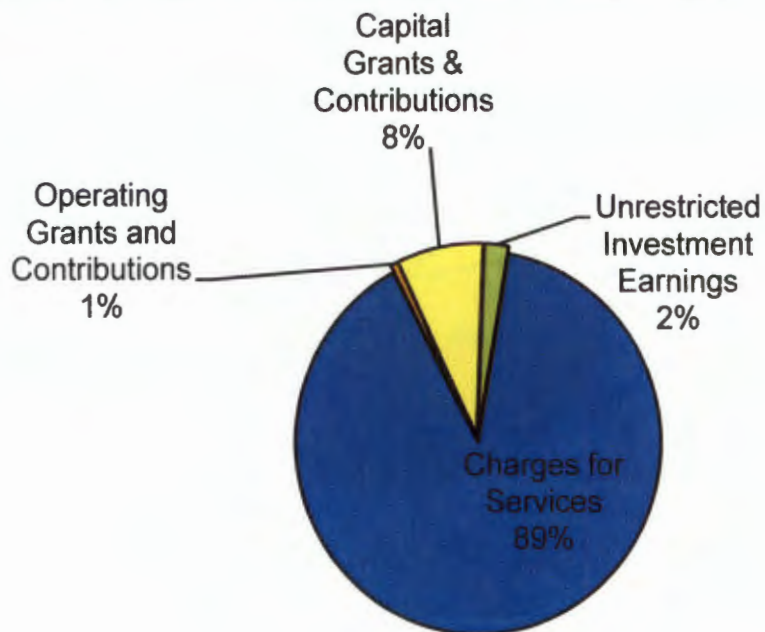
**CITY OF JACKSON, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type activities.** Business-type activities increased the City of Jackson's net position by \$33 million. This increase is primarily in the Water Sewer fund.

**Expenses and Program Revenues – Business-Type Activities**



**Revenues by Source – Business-Type Activities**



## CITY OF JACKSON, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

As of the end of the current fiscal year, the City of Jackson's governmental funds reported combined ending fund balances of \$31.4 million, an increase of \$3.1 million in comparison with the prior year. Twenty-two (22) percent of this total amount is \$6.9 million which is available for spending at the government's discretion (*unassigned*). Of the remaining fund balance, \$1,186,472 is *nonspendable* and is not in spendable form, \$8,948,577 is *restricted* and has limitations imposed on its use by external parties, \$13,150,049 is *committed* for specific purposes imposed by the City Council, and \$1,179,401 is *assigned* for various purposes by the Director of Administration. Additional information on governmental fund balance can be found in Note 5 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed, and assigned.

The general fund is the chief operating fund of the City of Jackson. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6.9 million, while total fund balance reached \$15 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

During the current fiscal year, the fund balance of the City of Jackson's general fund increased by \$2,315,435; which is due primarily to cost savings measures implemented across city departments. The increase in fund balance for the federal grant fund of \$472,487 is for a variety of restricted purposes. The debt service fund has a total fund balance decrease of \$234,300 which is partially revenue from property taxes and the payment of debt. The increase in fund balance for the improvement fund of \$1,523,798 is due primarily to the appropriation to the Resurfacing – Repair & Replacement Fund. The decrease in fund balance for the 1998 GO Bond \$11,997 and the increase in fund balance for the 2003 GO Bond \$498,040 is the natural spend down of bond proceeds. The 2009 GO Bond had a fund balance decrease of \$135,252 due to indebtedness incurred during the year. The Capitol Street 2-Way had a fund balance decrease of \$80,756 due to street improvement projects.

The debt service fund has a total fund balance of \$4.3 million, all of which is reserved for the payment of debt service.

**Proprietary funds.** The City of Jackson's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water/Sewage Disposal System Fund at the end of the year amounted to \$82 million. The increase in net position for the Water/Sewage Disposal System Fund was \$29.9 million.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget expenditures were a \$1.4 million increase and can be briefly summarized as follows:

- \$0.6 million increase in personnel services
- \$0.4 million decrease in supplies and materials
- \$0.7 million increase in contract services and charges
- \$0.5 million increase in capital outlay

Significant budgetary expenditure variances between the final amended budget and actual results are as follows:

- Actual personnel services for all city departments was \$2.3 million less than the final budget.
- Actual supplies and materials for all city departments was \$1.6 million less than the final budget.
- Actual contractual services and charges throughout all city departments was \$7 million less than the final budget.
- Actual capital outlay for all city departments was \$0.5 million less than the final budget.



**CITY OF JACKSON, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Assets and Debt Administration**

**Capital assets.** The City of Jackson's investment in capital assets for its governmental and business type activities as of September 30, 2016, amounts to \$773 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, and bridges. The total increase in the City of Jackson's investment in capital assets for the current fiscal year was 0.6% (a 0.4% decrease for governmental activities and a 1.1% increase in business activities).

Major capital asset events during the current fiscal year included the following:

- The increase in total net position was the continued expenditure of prior bond issue proceeds for expansion and replacement of infrastructure.

City of Jackson's Capital Assets (net of depreciation) (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 13,473	\$ 13,690	\$ 1,838	\$ 1,838	\$ 15,311	\$ 15,528
Building & systems	50,324	51,440	37,611	32,254	87,935	83,694
Machinery and equipment	14,838	16,577	14,623	15,616	29,461	32,193
Infrastructure	169,604	173,909	283,030	238,564	452,634	412,473
Construction in progress	37,349	31,018	150,679	194,039	188,028	225,057
Total	\$ 285,588	\$ 286,634	\$ 487,781	\$ 482,311	\$ 773,369	\$ 768,945

Additional information on the City of Jackson's capital assets can be found in Note 4 on pages 58-61 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Jackson had total bonded debt outstanding of \$352 million. Of this amount, \$129.8 million comprises debt backed by the full faith and credit of the City. The remainder of the City of Jackson's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Jackson's Outstanding Debt General Obligation and Revenue Bonds and Other Loans (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 125,729	\$ 124,150	\$ -	\$ -	\$ 125,729	\$ 124,150
Revenue bonds	-	-	222,455	227,910	222,455	227,910
Tax increment bonds	4,080	4,576	-	-	4,080	4,576
Loans, notes and leases	23,040	29,695	32,854	7,740	55,894	37,435
Total	\$ 152,849	\$ 158,421	\$ 255,309	\$ 235,650	\$ 408,158	\$ 394,071

The City of Jackson's total debt increased by \$14 million during the current fiscal year.

**CITY OF JACKSON, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The bond ratings services from Standard & Poor's and Moody's establish that bonds marketed by the City have favorable investment qualities. Presently, the city has the following ratings:

	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
Revenue	Baa3	BBB-
General Obligation Bonds	Baa2	A+
Urban Renewal Revenue Bonds	Baa3	A+

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent and 20 percent of its total assessed valuation. The current debt limitation for the City of Jackson under the 15% rule is \$100 million in excess of the City of Jackson's outstanding general obligation debt.

Additional information on the City of Jackson's long-term debt can be found in Note 4 on pages 64-73 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- Major revenues sources are expected to remain basically at existing levels.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Jackson's budget for the 2017 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased \$1.9 million.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Jackson's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Administration, Office of the Director, P.O. Box 17, Jackson, MS, 39205-0017.





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City of Jackson  
Statement of Net Position  
As of September 30, 2016

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	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Jackson Redevelopment Authority	Capital City Convention Center Commission
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,563,235	\$ 5,892,624	\$ 45,455,859	\$ 4,201,905	\$ 1,738,997
Accounts receivable, net	705,206	59,871,543	60,576,749	4,224	-
Other receivable	77,763,661	-	77,763,661	2,028,058	1,461,812
Intergovernmental receivable	1,169,436	1,652,358	2,821,794	-	-
Internal balances	288,013	(288,013)	-	-	-
Due from	-	572,174	572,174	-	-
Inventories	875,641	1,445,968	2,321,609	-	57,998
Prepaid Expenses	549	-	549	-	53,205
Net pension asset	8,862,288	-	8,862,288	-	-
Restricted assets:					
Cash and cash equivalents	-	55,063,360	55,063,360	29,956	1,500,000
Investments	-	-	-	-	500,000
Capital assets:					
Land	13,472,741	1,837,999	15,310,740	4,948,591	5,821,485
Buildings	50,324,211	37,610,782	87,934,993	25,197,779	60,702,953
Automotive and equipment	14,838,560	14,622,744	29,461,304	117,040	5,247,554
Infrastructure	169,604,139	283,029,750	452,633,889	-	-
Construction in Progress	37,348,706	150,679,402	188,028,108	-	-
Property held for development	-	-	-	5,924,146	-
Total assets	414,816,386	611,990,691	1,026,807,077	42,451,699	77,084,004
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - PERS	27,243,772	3,895,500	31,139,272	-	-
Deferred outflows - D & R pensions	5,219,706	-	5,219,706	-	-
Total deferred outflows of resources	32,463,478	3,895,500	36,358,978	-	-
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable	7,350,279	7,450,031	14,800,310	194,962	495,463
Accrued interest payable	800,817	2,464,226	3,265,043	176,364	-
Unearned revenue	-	-	-	-	231,620
Due to	-	860,187	860,187	-	-
Other liabilities	7,324,917	3,567,734	10,892,651	22,682	183,304
Noncurrent liabilities:					
Net other postemployment benefits	32,436,460	4,873,540	37,310,000	-	-
Pension liability	207,593,916	21,242,429	228,836,345	-	-
Due within one year	11,478,422	11,939,267	23,417,689	805,000	-
Due in more than one year	160,954,385	257,505,626	418,460,011	10,573,540	-
Total liabilities	427,939,196	309,903,040	737,842,236	11,772,548	910,387
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - property tax	74,813,476	-	74,813,476	-	-
Deferred inflows - PERS	3,387,913	384,581	3,772,494	-	-
Total inflows of resources	78,201,389	384,581	78,585,970	-	-
<b>NET POSITION</b>					
Net investment in capital assets	125,652,641	218,759,516	344,412,157	27,029,016	71,771,992
Restricted for:					
Debt service	4,275,039	-	4,275,039	7,274	-
Capital projects	1,686,496	-	1,686,496	-	-
Capital City Convention Center	-	-	-	-	2,000,000
Unrestricted	(190,474,897)	86,839,054	(103,635,843)	3,642,861	2,401,625
Total net position	\$ (58,860,721)	\$ 305,598,570	\$ 246,737,849	\$ 30,679,151	\$ 76,173,617

The notes to the financial statements are an integral part of this statement.

City of Jackson  
Statement of Activities  
For the year ended September 30, 2016

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 40,545,606	\$ 8,439,228	\$ 8,115,750	\$ -
Public safety	68,029,205	287,820	1,696,506	412,905
Public works	13,375,281	207,537	387,158	1,807,123
Human and cultural services	16,296,739	657,794	3,286,682	477,329
Employee benefits	6,485,768	-	-	-
Interest on long-term debt	7,824,742	-	-	-
Total governmental activities	<u>152,557,341</u>	<u>9,592,379</u>	<u>13,486,096</u>	<u>2,697,357</u>
Business-type activities:				
Water/Sewer	32,850,981	63,085,027	-	-
Transportation	8,200,348	406,195	489,642	6,283,958
Madison-Ridgeland Sewage	60,363	-	-	-
Sanitation	11,995,963	11,606,338	19,167	131,423
Total business-type activities	<u>53,107,655</u>	<u>75,097,560</u>	<u>508,809</u>	<u>6,415,381</u>
Total primary government	<u>\$ 205,664,996</u>	<u>\$ 84,689,939</u>	<u>\$ 13,994,905</u>	<u>\$ 9,112,738</u>
<b>Component units:</b>				
Jackson Redevelopment Authority	\$ 2,772,379	\$ 1,053,427	\$ 624,430	\$ 1,051,400
Capital City Convention Center Commission	8,151,302	2,254,431	-	-
Total component units	<u>\$ 10,923,681</u>	<u>\$ 3,307,858</u>	<u>\$ 624,430</u>	<u>\$ 1,051,400</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year as previously reported				
Prior period adjustment				
Net position - beginning of year as adjusted				
Net position - ending				

(Continued)

The notes to the financial statements are an integral part of this statement.

**Net (Expenses) Revenues and  
Changes in Net Position**

Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Jackson Redevelopment Authority	Capital City Convention Center Commission
\$ (23,990,628)	\$ -	\$ (23,990,628)	\$ -	\$ -
(65,631,974)	-	(65,631,974)	-	-
(10,973,463)	-	(10,973,463)	-	-
(11,874,934)	-	(11,874,934)	-	-
(6,485,768)	-	(6,485,768)	-	-
(7,824,742)	-	(7,824,742)	-	-
(126,781,509)	-	(126,781,509)	-	-
-	30,234,046	30,234,046	-	-
-	(1,020,553)	(1,020,553)	-	-
-	(60,363)	(60,363)	-	-
-	(239,035)	(239,035)	-	-
-	28,914,095	28,914,095	-	-
\$ (126,781,509)	\$ 28,914,095	\$ (97,867,414)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (43,122)	\$ -
-	-	-	-	(5,896,871)
\$ -	\$ -	\$ -	\$ (43,122)	\$ (5,896,871)
69,708,196	-	69,708,196	-	-
36,730,646	-	36,730,646	-	4,636,974
8,118,610	-	8,118,610	-	-
52,333	90,855	143,188	58,512	1,658
489,332	-	489,332	-	-
401,130	1,699,976	2,101,106	58,000	-
(2,081,807)	2,081,807	-	-	181
113,418,440	3,872,638	117,291,078	116,512	4,638,813
(13,363,069)	32,786,733	19,423,664	73,390	(1,258,058)
(45,972,726)	272,811,837	226,839,111	30,319,131	77,431,675
475,074	-	475,074	286,630	-
(45,497,652)	272,811,837	227,314,185	30,605,761	77,431,675
\$ (58,860,721)	\$ 305,598,570	\$ 246,737,849	\$ 30,679,151	\$ 76,173,617

The notes to the financial statements are an integral part of this statement.



**City of Jackson  
Balance Sheet  
Governmental Funds  
As of September 30, 2016**

	<u>General Fund</u>	<u>Federal Grant</u>	<u>Debt Service</u>	<u>Improvement Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,965,524	\$ 2,645,368	\$ 4,441,071	\$ 6,304,348
Other receivable	64,062,613	447,069	3,561,197	-
Intergovernmental receivable	32,593	941,750	-	66,829
Special assessment receivable	-	-	32,374	-
Due from other funds	781,013	-	-	-
Inventories	875,641	-	-	-
Prepaid expenses	-	-	-	549
Total assets	<u>\$ 87,717,384</u>	<u>\$ 4,034,187</u>	<u>\$ 8,034,642</u>	<u>\$ 6,371,726</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,986,968	\$ 587,062	\$ 166,032	\$ 316,054
Contracts and Retainage Payable	49,325	-	-	-
Due to other funds	-	131,089	-	-
Other liabilities	6,672,673	40,957	-	-
Total liabilities	<u>11,708,966</u>	<u>759,108</u>	<u>166,032</u>	<u>316,054</u>
<b>DEFERRED INFLOWS OR RESOURCES</b>				
Unavailable revenue-deferred revenue	-	152,564	-	-
Unavailable revenue-property taxes	60,957,997	-	3,593,571	-
Total deferred inflows of resources	<u>60,957,997</u>	<u>152,564</u>	<u>3,593,571</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	1,186,472	-	-	-
Restricted	687,422	3,122,515	4,275,039	-
Committed	5,065,678	-	-	6,055,672
Assigned	1,179,401	-	-	-
Unassigned	6,931,448	-	-	-
Total fund balances	<u>15,050,421</u>	<u>3,122,515</u>	<u>4,275,039</u>	<u>6,055,672</u>
Total liabilities and fund balances	<u>\$ 87,717,384</u>	<u>\$ 4,034,187</u>	<u>\$ 8,034,642</u>	<u>\$ 6,371,726</u>

(Continued)

The notes to the financial statements are an integral part of this statement.



1998 GO Bond	2003 GO Bond	2009 GO Bond	Capitol Street 2-way	Nonmajor Governmental Funds	Total Governmental Funds
\$ 178,992	\$ -	\$ 365,643	\$ 1,222,785	\$ 2,316,544	\$ 39,440,275
-	180,803	-	-	7,385,406	75,637,088
-	-	-	128,264	-	1,169,436
-	-	-	-	-	32,374
-	-	-	-	-	781,013
-	-	-	-	-	875,641
-	-	-	-	-	549
<u>\$ 178,992</u>	<u>\$ 180,803</u>	<u>\$ 365,643</u>	<u>\$ 1,351,049</u>	<u>\$ 9,701,950</u>	<u>\$ 117,936,376</u>
\$ 12,250	\$ 25,247	\$ 238	\$ 1,752	\$ 226,413	\$ 6,322,016
-	-	-	194,948	284,721	528,994
-	155,556	-	-	206,355	493,000
-	-	-	-	611,287	7,324,917
<u>12,250</u>	<u>180,803</u>	<u>238</u>	<u>196,700</u>	<u>1,328,776</u>	<u>14,668,927</u>
-	-	-	-	-	152,564
-	-	-	-	7,167,370	71,718,938
-	-	-	-	7,167,370	71,871,502
-	-	-	-	-	1,186,472
-	-	-	-	863,601	8,948,577
166,742	-	365,405	1,154,349	342,203	13,150,049
-	-	-	-	-	1,179,401
-	-	-	-	-	6,931,448
<u>166,742</u>	<u>-</u>	<u>365,405</u>	<u>1,154,349</u>	<u>1,205,804</u>	<u>31,395,947</u>
<u>\$ 178,992</u>	<u>\$ 180,803</u>	<u>\$ 365,643</u>	<u>\$ 1,351,049</u>	<u>\$ 9,701,950</u>	<u>\$ 117,936,376</u>

The notes to the financial statements are an integral part of this statement.

**City of Jackson**  
**Reconciliation of Balance Sheet - Governmental Funds**  
**To the Statement of Net Position**  
**September 30, 2016**

Amount reported for governmental activities in the statement  
of net position are different because:

Total fund balances - governmental funds	\$ 31,395,947
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	285,588,357
Net pension assets recorded in governmental activities that are not a financial resource and therefore are not reported in the governmental funds	8,862,288
Internal service fund is used to account for the group benefit plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	(161,118)
Receivable recognized on the full accrual basis for the government-wide statements but not on the fund statements	2,094,199
Revenues that were earned but unavailable to the city and recorded as unearned in the fund statements	(2,941,974)
Net pension obligations recorded in governmental activities that are not a financial resource and therefore are not reported in the governmental funds	
Net pension liability	(207,593,916)
Net other postemployment benefits	(32,436,460)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources related to pensions	32,463,478
Deferred inflows of resources related to pensions	(3,387,913)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and loans payable, net of refunding gains, premium and discounts	(148,169,941)
Accrued interest on long-term debt	(800,817)
Capital leases	(11,639,508)
Compensated absences	(3,751,324)
Claims payable	(3,741,849)
Workers' Compensation Benefits	(5,130,185)
Other liabilities	490,015
Net position of governmental activities	\$ <u>(58,860,721)</u>

The notes to the financial statements are an integral part of this statement.

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**City of Jackson**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2016**

	General Fund	Federal Grant	Debt Service	Improvement Fund
<b>REVENUES</b>				
General property taxes	\$ 58,216,033	\$ -	\$ 3,767,690	\$ 1,010,580
Licenses and permits	1,445,646	-	670	-
Intergovernmental	35,321,347	9,723,787	107,186	820,254
Fines and forfeitures	2,848,853	-	-	-
Special assessments	-	-	10,173	-
Admissions, fees, rentals and concessions	4,390,558	-	-	-
Interest	27,389	2,812	7,839	7,828
Other	11,847,432	171,883	1,755,552	-
Total revenues	114,097,258	9,898,482	5,649,110	1,838,662
<b>EXPENDITURES</b>				
Current:				
General government	23,656,594	3,270,947	-	1,061,632
Public safety	52,852,391	224,530	-	-
Public works	8,590,230	-	-	9,795
Human and Cultural services	3,964,331	4,423,320	-	6,130
Employee benefits	1,944,927	-	-	-
Debt Service:				
Principal	4,254,923	-	2,796,006	-
Interest and service charges	410,495	-	7,827,412	-
Capital outlay:				
General government	346,566	2,269,489	-	-
Public works	408,095	397,054	-	338,733
Public safety	217,837	-	-	-
Human and Cultural services	-	35,811	-	34,809
Total expenditures	96,646,389	10,621,151	10,623,418	1,451,099
Excess (deficiency) of revenues over (under) expenditures	17,450,869	(722,669)	(4,974,308)	387,563
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	720,082	2,076,906	1,136,235
Transfers out	(15,624,766)	-	-	-
Discount on GO bond issuance	-	-	(88,175)	-
Payment to Refunded Bond Esrow	-	-	(28,440,000)	-
Premium on GO bond issuance	-	-	1,172,277	-
Sale of Bonds	-	-	30,019,000	-
Sale of capital assets	489,332	-	-	-
Total other financing sources (uses)	(15,135,434)	720,082	4,740,008	1,136,235
Net change in fund balances	2,315,435	(2,587)	(234,300)	1,523,798
Fund balances at beginning of year, previously reported	12,734,986	2,650,028	4,509,339	4,531,874
Prior period adjustment	-	475,074	-	-
Fund balances at beginning of year, as restated	12,734,986	3,125,102	4,509,339	4,531,874
Fund balances at end of year	\$ 15,050,421	\$ 3,122,515	\$ 4,275,039	\$ 6,055,672

(Continued)

The notes to the financial statements are an integral part of this statement.

1998 GO Bond	2003 GO Bond	2009 GO Bond	Capitol Street 2-way	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 6,951,313	\$ 69,945,616
-	-	-	-	1,325	1,447,641
-	394,581	-	195,235	337,625	46,900,015
-	-	-	-	-	2,848,853
-	-	-	-	-	10,173
-	-	-	-	190,301	4,580,859
254	-	564	2,055	3,593	52,334
-	180,803	-	-	4,253,378	18,209,048
<u>254</u>	<u>575,384</u>	<u>564</u>	<u>197,290</u>	<u>11,737,535</u>	<u>143,994,539</u>
-	-	-	-	-	27,989,173
-	-	-	-	8,800	53,085,721
-	5,917	4,799	-	564,150	9,174,891
-	-	-	-	4,944,890	13,338,671
-	-	-	-	4,751,617	6,696,544
-	-	-	-	98,978	7,149,907
-	-	-	-	6,085	8,243,992
-	-	-	-	-	2,616,055
12,250	71,427	131,017	278,046	3,480,970	5,117,592
-	-	-	-	-	217,837
-	-	-	-	636,113	706,733
<u>12,250</u>	<u>77,344</u>	<u>135,816</u>	<u>278,046</u>	<u>14,491,603</u>	<u>134,337,116</u>
(11,996)	498,040	(135,252)	(80,756)	(2,754,068)	9,657,423
-	-	-	-	2,501,730	6,434,953
-	-	-	-	(1,000,000)	(16,624,766)
-	-	-	-	-	(88,175)
-	-	-	-	-	(28,440,000)
-	-	-	-	-	1,172,277
-	-	-	-	-	30,019,000
-	-	-	-	-	489,332
-	-	-	-	1,501,730	(7,037,379)
<u>(11,996)</u>	<u>498,040</u>	<u>(135,252)</u>	<u>(80,756)</u>	<u>(1,252,338)</u>	<u>2,620,044</u>
178,738	(498,040)	500,657	1,235,105	2,458,142	28,300,829
-	-	-	-	-	475,074
<u>178,738</u>	<u>(498,040)</u>	<u>500,657</u>	<u>1,235,105</u>	<u>2,458,142</u>	<u>28,775,903</u>
<u>\$ 166,742</u>	<u>\$ -</u>	<u>\$ 365,405</u>	<u>\$ 1,154,349</u>	<u>\$ 1,205,804</u>	<u>\$ 31,395,947</u>

The notes to the financial statements are an integral part of this statement.



**City of Jackson**  
**Reconciliation of the Statement of Revenues**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended September 30, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ 2,620,043
Prior period adjustment	475,074
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(1,433,860)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to Governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas, these amounts are expensed and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	989,144
Activities from debt related transactions	
New capital lease proceeds reported in the fund statements	-
Retirement of prior leases	4,037,389
The statement of activities reports pension expenditure and other activity related to net pension liability	(12,346,783)
Decrease in net pension asset reported on the statement of activities that do not require current financial resources and therefore not reported as expenditures in the funds	(575,481)
Increase in net other postemployment benefits liability reported on the statement of activities that do not require current financial resources and therefore not reported as expenditures in the funds	(2,734,054)
Expenses reported on the statement of activities that do not require current financial resources and therefore not reported as expenditures in the funds	(531,776)
Revenues recognized on the full accrual basis for the government-wide statements but are not recognized on the fund statements	(3,207,795)
Internal service fund net activity not reported on the governmental fund statement	(654,970)
Change in the net position of governmental activities	<u>\$ (13,363,069)</u>

The notes to the financial statements are an integral part of this statement.

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City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Revenues:				
General property taxes				
Current realty taxes	\$ 33,349,801	\$ 33,349,801	\$ 32,723,509	\$ (626,292)
Current personal taxes	14,283,764	14,283,764	15,105,048	821,284
Ad valorem taxes on automobiles	7,112,609	7,112,609	7,382,924	270,315
Delinquent taxes	1,000,000	1,000,000	983,296	(16,704)
Delinquent personal taxes	25,000	25,000	696,644	671,644
Interest on delinquent taxes	1,250,000	1,250,000	977,495	(272,505)
Community improvement	175,000	175,000	347,117	172,117
Total general property taxes	<u>57,196,174</u>	<u>57,196,174</u>	<u>58,216,033</u>	<u>1,019,859</u>
Licenses and permits				
Privilege licenses	430,000	430,000	340,214	(89,786)
Building permits	825,000	825,000	692,531	(132,469)
Air conditioning and duct permits	45,000	45,000	39,806	(5,194)
Plumbing permits	40,000	40,000	33,827	(6,173)
Electric permits	140,000	140,000	130,488	(9,512)
Gas Permits	22,000	22,000	20,915	(1,085)
Historic preservation application	1,000	1,000	1,534	534
Landscape permits	325	325	180	(145)
Dance hall and other recreational fees	2,500	2,500	8,538	6,038
Taxicab license fees	1,100	1,100	6,092	4,992
Sign permits	34,000	34,000	36,070	2,070
Zoning permits	37,500	37,500	40,118	2,618
Combustible and flammable liquid permits	12,100	12,100	12,810	710
Fireworks Display Permit	1,800	1,800	750	(1,050)
Aircraft registration	8,000	8,000	10,658	2,658
Transit Merchants-Peddlers License	3,800	3,800	2,000	(1,800)
Boarding, Lodging-Licenses	250	250	135	(115)
Adult entertainment-and License	5,000	5,000	14,533	9,533
Special event fee	8,000	8,000	10,400	2,400
Sign-Misc.	2,500	2,500	5,730	3,230
Sign registration	10,000	10,000	9,160	(840)
Signs temporary	4,000	4,000	3,050	(950)
Maintenance fees	5,000	5,000	11,197	6,197
Fire inspection permit	17,500	17,500	13,460	(4,040)
Commercial burn permit	400	400	950	550
Annual vehicle inspection	-	-	500	500
Total licenses and permits	<u>1,656,775</u>	<u>1,656,775</u>	<u>1,445,646</u>	<u>(211,129)</u>

City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Revenues (Continued):				
Intergovernmental Revenues:				
State Grants and Shared Revenues:				
Alcohol permits	\$ 260,000	\$ 260,000	\$ 257,855	\$ (2,145)
Gasoline Tax	29,000	29,000	43,661	14,661
Municipal revolving fund	86,528	86,528	86,528	-
State reimb training academy	-	-	75,600	75,600
State fire protection	914,994	914,994	1,112,838	197,844
Sales tax	31,660,000	31,660,000	30,690,551	(969,449)
Bus & truck privilege tax	405,000	405,000	286,760	(118,240)
Wireless radio communication program	247,260	247,260	247,286	26
Homestead exemption	1,600,000	1,600,000	1,691,459	91,459
Homestead exemption charge	10,000	10,000	13,085	3,085
Total state grants shared revenues	35,212,782	35,212,782	34,505,623	(707,159)
Federal and State Grants and Shared Revenues:				
MDOT Summer Youth reimbursement	-	-	59,106	59,106
MDOT Litter Pick Up	15,000	15,000	15,331	331
FBI/DEA Grant	50,000	50,000	44,103	(5,897)
HIDTA Grant	1,000	9,620	19,700	10,080
DEA Forfeiture Proceeds	10,000	57,476	79,218	21,742
Total federal and state shared revenues	76,000	132,096	217,458	85,362
County Revenues:				
Pro rata road tax	550,000	550,000	591,750	41,750
Smith Robertson Museum	-	-	6,516	6,516
Total county revenue	550,000	550,000	598,266	48,266
Total intergovernmental revenues	35,838,782	35,894,878	35,321,347	(573,531)
Fines and Forfeitures:				
Court & misdemeanor fines	700,000	700,000	498,084	(201,916)
Vehicle parking fines	125,000	125,000	71,715	(53,285)
Moving traffic violations	1,230,000	1,230,000	1,123,119	(106,881)
City court costs	16,000	16,000	10,199	(5,801)
Bad check fee and Warrant fee	152,000	152,000	110,989	(41,011)
Animal control citations	700	700	168	(532)
Municipal court computer	17,000	17,000	15,617	(1,383)
Municipal court drivers impr fee	38,000	38,000	22,570	(15,430)
Expungement fee	7,000	7,000	6,300	(700)
Jackson collection fee	170,000	170,000	132,297	(37,703)
Miscellaneous Court Docket fee	130,000	130,000	105,378	(24,622)
Dropped charge fee	4,500	4,500	2,800	(1,700)
Cash bond - clearing account	-	-	(10,248)	(10,248)
Rearrangement fee	25,000	25,000	16,188	(8,812)
Daily storage fee-vehicle	63,100	63,100	47,340	(15,760)
Administrative fee - del cases	350,000	350,000	285,513	(64,487)
Contempt fee	130,000	130,000	56,458	(73,542)
Computerized Crime prevention	24,000	24,000	17,587	(6,413)
Municipal Court Enhancement fee	180,000	270,207	159,391	(110,816)
Jackson Enhancement fee	90,000	90,000	79,763	(10,237)
Wrecker fees	85,000	85,000	97,625	12,625
Total fines and forfeitures	3,537,300	3,627,507	2,848,853	(778,654)

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City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Revenues (Continued):				
Admissions, Fees, Rentals and Concessions:				
Parking meters	\$ 150,000	\$ 150,000	\$ 178,218	\$ 28,218
Municipal Auditorium:				
Rentals	302,500	302,500	254,916	(47,584)
Concessions	2,200	2,200	6,211	4,011
Local record fee	4,000	4,000	3,542	(458)
Pistol Range rent	5,700	5,700	4,785	(915)
Outdoor adversting	11,970	11,970	11,970	-
Fire Water flow test fee	4,400	4,400	2,900	(1,500)
Fire Reports	37,200	37,200	18,870	(18,330)
Daycare Fire Inspection-Aftercare	15,125	15,125	6,710	(8,415)
Accident report fee	145,000	145,000	121,945	(23,055)
Background check fee	8,000	8,000	5,945	(2,055)
Bail bondsman applicant photo	-	-	195	195
Bail bondsman mug shot fee	45	45	60	15
Bail bondsman ID card	500	500	-	(500)
Fingerprinting	15,000	15,000	13,683	(1,317)
Verification of records	35,820	35,820	25,000	(10,820)
Fire sprinkler plans review	-	-	600	600
Rents & Royalties	11,100	11,100	11,100	-
Telecommunication Franchise Agreement	500,000	500,000	639,834	139,834
Tower Rentals	2,651,000	2,651,000	3,025,731	374,731
Arts Center:				
Admissions, rents and royalties	5,500	5,500	-	(5,500)
Community room rent	9,000	9,000	8,596	(404)
Concessions	700	700	231	(469)
Planetarium:				
Admissions, Discovery Shop, etc.	59,804	59,804	38,728	(21,076)
Senior Centers Reservation Fee	3,000	3,000	909	(2,091)
Smith Robertson Museum:				
Gift shop	750	750	551	(199)
Donations	3,000	3,000	650	(2,350)
Admissions, rental	12,500	12,500	8,678	(3,822)
Total admissions and rentals	3,993,814	3,993,814	4,390,558	396,744
Interest:				
Earned on investments	850	850	1,055	205
Earned on accounts	65,000	65,000	26,334	(38,666)
Total interest earned	65,850	65,850	27,389	(38,461)

City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Revenues (Continued):				
Other Revenues:				
Public utility	\$ 5,000,000	\$ 5,000,000	\$ 4,224,129	\$ (775,871)
Franchise cable television	1,590,000	1,590,000	1,456,875	(133,125)
Water Sewer Franchise Fee	830,597	830,597	830,597	-
Nuclear power plant	1,600,000	1,600,000	1,607,009	7,009
Small animal control	1,000	1,000	4,464	3,464
Rabies vaccination	-	-	153	153
Police-sale of weapons	-	-	9	9
Parking fee-City employees	10,000	10,000	8,655	(1,345)
Police	250,000	250,000	145,081	(104,919)
Public Safety Communications Training Reimbursement	-	-	26,956	26,956
Indirect cost	2,600,000	2,600,000	2,427,945	(172,055)
Downtown Jackson Partners	180,000	180,000	146,898	(33,102)
Penalty on demo/grass/weeds	50,000	50,000	14,889	(35,111)
Cemeteries-openings/closings	6,000	6,000	10,550	4,550
Site plan review planning	14,000	14,000	12,143	(1,857)
Construction plan review	1,000	1,000	-	(1,000)
Building & Permit misc	100,000	100,000	106,464	6,464
Cafeteria plan-flexible spending	150,000	150,000	100	(149,900)
Administrative fee-payroll deductions	10,000	10,000	15,826	5,826
Sale of maps, plans, and specifications	1,000	1,000	1,033	33
Traffic	1,500	1,909	1,340	(569)
Legal/City Clerk/Finance and Management	12,000	12,000	18,626	6,626
Telecommunications	13,590	21,090	-	(21,090)
Fire Museum donations	600	600	-	(600)
Fire Department	1,000	2,252	1,753	(499)
Grants & Donations	73,300	132,396	1,685	(130,711)
I.D. Badge fee-city employee	-	-	210	210
Abstract fees	8,000	8,000	7,354	(646)
Settlement of insurance claim	-	1,660	90,586	88,926
Proceeds from assets and forfeitures	150,000	237,229	197,090	(40,139)
P E G Revenue	149,489	149,489	153,479	3,990
Other	-	334	335,533	335,199
Total other revenues	12,803,076	12,960,556	11,847,432	(1,113,124)
Total revenues	115,091,771	115,395,554	114,097,258	(1,298,296)

City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Expenditures:				
Current Operations:				
General Government				
Administration and Intra-governmental				
Personnel services	\$ 10,488,378	\$ 10,469,009	\$ 9,796,792	\$ 672,217
Supplies	995,957	854,983	494,890	360,093
Other services and charges	10,025,017	11,310,694	7,172,023	4,138,671
Capital outlay	778,984	690,177	346,566	343,611
Total Department of Administration	22,288,336	23,324,863	17,810,271	5,514,592
Personnel				
Personnel services	707,593	778,961	753,331	25,630
Supplies	14,556	12,956	4,305	8,651
Other services and charges	120,297	146,542	136,045	10,497
Total Department of Personnel	842,446	938,459	893,681	44,778
Planning				
Personnel services	1,932,997	1,931,497	1,759,725	171,772
Supplies	54,958	61,308	35,913	25,395
Other services and charges	4,727,871	4,513,971	3,963,772	550,199
Total Department of Planning	6,715,826	6,506,776	5,759,410	747,366
Total General Government	29,846,608	30,770,098	24,463,362	6,306,736
Department of Human and Cultural Services				
Health and Welfare				
Personnel services	1,322,847	1,325,645	1,316,232	9,413
Supplies	28,095	56,581	19,772	36,809
Other services and charges	1,114,567	1,089,113	981,984	107,129
Total Health and Welfare	2,465,509	2,471,339	2,317,988	153,351
Culture and Recreation				
Personnel services	688,840	688,840	551,416	137,424
Supplies	58,527	72,018	28,846	43,172
Other services and charges	1,823,866	1,759,449	1,755,639	3,810
Total Culture and Recreation	2,571,233	2,520,307	2,335,901	184,406
Total Department of Human and Cultural Services	5,036,742	4,991,646	4,653,889	337,757
Department of Public Safety				
Personnel services	46,333,459	47,329,632	46,505,012	824,620
Supplies	3,153,907	2,784,178	2,438,289	345,889
Other services and charges	6,844,048	7,501,558	6,616,511	885,047
Capital outlay	278,645	420,590	217,837	202,753
Total Department of Public Safety	56,610,059	58,035,958	55,777,649	2,258,309

City of Jackson  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2016

	Budget Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget- positive(negative)
Expenditures (Continued):				
Department of Public Works				
Personnel services	\$ 6,664,391	\$ 6,164,391	\$ 5,673,616	\$ 490,775
Supplies	1,671,467	1,671,876	968,132	703,744
Other services and charges	3,792,373	3,761,071	2,756,719	1,004,352
Capital outlay	-	408,095	408,095	-
Total Department of Public Works	<u>12,128,231</u>	<u>12,005,433</u>	<u>9,806,562</u>	<u>2,198,871</u>
Current Operations				
Employee Benefits				
Supplies	100,000	175,000	132,356	42,644
Other services and charges	3,008,733	2,122,333	1,812,571	309,762
Total Employee Benefits	<u>3,108,733</u>	<u>2,297,333</u>	<u>1,944,927</u>	<u>352,406</u>
Total expenditures	<u>106,730,373</u>	<u>108,100,468</u>	<u>96,646,389</u>	<u>11,454,079</u>
Excess(deficiency) of revenues over expenditures	8,361,398	7,295,086	17,450,869	10,155,783
Other Financing Sources(Uses)				
Transfers out	(13,944,264)	(16,094,071)	(15,624,766)	469,305
Sale of capital assets	90,000	559,925	489,332	(70,593)
Total other financing sources(uses)	<u>(13,854,264)</u>	<u>(15,534,146)</u>	<u>(15,135,434)</u>	<u>398,712</u>
Net change in fund balance	(5,492,866)	(8,239,060)	2,315,435	10,554,495
Fund balances at beginning of year	12,734,986	12,734,986	12,734,986	-
Fund balances at end of year	<u>\$ 7,242,120</u>	<u>\$ 4,495,926</u>	<u>\$ 15,050,421</u>	<u>\$ 10,554,495</u>

The notes to the financial statements are an integral part of this statement.



**City of Jackson**  
**Federal Grants Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budget Amount</u>		<u>Actuals Amounts</u>	<u>Variance with Final Budget - positive(negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$17,218,711	\$ 35,624,708	\$ 9,723,787	\$ (25,900,921)
Interest	-	-	2,812	2,812
Other	<u>161,490</u>	<u>166,437</u>	<u>171,883</u>	<u>5,446</u>
Total revenues	<u>17,380,201</u>	<u>35,791,145</u>	<u>9,898,482</u>	<u>(25,892,663)</u>
<b>EXPENDITURES</b>				
Current Operations:				
Personnel Services	3,278,252	3,382,742	2,947,559	435,183
Supplies	654,728	625,309	792,765	(167,456)
Other Services and Charges	12,973,472	29,548,538	4,178,473	25,370,065
Capital Outlay	<u>1,173,404</u>	<u>2,981,919</u>	<u>2,702,354</u>	<u>279,565</u>
Total expenditures	<u>18,079,856</u>	<u>36,538,508</u>	<u>10,621,151</u>	<u>25,917,357</u>
Excess (deficiency) of revenues over expenditures	<u>(699,655)</u>	<u>(747,363)</u>	<u>(722,669)</u>	<u>(24,694)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	<u>699,655</u>	<u>747,363</u>	<u>720,082</u>	<u>(27,281)</u>
Total other financing sources (uses)	<u>699,655</u>	<u>747,363</u>	<u>720,082</u>	<u>(27,281)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	(2,587)	(2,587)
Fund balances at beginning of year as previously reported	<u>2,650,028</u>	<u>2,650,028</u>	<u>2,650,028</u>	-
Prior period adjustment	-	-	<u>475,074</u>	<u>475,074</u>
Fund balances at beginning of year as adjusted	<u>2,650,028</u>	<u>2,650,028</u>	<u>3,125,102</u>	<u>475,074</u>
Fund balances at end of year	<u>\$ 2,650,028</u>	<u>\$ 2,650,028</u>	<u>\$ 3,122,515</u>	<u>\$ 472,487</u>

The notes to the financial statements are an integral part of this statement.

**City of Jackson  
Improvement Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- positive (negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 1,009,655	\$ 1,010,581	\$ 1,010,580	\$ (1)
Intergovernmental Revenue	5,445,844	5,497,024	820,254	(4,676,770)
Interest	-	-	7,828	7,828
Total revenues	<u>6,455,499</u>	<u>6,507,605</u>	<u>1,838,662</u>	<u>(4,668,943)</u>
<b>EXPENDITURES</b>				
Current Operations				
Supplies	1,216,213	1,202,393	33,857	1,168,536
Other Services and Charges	11,332,277	11,393,594	1,043,700	10,349,894
Capital Outlay	63,246	74,185	373,542	(299,357)
Total expenditures	<u>12,611,736</u>	<u>12,670,172</u>	<u>1,451,099</u>	<u>11,219,073</u>
Excess (deficiency) of revenues over expenditures	(6,156,237)	(6,162,567)	387,563	(6,550,130)
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers in general fund	<u>1,136,235</u>	<u>1,146,235</u>	<u>1,136,235</u>	<u>(10,000)</u>
Total other financing sources uses	<u>1,136,235</u>	<u>1,146,235</u>	<u>1,136,235</u>	<u>10,000</u>
Net change in fund balances	(5,020,002)	(5,016,332)	1,523,798	(6,540,130)
Fund balances at beginning of year	<u>4,531,874</u>	<u>4,531,874</u>	<u>4,531,874</u>	<u>-</u>
Fund balances at end of year	<u>\$ (488,128)</u>	<u>\$ (484,458)</u>	<u>\$ 6,055,672</u>	<u>\$ (6,540,130)</u>

The notes to the financial statements are an integral part of this statement.

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**City of Jackson  
Statement of Net Position  
Proprietary Funds  
As of September 30, 2016**

	<b>Water/Sewage Disposal System</b>	<b>Sanitation</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 5,617,778	\$ -	\$ 274,846	\$ 5,892,624	\$ 122,960
Accounts receivable, less allowances	50,652,041	9,219,502	-	59,871,543	705,206
Intergovernmental receivables	-	-	1,652,358	1,652,358	-
Due from other funds	572,174	-	-	572,174	-
Restricted Assets					
Cash and cash equivalents	13,435,141	-	-	13,435,141	-
Inventories	1,445,968	-	-	1,445,968	-
Total Current Assets	<u>71,723,102</u>	<u>9,219,502</u>	<u>1,927,204</u>	<u>82,869,808</u>	<u>828,166</u>
Noncurrent Assets:					
Restricted Assets					
Cash and cash equivalents	41,628,219	-	-	41,628,219	-
Total Noncurrent Assets	<u>41,628,219</u>	<u>-</u>	<u>-</u>	<u>41,628,219</u>	<u>-</u>
Capital Assets:					
Property, plant and equipment, at cost					
Land	1,387,999	-	450,000	1,837,999	-
Buildings	117,830,080	57,301	8,436,201	126,323,582	-
Water plant, distribution system and equipment	431,175,347	-	984,708	432,160,055	-
Automotive and other equipment	15,559,754	2,975,824	11,990,793	30,526,371	-
	565,953,180	3,033,125	21,861,702	590,848,007	-
Less: accumulated depreciation	<u>(242,681,865)</u>	<u>(2,088,701)</u>	<u>(8,976,166)</u>	<u>(253,746,732)</u>	<u>-</u>
	323,271,315	944,424	12,885,536	337,101,275	-
Construction in Progress	150,397,081	-	282,321	150,679,402	-
Net property, plant and equipment	<u>473,668,396</u>	<u>944,424</u>	<u>13,167,857</u>	<u>487,780,677</u>	<u>-</u>
Total Assets	<u>587,019,717</u>	<u>10,163,926</u>	<u>15,095,061</u>	<u>612,278,704</u>	<u>828,166</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources	3,404,548	364,491	126,461	3,895,500	-
Total deferred outflows of resources	<u>\$ 3,404,548</u>	<u>\$ 364,491</u>	<u>\$ 126,461</u>	<u>\$ 3,895,500</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

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**City of Jackson  
Statement of Net Position  
Proprietary Funds  
As of September 30, 2016**

	<b>Water/Sewage Disposal System</b>	<b>Sanitation</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Fund</b>
<b>Liabilities and Fund Equity</b>					
Current Liabilities Payable from Unrestricted Assets:					
Accounts/claims payable	\$ 4,110,297	\$ 857,454	\$ 1,374,169	\$ 6,341,920	\$ 828,166
Due to other funds	-	572,174	288,013	860,187	-
Compensated absences	239,869	25,701	5,077	270,647	-
Retainage payable	1,396,124	-	-	1,396,124	-
Customer deposits	3,567,734	-	-	3,567,734	-
Current portion of Long-Term Debt:					
Note payable	717,225	-	-	717,225	-
Lease obligations	429,448	195,616	90,892	715,956	-
State Department of Environmental Quality	2,405,439	-	-	2,405,439	-
Total Current Liabilities Payable from Unrestricted Assets	<u>12,866,136</u>	<u>1,650,945</u>	<u>1,758,151</u>	<u>16,275,232</u>	<u>828,166</u>
Current Liabilities Payable from Restricted Assets:					
Revenue bonds	7,830,000	-	-	7,830,000	-
Accrued interest payable	2,457,856	839	5,531	2,464,226	-
Total Current Liabilities Payable from Restricted Assets	<u>10,287,856</u>	<u>839</u>	<u>5,531</u>	<u>10,294,226</u>	<u>-</u>
Total Current Liabilities	<u>23,153,992</u>	<u>1,651,784</u>	<u>1,763,682</u>	<u>26,569,458</u>	<u>828,166</u>
Post Employment Benefits accrual	4,274,334	499,338	99,868	4,873,540	-
Pension liability	18,528,356	2,076,897	637,176	21,242,429	-
Long-Term Debt					
(less amounts classified as current liabilities):					
Compensated absences	136,717	8,583	7,785	153,085	-
Revenue bonds	228,336,988	-	-	228,336,988	-
(net of unamortized discount/premium)					
Note payable	3,645,891	-	-	3,645,891	-
Lease obligations	229,034	131,719	91,985	452,738	-
State Department of Environmental Quality	24,916,924	-	-	24,916,924	-
Total Long-Term Debt	<u>257,265,554</u>	<u>140,302</u>	<u>99,770</u>	<u>257,505,626</u>	<u>-</u>
Total Liabilities	<u>303,222,236</u>	<u>4,368,321</u>	<u>2,600,496</u>	<u>310,191,053</u>	<u>828,166</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources	322,468	44,841	17,272	384,581	-
Total deferred inflows of resources	<u>322,468</u>	<u>44,841</u>	<u>17,272</u>	<u>384,581</u>	<u>-</u>
<b>Net Position</b>					
Net investment in capital assets	205,157,447	617,089	12,984,980	218,759,516	-
Unrestricted	81,722,114	5,498,166	(381,226)	86,839,054	-
Total Net Position	<u>\$ 286,879,561</u>	<u>\$ 6,115,255</u>	<u>\$ 12,603,754</u>	<u>\$ 305,598,570</u>	<u>\$ -</u>

The notes in the financial statements are an integral part of this statement. 31

**City of Jackson**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	<u>Water/Sewage Disposal System</u>	<u>Sanitation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
Operating Revenues:					
Sales to customers	\$ 63,019,804	\$11,606,338	\$ 406,195	\$ 75,032,337	\$ -
Contributions	-	-	-	-	4,293,870
Contributions - City Match	-	-	-	-	2,829,051
Other revenues	1,765,199	19,167	489,642	2,274,008	482,990
Total Operating Revenues	<u>64,785,003</u>	<u>11,625,505</u>	<u>895,837</u>	<u>77,306,345</u>	<u>7,605,911</u>
Operating Expenses:					
Personnel services	10,025,070	1,033,798	318,089	11,376,957	-
Supplies	4,638,422	142,598	786,569	5,567,589	201
Other services and charges	(524,994)	10,604,486	6,359,731	16,439,223	15,897,475
Depreciation	12,751,456	210,470	781,859	13,743,785	-
Total operating expenses	<u>26,889,954</u>	<u>11,991,352</u>	<u>8,246,248</u>	<u>47,127,554</u>	<u>15,897,676</u>
Operating income (loss)	<u>37,895,049</u>	<u>(365,847)</u>	<u>(7,350,411)</u>	<u>30,178,791</u>	<u>(8,291,765)</u>
Nonoperating revenues (expenses):					
Interest revenue	90,459	28	368	90,855	740
Interest and service charges on long-term debt and capitalized lease obligations	(5,824,763)	(4,611)	(14,463)	(5,843,837)	-
Gain (loss) on sale of capital assets	(136,264)	-	-	(136,264)	-
Total nonoperating revenues (expenses)	<u>(5,870,568)</u>	<u>(4,583)</u>	<u>(14,095)</u>	<u>(5,889,246)</u>	<u>740</u>
Income (loss) before contributions and transfers	<u>32,024,481</u>	<u>(370,430)</u>	<u>(7,364,506)</u>	<u>24,289,545</u>	<u>(8,291,025)</u>
Capital contributions from grants	-	131,423	6,283,958	6,415,381	-
Transfers In:					
General Fund	-	-	4,158,713	4,158,713	8,108,006
Enterprise Fund	-	-	87,436	87,436	-
Transfers Out:					
Enterprise Fund	(87,436)	-	-	(87,436)	-
Debt Service Fund	(2,076,906)	-	-	(2,076,906)	-
Total Transfers In (Out)	<u>(2,164,342)</u>	<u>-</u>	<u>4,246,149</u>	<u>2,081,807</u>	<u>8,108,006</u>
Change in Net Position	<u>29,860,139</u>	<u>(239,007)</u>	<u>3,165,601</u>	<u>32,786,733</u>	<u>(183,019)</u>
Total net position - beginning	<u>257,019,422</u>	<u>6,354,262</u>	<u>9,438,153</u>	<u>272,811,837</u>	<u>183,019</u>
Total net position - ending	<u>\$286,879,561</u>	<u>\$6,115,255</u>	<u>\$ 12,603,754</u>	<u>\$ 305,598,570</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**City of Jackson**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	<u>Water/Sewer Disposal System</u>	<u>Sanitation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 54,096,301	\$10,764,196	\$ 406,195	\$ 65,266,692	\$ 7,122,921
Receipts from other revenue	1,765,199	19,167	(889,231)	895,135	(28,910)
Payments to suppliers	(2,452,477)	(9,625,729)	(8,089,477)	(20,167,683)	(16,278,423)
Payments to employees	<u>(5,497,244)</u>	<u>(592,878)</u>	<u>(172,107)</u>	<u>(6,262,229)</u>	<u>-</u>
Net Cash provided by (used for)					
Operating Activities	<u>47,911,779</u>	<u>564,756</u>	<u>(8,744,620)</u>	<u>39,731,915</u>	<u>(9,184,412)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	-	-	4,246,149	4,246,149	8,108,006
Transfers Out	<u>(2,164,342)</u>	<u>-</u>	<u>-</u>	<u>(2,164,342)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>(2,164,342)</u>	<u>-</u>	<u>4,246,149</u>	<u>2,081,807</u>	<u>8,108,006</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(17,189,317)	(133,777)	(1,113,391)	(18,436,485)	-
Proceeds from capital debt	20,710,139	-	-	20,710,139	-
Principal paid on capital debt	(26,683,058)	(193,512)	(259,745)	(27,136,315)	-
Proceeds from capital contributions	-	131,423	6,283,958	6,415,381	-
Deferred inflow on pension liability	(1,755,060)	(188,881)	(57,156)	(2,001,097)	-
Deferred outflow on pension liability	(1,723,971)	(175,426)	(66,254)	(1,965,651)	-
Interest paid on capital debt	<u>(7,256,729)</u>	<u>(4,611)</u>	<u>(14,463)</u>	<u>(7,285,803)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(33,907,996)</u>	<u>(564,784)</u>	<u>4,772,949</u>	<u>(29,699,831)</u>	<u>-</u>
<b>Cash Flow Provided by (Used for) Investing Activities:</b>					
Proceeds from sale and maturities of investment securities	13,410,693	-	-	13,410,693	-
Interest on investments	<u>90,459</u>	<u>28</u>	<u>368</u>	<u>90,855</u>	<u>740</u>
Net Cash provided by investing activities	<u>13,501,152</u>	<u>28</u>	<u>368</u>	<u>13,501,548</u>	<u>740</u>
Net increase (decrease) in cash and cash equivalents	25,340,593	-	274,846	25,615,439	(1,075,666)
Cash and cash equivalents at beginning of year	<u>35,340,545</u>	<u>-</u>	<u>-</u>	<u>35,340,545</u>	<u>1,198,626</u>
Cash and cash equivalents at end of year	<u>\$ 60,681,138</u>	<u>\$ -</u>	<u>\$ 274,846</u>	<u>\$ 60,955,984</u>	<u>\$ 122,960</u>

The notes to the financial statements are an integral part of this statement.

**City of Jackson**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	<u>Water/Sewer Disposal System</u>	<u>Sanitation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>					
<b>Provided by (Used for) Operating Activities:</b>					
Operating income (loss)	\$ 37,895,049	\$ (365,847)	\$ (7,350,411)	\$ 30,178,791	\$ (8,291,765)
Depreciation Expense	12,751,456	210,470	781,859	13,743,785	-
(Increase) decrease in accounts receivable, net	(9,506,526)	(842,142)	-	(10,348,668)	(511,900)
(Increase) decrease in inventories	107,034	-	-	107,034	-
(Increase) decrease in other receivable	583,024	-	(1,378,873)	(795,849)	-
(Increase) decrease in prepaid expenses	615,141	-	-	615,141	-
(Increase) decrease in due from other funds	(479,439)	-	-	(479,439)	-
Increase (decrease) in due to other funds	-	479,439	(1,603,717)	(1,124,278)	-
Increase (decrease) in accounts payable and retainage	1,045,810	642,468	655,009	2,343,287	(380,747)
Increase (decrease) in accrued interest payable	(14,314)	(552)	5,531	(9,335)	-
Increase (decrease) in compensated absences	(47,114)	(19,687)	(3,053)	(69,854)	-
Increase (decrease) in customer deposits	113,798	-	-	113,798	-
Increase (decrease) in pension liability	4,196,361	464,548	123,727	4,784,636	-
Increase (decrease) in other liabilities	651,499	(3,941)	25,308	672,866	-
Total adjustments	10,016,730	930,603	(1,394,209)	9,553,124	(892,647)
Net cash provided by (used for) operating activities	<u>\$ 47,911,779</u>	<u>\$ 564,756</u>	<u>\$ (8,744,620)</u>	<u>\$ 39,731,915</u>	<u>\$ (9,184,412)</u>
<b>Noncash Investing, Capital, and Financing</b>					
<b>Activities:</b>					
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Recap of cash and cash equivalents:</b>					
Cash and cash equivalents	\$ 5,617,778	\$ -	\$ 274,846	\$ 5,892,624	\$ 122,960
Restricted cash and cash equivalents	55,063,360	-	-	55,063,360	-
	<u>\$ 60,681,138</u>	<u>\$ -</u>	<u>\$ 274,846</u>	<u>\$ 60,955,984</u>	<u>\$ 122,960</u>

The notes to the financial statements are an integral part of this statement.





**CITY OF JACKSON  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2016**

	<u>Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 612,908	\$ 30,460,633
Investment at fair value:		
Certificate of deposit	<u>32,644</u>	<u>-</u>
Total assets	<u>\$ 645,552</u>	<u>\$ 30,460,633</u>
<b>Liabilities and Net Position</b>		
Liabilities:		
Payables to others	<u>\$ 14,915</u>	<u>\$ 30,460,633</u>
Total liabilities	<u>14,915</u>	<u>\$ 30,460,633</u>
Net Position:		
Held in trust	<u>630,637</u>	
Total net position	<u>630,637</u>	
Total liabilities and net position	<u>\$ 645,552</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF JACKSON  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Trust Funds</u>
Additions:	
Interest	\$ 917
Other additions	<u>209,500</u>
Total additions	<u>\$ 210,417</u>
Deductions:	
General government Trust funds	<u>\$ 153,648</u>
Total deductions	<u>153,648</u>
Change in Net Position	<u>56,769</u>
Net position at beginning of year	<u>573,868</u>
Net position at end of year	<u><u>\$ 630,637</u></u>

The notes to the financial statements are an integral part of this statement.



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**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies**

**A. REPORTING ENTITY**

The City of Jackson, Mississippi (the City) is incorporated under the Laws of the State of Mississippi. The City operates under the Mayor-Council form of government with a full-time Mayor elected from the City at large and seven part-time Council members (City Council) elected from wards. The City's major operations include police and fire protection, parks and recreation, public works, public transit system, urban development and general administrative services. In addition, the City owns and operates a water and sewer system.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City is discussed below.

In evaluating the City as a reporting entity, management has addressed potential component units for which the City may or may not be financially accountable and as such, be included within the City's financial statements. The component units discussed below are included because of the significance of their operational or financial relationships with the City.

**Discretely Presented Component Unit**

Using the criteria above, management has determined that the Jackson Redevelopment Authority (JRA) and the Capital City Convention Center Commission should be reported as discretely presented component units of the City. The discretely presented component units are reported in separate columns in the Government-Wide Statement to emphasize they are legally separate from the primary government. The following is a summary of the City's discretely presented component units.

The Jackson Redevelopment Authority (JRA) was established in 1968 under Section 43-35-1 through 235 of the Mississippi Code of 1942, as annotated. In 1970, JRA became the Parking Authority for the City under the same statute. The Mayor of the City makes appointments to a seven-member Board of Commissioners for staggered five-year terms to oversee the operations of JRA. Members may be removed from office for inefficiency, neglect of duty or misconduct in office. The City Council appropriates the administrative operating budget and must review and approve any amendments or budgetary adjustments. The City Council is responsible for designation of those urban renewal projects undertaken by JRA. The City makes annual contributions necessary to pay a portion of JRA's urban renewal bonds and has agreed to make payment of substantially all of the outstanding bonds. JRA operates on a September 30 fiscal year and its financial statement data is presented as a proprietary fund type. Complete financial statements for JRA may be obtained at its administrative office located at 218 South President Street, Jackson, Mississippi 39201.

The Capital City Convention Center Commission, a non-profit corporation, was authorized to be created by House Bill 1832 during the 2004 Regular Session of the Mississippi State Legislature. The entity is governed by nine commissioners. The Mayor of the City appoints hotel/motel members for initial terms of one and three years, respectively, restaurant members for initial terms of two and four years, respectively. The Mayor appoints two members representing the business community for initial terms of one and five years, respectively. The Mayor appoints two members at large for initial terms of two and three years, respectively. One member is appointed by the Governor of Mississippi for an initial term of four years.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**A. REPORTING ENTITY (Continued):**

The City issued \$65,000,000 of General Obligation Bonds for the development of the proposed Convention Center. The Capital City Convention Center Commission has jurisdiction and authority over all matters relating to the acquisition, construction, furnishing, equipping, erection, operation, maintenance, and promotion of a convention center. The Commission submits its budget and certain other planned actions to the City for comment prior to initiation. The Commission operates on a September 30 fiscal year and its financial statement data is presented as a proprietary fund type. Complete financial statements for the Capital City Convention Center Commission may be obtained at P. O. Box 3563, Jackson, Mississippi 39207.

**Related Organizations**

The following four agencies are non-profit corporations established within the City of Jackson. The Mayor appoints the board members of each respective agency as confirmed by the City Council. Each agency is fiscally independent from the City of Jackson, issues its debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City of Jackson is not obligated in any manner for the debt issues of these agencies. Financial statements for these agencies can be obtained at the following addresses:

Airport Authority  
100 International Drive  
Jackson, MS 39208

Jackson Housing Authority  
2747 Livingston Road  
Jackson, MS 39213

Jackson Public School District  
662 South President Street  
Jackson, MS 39201

Metro Jackson Convention & Visitors Bureau  
921 North President Street  
Jackson, MS 39202

**Joint Ventures**

The Jackson/Hinds Library System (the System) operates under a joint agreement between the City and Hinds County and is funded equally by the City and the County. The joint agreement was effective October 1, 1986. All buildings used by the System within the City of Jackson are owned and maintained by the City and, as such, have been included in the capital assets of governmental activities. The Jackson/Hinds Library System's financial statements may be obtained by writing to 300 North State Street, Jackson, MS 39201.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE AND FUND LEVEL STATEMENTS**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's water/sewer, sanitation, and public transit services are classified as business-type activities.

In the Government-Wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on the consolidated basis by column, (b) and are reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE AND FUND LEVEL STATEMENTS (Continued):**

The Government-Wide Statement of Activities reports both the gross and net costs of each of the City's functions and business-type activities (police, fire, public works, etc.). The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicants who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, public works, etc.) or a business-type activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The net costs (by function or business-type activities) are normally covered by general revenue (property, sales or gas tax, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect cost. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

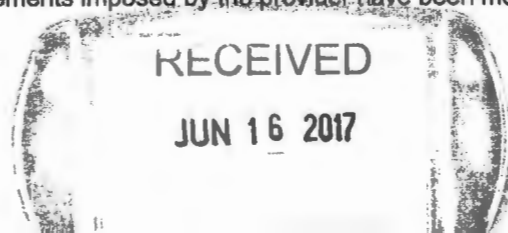
The government-wide focus is more on the sustainability of the City as an entity and the changes in the City's net position resulting from the current year's activities. Separate financial statements are provided for governmental funds and proprietary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Major individual governmental funds are reported as separate columns in the fund financial statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Proprietary Funds and of the City's Internal Service Funds are charges to customers for sales and services. Operating expenses for Proprietary Funds and Internal Service Funds include the cost of sales and services, direct administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds are used to report resources in a purely custodial capacity (assets equal liabilities). So, agency funds cannot be said to have a measurement focus, however, they do use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.





**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major government funds:

*General Fund* - The General Fund is the City's primary operating fund. It accounts for all financial transactions of the City, except those required to be accounted for in another fund.

*Federal Grant Fund* - This fund is used to account for proceeds of various federal grant programs.

*Debt Service Fund* - This fund is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of the Enterprise Funds). Bond ordinances require the City to account for debt service transactions in separate funds, restrict the flow of cash between such funds, and comply with various other covenants. For financial statement reporting, the various debt service funds have been combined.

*Improvement Fund* - This fund is used to account for revenues that are legally restricted for improvements to City facilities. The revenues are provided by external grantors.

*1998 GO Bond Fund* - This fund is used to account for proceeds of general obligation bonds of \$35,000,000 issued to finance certain projects including storm drainage systems, construction of a youth detention center, and repairing buildings.

*2003 GO Bond Fund* - This fund is used to account for proceeds of general obligation bonds of \$20,000,000 issued to finance certain projects including storm drainage systems, repairing and the construction of municipal buildings, infrastructures, and other related improvements.

*2009 GO Bond Fund* - This fund is used to account for proceeds of general obligation bonds of \$26,210,000 issued to pay the costs of constructing, improving and paving streets, sidewalks, driveways, parkways and public parking facilities.

*Capitol Street 2-Way* - This fund is used to account for revenues restricted for improvements to Capitol Street.

The City reports the following major proprietary funds:

*Water/Sewage Disposal System Fund* - This fund accounts for activities associated with the provision of water, sewerage and water pollution control services to individuals, organizations and other governmental units within and around the City.

*Sanitation Fund* - This fund accounts for activities associated with the City's sanitation and recycling service.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):**

Additionally, the City reports the following fund types:

*Internal Service Fund* is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

**Fiduciary Funds:**

*Fiduciary Funds* are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The City has three trust funds, the Unemployment Compensation Revolving Fund, the Charitable Trust Fire and Police Fund, and the Mausoleum Trust Fund. The function of the City's principal employee benefit trust fund, the Unemployment Compensation Revolving Fund, is discussed in NOTE 6.A.2. The function of the Charitable Trust Fire and Police Fund is to account for contributions from the public sector which is held in trust for fire and police allowable claims. The function of the Mausoleum Trust Fund is to maintain and upkeep the Henry Mausoleum.

The purpose of the City's Agency Funds is to collect and remit to the related organizations the property taxes collected and proceeds of a special sales tax received from the State. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental activities column when presented in the Government-Wide Financial Statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (police, fire, public works, etc.).

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

**1. Cash and Cash Equivalents**

Cash and cash equivalents include demand deposit accounts, petty cash, and certificates of deposit with a maturity date generally within 90 days of the date acquired by the City. Collateral as further discussed in Note 4.A, is pledged by the various financial institutions to secure City funds.

**2. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.





**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**3. Investments**

Investments are recorded at fair value with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements. Income from short-term interest bearing securities is recognized as earned. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Mississippi obligations, and obligations of a corporation of the U.S. Government.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at fair value when published prices are available, or at cost plus accrued interest, which approximates fair value. For individual investments where no readily ascertainable fair value exists, the City of Jackson, in consultation with its investment advisors and custodial bank, has determined the fair values.

**4. Restricted Assets**

Certain proceeds of the City's Proprietary Fund revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and trust accounts and their use is limited by applicable bond covenants. Restricted amounts in governmental activities include amounts set aside by law for state tort claims and amounts accumulated for general obligation bond debt service.

**5. Inventories**

Inventories are priced at cost using the weighted average method. Inventories are accounted for using the consumption method and are not charged out until used. Inventories consist of major stores of materials and supplies held at central locations. The user departments and other funds of the City are charged for the cost value of the items, as they are withdrawn from inventory.

**6. Capital Assets**

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market value at the date received. The City's classes of capital assets and their capitalization levels are: land – cost or fair market value, buildings - \$50,000, land improvements - \$25,000, machinery and equipment - \$1,000, infrastructure - \$100,000, and construction in progress – based on the project's class. The cost of normal maintenance and repair that do not add to the value of capital assets or materially extend their respective lives are not capitalized. Interest expenditures within governmental activities are not capitalized.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land improvements	20
Heavy machinery and equipment	5-15
Computer equipment	3
Vehicles	3-10
Infrastructure	8-50

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**6. Capital Assets (Continued):**

Interest is capitalized on proprietary fund assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

The City has a collection of artwork presented for public exhibition and education that is being preserved for future generations. The proceeds from the sales of any pieces of the collection are used to purchase other acquisitions. The collection is not capitalized or depreciated as part of capital assets.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

**7. Compensated Absences**

The City accrues accumulated unpaid personal leave and associated employee-related cost when earned (or estimated to be earned) by employees up to 240 hours. For the Proprietary Funds and the Government-Wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentation. The compensated absences liability is liquidated by the following funds: general fund, special revenue, transportation, sanitation & water/sewer.

**8. Bond Discounts, Bond Premiums and Issuance Costs**

In the governmental funds, bond discounts, bond premiums and issuance costs are treated as period costs in the year of issue. Bond premiums and discounts are shown as an "Other Financing Sources/Uses".

In the proprietary funds and Government-Wide Financial Statements, bond discounts and bond premiums are amortized over the terms of the bonds outstanding method, which approximates the effective interest method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the revenue bond payable. Bond issuance costs, excluding any prepaid bond issuance, are reported as expenses in the year of the debt issuance. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

**9. Interfund Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near fair market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-Wide Financial Statements.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**10. Revenues**

Substantially all governmental fund revenues are accrued. Property taxes are recognized at the levy date. All property taxes are billed, collected and recognized as revenue within the same period for which they are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non-operating revenues. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**11. Expenditures**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**12. Reserves and Designations**

Portions of fund equity are segregated for future use and therefore, are not available for future appropriations or expenditure. City has a municipal bond debt service reserve insurance policy for the proprietary funds in lieu of cash. Amounts reserved for state tort claims represent amounts required by state law to be segregated for these purposes. The unreserved designated fund balance of the Capital Projects Funds is appropriated for expenditures in future years.

**13. Net Position**

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investments in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investments in capital assets are reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**14. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**14. Fund Balance (Continued)**

**Restricted** - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

**Committed** – Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

**Assigned** - This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Council, Mayor or their designee as established in the City's Fund Balance Policy.

**Unassigned** - This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**15. Fund Balance/Net Position Policy**

The City has adopted a fund balance / net position policy that is tailored to the needs of the City to ensure against unanticipated events that would adversely affect the financial condition of the City and will not jeopardize the continuation of necessary public services. This policy will ensure the City maintains adequate fund balance / net position and reserves in the City's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns and revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

The City will maintain reservations of Fund Balance / Net Position in the General Fund and Proprietary funds of the City. The City shall retain the minimum requirement for each fund listed below.

**General Fund** – There shall be a reservation (unassigned) of fund balance equal to 7.5% of the adopted General Fund operating revenues. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 15<sup>th</sup> for the subsequent fiscal year. The reserve shall be in addition to all other reserves or designations of the fund balance, including but not limited to reserves for encumbrances, donations, advances to other funds, designations for compensated absences, and insurance.

**Enterprise Fund** – The City maintains a Sanitation Fund, Water & Sewer Fund, and Transportation Fund. Under the Water & Sewer Bond Ordinance, the following Fund Balance/Reserves are required: 1/12 of O&M budget for Operation & Maintenance; 1/12 of actual debt service; and, 2/12 of O&M budget for Contingent Fund.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**15. Fund Balance/Net Position Policy (Continued)**

The total Required Fund Balance/Reserve for 2016 is \$8,272,107. The amount on deposit is \$6,931,448 which has resulted in a reserve deficit \$1,340,659 at September 30, 2016.

Replenishment of Reserve Deficits - If, at the end of any fiscal year, the actual amount of unassigned fund balance or unassigned net position falls below the required fund levels set forth herein, the Mayor shall prepare and submit a plan for expenditure or expense reductions and / or revenue increases to the City Council. As a part of the annual budget review, the City Council shall review and, if necessary, amend the plan submitted by the Mayor for restoring the amounts of unassigned fund balance or unassigned net position to the required levels.

**16. Pension Expenses**

The City funds pension expenses as required by applicable statute. Two plans, funded from both City and employee contributions are described in NOTE 6.F.

**17. 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 the reported amounts of assets, liabilities, and disclosures. Actual results could differ from those estimates.

**18. Deferred Outflows/Inflows of Resources**

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

All of the primary government's deferred outflows of resources on the statement of net position are a result of deferrals concerning bonded debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Deferred amount on refunding of debt is reported in the deferred inflows or deferred outflow sections of the statement of position.

The governmental funds report unavailable revenues from two sources: property taxes and Federal and State financial assistance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**19. New Accounting Pronouncements**

In February 2015, the GASB issued Statement No. 72, "Fair Value Measurement and Application". This statement addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2015, the GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement will establish the hierarchy of GAAP for state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In December 2015, GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants". GASB 79 will enhance comparability of financial statement among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. GASB 79 is effective for financial statements for fiscal years beginning after June 15, 2015, with pools not required to meet certain criteria until years beginning after December 15, 2015. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

The City will adopt the following new accounting pronouncements in future years:

In June 2015, the GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement will improve the usefulness of information for decisions made by the various users of the general purpose external financial reports. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2016. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2015, the GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement will improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**19. New Accounting Pronouncements (Continued)**

In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The City is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In August 2015, GASB issued Statement No. 77, "Tax Abatement Disclosures". GASB 77 requires certain disclosures related to tax abatement agreements. A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Required disclosures include:

- Description of the tax abatement programs in place
- Gross dollar amount by which tax revenues were reduced for the period
- Any other commitments made under tax abatement agreements

GASB 77 is effective for financial statements for the fiscal years beginning after December 15, 2015 and disclosures should be made for any prior periods presented, if practical. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

In December 2015, GASB issued Statement No. 78, "Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans". GASB 78 amends the scope and applicability of Statement 68 to exclude pension plans provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local government pension plan, (2) is used to provide defined benefits both to employees of state or local governmental employers and to employees of employers that are not state or local governments, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pension through the pension plan). The requirements of GASB 78 are effective for fiscal years beginning after December 15, 2015. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

In January 2016, GASB issued Statement No. 80, "Blending Requirements for Certain Component Units". GASB 80 amends Statement No. 14, "The Financial Reporting Entity", to add an additional criterion for reporting a component unit through the blending method. If a component unit is a not-for-profit corporation and the primary government is the sole corporate member, the component unit should be blended. GASB 80 is effective for financial statements for fiscal years beginning after June 15, 2016, with earlier application encouraged. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

In March 2016, GASB issued Statement No. 81, "Irrevocable Split Interest Agreements". GASB 81 addresses the situations under which an irrevocable split-interest agreement constitutes an asset for accounting and financial reporting purposes when the resources are administered by a third party. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. The requirements of GASB 81 are effective for fiscal years beginning after December 15, 2016. The City is evaluating the impact, if any, upon its financial statements, results of operations or cash flows upon adoption.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 1 – Summary of Significant Accounting Policies (Continued):**

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND RESOURCES, AND NET POSITION OR EQUITY (Continued):**

**19. New Accounting Pronouncements (Continued)**

In March 2016, GASB issued Statement No. 82, "Pension Issues". GASB 82 amends GASB Statement No. 67, "Financial Reporting for Pension Plans", No. 68, "Accounting and Financial Reporting for Pensions", and No. 73, "Accounting and Financial reporting for Pensions and related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68", by addressing issues regarding (a) the presentation of covered-employee payroll in required supplementary information, (b) the clarification of deviations from the guidance in the Actuarial Standard of Practice, and (c) the classification of payments made by employers to satisfy employee/plan member contribution requirements. GASB 82 requires the presentation of covered payroll to be the payroll on which contributions to a pension plan are based, as opposes to the payroll of employees that are provided with pension through the pension plan as required under GASB Statements No. 67 and 68. Furthermore, the standard requires certain ratios to be presented based on the new definition of covered payroll. GASB 82 also clarifies that a deviation from the guidance in an Actuarial Standard of Practice as defined by those actuarial standards, is not considered to be in conformity with the requirements of GASB Statements No. 67, or No. 73 relating to the selection of assumptions used in determining the total pension liability and related measures. Finally, GASB 82 clarifies that payments made by an employer to satisfy contribution requirements of plan members/employees, should be classified as plan member/employees' contributions for purpose of GASB Statement No. 67 and GASB Statements No. 68. GASB 82 also clarifies the recognition of the employer's expense/expenditures for these amounts. The City is evaluating the impact, if any, upon its financial statement, results of operations or cash flows upon adoption.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 2 – Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the Government-Wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$173,234 difference are as follows (in thousands):

Bonds payable	\$ 141,209
Less: Issuance premium	7,340
Less: Issuance discount (to be amortized as interest expense)	(379)
Accrued interest payable	801
Capital leases payable	11,640
Claims and judgments	3,742
Compensated absences	3,751
Workers' Compensation Benefits	<u>5,130</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$ <u>173,234</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a Reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the Government-Wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(1,434) difference are as follows (in thousands):

Capital outlay	\$ 7,045
Depreciation expense	<u>(8,479)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(1,434)</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 2 – Reconciliation of government-wide and fund financial statements**  
**(Continued):**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**  
**(Continued):**

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$31,553 difference are as follows (in thousands):

Principal repayments:	
General obligation debt	\$ 28,440
Limited obligation debt	496
Other debt	<u>2,617</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>31,553</u>

Another element of that reconciliation states that "The activities from debt related transactions include new capital lease proceeds reported in the fund statements and retirement of prior lease." The details of this \$(4,037) difference are as follows (in thousands):

Debt issued or incurred:	
Capital lease financing	\$ -
Principal repayments:	
Payment on capital lease	<u>(4,037)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(4,037)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(12) difference are as follows (in thousands):

Compensated absences	\$ (522)
Workers' compensation benefits	(245)
Claims and judgments	1,179
Accrued interest	120
Amortization of bond premium	(611)
Amortization of bond discounts	<u>67</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(12)</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 2 – Reconciliation of government-wide and fund financial statements  
(Continued):**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities  
(Continued):**

Another element of that reconciliation states that "Revenues recognized on the full accrual basis for the Government-Wide Statements but are not recognized on the fund statements." The details of this \$(3,208) difference are as follows (in thousands):

Property taxes receivable	\$ <u>(3,208)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(3,208)</u>

Another element of that reconciliation states that "Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this \$(655) difference are as follows (in thousands):

Change in net position of the internal service funds	\$ <u>(655)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(655)</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 3 – Stewardship, Compliance and Accountability**

**A. BUDGETARY INFORMATION**

The City follows these procedures in establishing budgetary data reflected in the financial statements.

1. The Finance Division of the Department of Administration prepares estimates of available revenue.
2. Department Directors submit proposed expenditure budgets to the Finance Division of the Department of Administration by June 1 each year.
3. The Finance Division of the Department of Administration reviews the expenditure budgets, and the necessary revisions are communicated to department directors.
4. Budgeted revenues and expenditures are balanced, and a summary budget is prepared by July 1, and presented to the Mayor.
5. The Mayor submits the proposed budget to the City Council by August 1. The final budget is approved by September 15 and must be published in a local newspaper on or before September 30.
6. The budget is formally amended in September each year or any time that budget revisions through funds reallocation are necessary or a budget deficit is indicated.
7. The City prepares annual budgets for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, Enterprise Funds, Internal Service Fund and Trust Funds (with the exception of the Charitable Trust Fire and Police Fund). Budgets for the Enterprise Funds are prepared on a GAAP basis but exclude depreciation and bad debt expense and include debt retirement payments. The General Fund, Debt Service Fund, Special Revenue Funds, Capital Projects Funds, Internal Service Fund and Trust Funds are prepared in accordance with GAAP. Budget and actual comparisons are presented in the accompanying financial statements for all governmental type funds for which a budget is adopted.

During the fiscal year, several adjustments are normally required to the adopted budget. The approved budget may be amended as required in accordance with the following protocol:

- a. Revenues are reviewed at least quarterly, and the projections are adjusted if warranted. These adjustments to expected revenues, if material, can precipitate adjustments to the expenditure budget.
- b. Adjustments to transfer approved expenditure budgets from one department to another or to transfer from one category to another within a department must be approved by the City Council.
- c. All new appropriations must be approved by the City Council and are normally submitted by the Mayor's Office.

The legal level of control for all budgets adopted is at the category level by funds with the exception of the General Fund, which is appropriated at the category level by department. Administrative control for all budgets is maintained through the establishment of more detailed line-item budgets.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 3 – Stewardship, Compliance and Accountability (Continued):**

**A. BUDGETARY INFORMATION (Continued):**

The Finance Division of the Department of Administration exercises budgetary monitoring throughout the fiscal year. An adopted budget may not exceed its appropriated level without City Council approval. The Finance Division of the Department of Administration advises the Mayor whenever a requested expenditure will exceed budgeted amounts. The City Council may approve expenditures in excess of budgeted amounts in various funds or departments as appropriate, as long as total annual expenditures do not exceed available resources. Adjustments in expenditure rates, if necessary, are implemented by the City Council as required, so that the total expenditures and resources will remain in balance throughout the year.

8. Budgeted expenditure or expense amounts as originally adopted were amended by the City Council in September 30, 2016 as provided by law, as follows (in thousands):

	Originally Adopted Budget	Budget as Amended	Increase (Decrease)
General Fund	\$ 123,723	\$ 128,480	\$ 4,756
Special Revenue Funds	12,461	11,977	(484)
Debt Service Fund	12,950	44,189	31,239
Capital Projects Funds	29,146	36,400	7,254
Enterprise Funds	257,155	246,724	(10,431)
Internal Service Fund	14,654	16,110	1,456
	<u>\$ 450,089</u>	<u>\$ 483,880</u>	<u>\$ 33,790</u>

9. Unexpended appropriations lapse at year end in all funds.

**B. DEFICIT FUND BALANCES / NET POSITION**

The City has no deficit fund balances/net position by individual fund as of September 30, 2016.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 4 – Detailed notes on all funds**

**A. DEPOSITS AND INVESTMENTS**

**1. Policies and Practices**

The collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC).

**2. Deposits – Primary government**

At year end, the carrying amount of the City's deposits was \$100,519,219 and the bank balances totaled \$114,799,675. Of the bank balances, \$250,000 was insured by federal deposit insurance and \$114,549,675 was covered by pooled and/or pledged collateral, as allowed by the Mississippi Code.

**3. Investments – Primary Government**

As of September 30, 2016, the City had no investments.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to losses from rising interest rates, the City's investment policy limits investment maturities in its portfolio to no more than 12 months for U.S. Treasury obligations for all investments except bond funds. With respect to bond funds, the City can invest in obligations of U.S. federal agencies for no more than 18 months.

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possessions of an outside party. Consistent with the City's investment policy, all investments above are held by counterparty and are not insured but are backed by the U. S. government.

Following is a list of the City's eligible investments, which in accordance with State statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

- Certificates of deposit with municipal depositories approved annually by the State Treasurer
- Money market mutual funds where portfolios consist entirely of U. S. governmental and/or federal agency securities
- Bonds or direct obligations of the:
  - United States of America
  - State of Mississippi
  - County or Municipality of Mississippi
  - School Districts

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**A. DEPOSITS AND INVESTMENTS (Continued):**

**4. Cash and Investments - Component Units**

The component unit's policy is to invest available funds in the following types of investments: 1) direct obligations of the U. S. of America, including such instruments as treasury bills, treasury notes and treasury bonds; 2) obligations of U. S. Government agencies that are deliverable on the Federal Reserve System; 3) Repurchase agreements in U. S. Government securities made with dealers that report to and are regulated by the Federal Reserve Bank; 4) deposits with financial institutions which are insured or are fully collateralized by qualifying securities.

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). As of September 30, 2016 all of the component unit's cash deposits in excess of the amounts covered by the FDIC were covered under the collateral pool administered by the State Treasurer.

Investments are reflected at cost, which approximates fair value. These investments were uninsured, unregistered, and held by the counterparty brokerage firm. At September 30, 2016, investments of the component unit consisted of the following (in thousands):

Capital City Convention Center Commission  
 Certificate of deposit:  
 Unrestricted \$ 500

**B. RECEIVABLES**

Receivables at September 30, 2016, for the primary government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

	General	Debt Service	Water and Sewer	Sanitation	Federal Grant	2003 G O Bond	Nonmajor and Other Funds	Capitol Street 2-Way	Improvement	Total
Receivables:										
Accounts receivable	\$ -	\$ -	\$ 50,852	\$ 9,220	\$ -	\$ -	\$ 705	\$ -	\$ -	\$ 60,577
Intergovernmental	32	-	-	-	942	-	1,853	128	67	2,822
Other	<u>64,063</u>	<u>3,593</u>	-	-	<u>447</u>	<u>181</u>	<u>7,385</u>	-	-	<u>75,669</u>
Gross receivables	<u>\$ 64,095</u>	<u>\$ 3,593</u>	<u>\$ 50,852</u>	<u>\$ 9,220</u>	<u>\$ 1,389</u>	<u>\$ 181</u>	<u>\$ 9,743</u>	<u>\$ 128</u>	<u>\$ 67</u>	<u>\$ 139,068</u>

Receivables of Water and Sewer are reported net of uncollectible amounts.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**B. RECEIVABLES (Continued):**

**1. Property taxes**

Property taxes on real and personal property, exclusive of automobiles, attach as an enforceable lien on the levy date or January 1 for the preceding calendar year. Hinds, Rankin and Madison Counties bill and collect the real, personal and auto ad valorem taxes for the City of Jackson, Jackson Municipal Separate School District and the Jackson/Hinds Library System. Automobile taxes are remitted monthly and real and personal taxes are remitted on a weekly basis to the City of Jackson. Hinds County remits directly to the Jackson Municipal Separate School District taxes collected for all school funds except the Bond and Interest Fund in accordance with State law. Hinds County also remits to the City a pro rata share of road and bridge taxes collected by the County.

The taxes are due on or before February 1; however, installment payments can be made one-half of balance due on February 1 and one-fourth each on May 1 and August 1.

Tax millage levies for 2015 were collected in the current fiscal year and statutory maximum millage rates were as follows:

<u>Fund</u>	<u>Levy (in mills)</u>	<u>Purpose</u>	<u>Maximum</u>
General Fund	47.39	General	None
Parks and Recreation Fund	2.00	Recreation	2.00 mills
Debt Service Fund	2.98	Debt retirement	None
Disability and Relief Fund	<u>3.89</u>	Retirement	None
Total City of Jackson	<u>56.26</u>		
Jackson/Hinds Library System	<u>1.77</u>	Public library	None
Jackson Municipal Separate School District:			
District Supplement Levy	65.91	Public schools	None
Special Debt Retirement Levy	2.62	Public schools	None
Special Debt Retirement Bond	5.07	Public schools	None
Special Debt Retirement	<u>9.07</u>	Public schools	None
	<u>82.67</u>		
Total mills	<u>140.70</u>		

The City levies an assessment for the Landscape Improvement fund which consists of ten cents of the gross square footage of land and building of property owners located in the downtown development district.

The City is permitted to levy taxes based on a percentage of up to 100% of fair value of property at the millage indicated above. At the present time, the City levies taxes based on 10% of fair value for homeowner-occupied real property, 15% of fair value for all other real and personal property, and 30% of fair value for all motor vehicles and property owned by public service corporations. The City may levy taxes as necessary to meet bonded debt retirement. Limitations are imposed on the amount of bonded debt that may be issued based upon assessed valuation of properties.

Annual tax increases for all purposes except payment of general obligation bonds and interest are limited by State law to 10% of the preceding year's receipts plus new construction.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

Individual fund interfund receivable and payable balances as of September 30, 2016 follow (in thousands):

	Interfund Receivables	Interfund Payables
General Fund	\$ 781	\$ -
Water/Sewage Disposal System	572	-
Sanitation	-	572
Federal Grant Fund	-	131
2003 G O Bond	-	156
Nonmajor Governmental Fund	-	206
Nonmajor Proprietary Fund	-	288
Total	<u>\$ 1,353</u>	<u>\$ 1,353</u>

Summary of transfer in/transfer out within primary government (in thousands):

	Transfer In	Transfer Out
General Fund	\$ -	\$ 15,625
Debt Service Fund	2,077	-
Major Proprietary Fund	-	2,164
Federal Grant Fund	720	-
Nonmajor Governmental Funds	2,502	1,000
Internal Service Fund	8,108	-
Nonmajor Proprietary Funds	4,246	-
Improvement Fund	1,136	-
Total	<u>\$ 18,789</u>	<u>\$ 18,789</u>

Interfund transfers at September 30, 2016 consist of the following (in thousands):

\$ 2,077	From the Major Proprietary Fund to the Debt Service Fund to subsidize operations.
87	From the Major Proprietary Fund to the Nonmajor Proprietary Fund to subsidize operations.
720	From the General Fund to the Federal Grant Fund to subsidize operations.
2,502	From the General Fund to the Nonmajor Governmental Fund to subsidize operations.
8,108	From the General Fund to the Internal Service Fund to subsidize operations.
4,159	From the General Fund to the Nonmajor Proprietary Fund to subsidize operations.
1,136	From the General Fund to the Improvement Fund to subsidize operations.
<u>\$ 18,789</u>	

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**E. CAPITAL LEASES:**

The City leases property with varying terms and options. Most leases contain a clause that states that the lease shall terminate in the event that no funds or insufficient funds are appropriated. However, if renewal is reasonably assured, leases are considered noncancellable leases for financial reporting purposes.

The City has financed through lease agreements the acquisition of the data processing division computer system, word-processing systems for the legal division, computerized records management system and a computer-aided dispatch system for the fire and police departments, and various copying and duplicating equipment. In addition, tractors have been acquired for both the Water Maintenance and the Engineering Maintenance divisions; golf carts have been acquired for the City's golf courses and riding lawn mowers have been acquired for park maintenance. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception. Future minimum lease payments under operating leases are disclosed in the following note. At September 30, 2016, there were assets under capital lease totaling \$23,847,532 for machinery and equipment. Future minimum lease payments for capital leases are disclosed in Note 4.G.8.

The City has reported the proceeds of capital leases related to its Proprietary Funds as inflows of cash since the City receives cash advances from the lessors and purchases the related assets.

**F. OPERATING LEASES:**

The City is obligated under certain noncancellable leases for land and buildings with terms remaining more than one year that are classified as operating leases. Operating leases do not give rise to property rights; therefore, the results of the lease agreements are not reflected in the City's account groups. Total lease expenditures for the rental of all land and buildings under operating leases for the year ended September 30, 2016, amounted to \$707,712.65. The following is a schedule by years of future minimum lease payments required under the noncancellable land and building operating leases as of September 30, 2016, (in thousands of dollars):

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 164
2018	164
2019	164
2020	164
2021	164
2022 and thereafter	923
Total	<u>\$ 1,743</u>

The total rental expenditures for all operating leases of the City for the year ended September 30, 2016 totaled to \$1,394,476.91. There were no subleases or contingent rentals associated with the operating leases.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT:**

**1. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds if they are to be repaid from proprietary revenues.

The City issued \$20 million of general obligation bonds in January 2003 to provide funds for the costs of: (A) erecting, repairing, improving, and equipping municipal buildings, (B) improving streets, (C) traffic signals, (D) drainage improvements.

On January 1, 2009, the City issued \$26,210,000 General Obligation Street Resurfacing Bond. The Bonds are being issued to provide funds to (a) purchase the City Bond to provide funds to the City to pay the costs of constructing, improving and paving streets, sidewalks, driveways, parkways, walkways and public parking facilities, and purchasing land therefore; and constructing bridges and culverts and (b) pay the Costs of Issuance of the Bonds and the City Bond.

On September 1, 2010, the City issued \$23,665,000 in General Obligation Refunding Bonds Series A & B. The bonds were issued to provide funds to the City in order to refund, defease and/or restructure certain outstanding maturities on the \$5,490,000 General Obligation Refunding Bond, Series 1998, the \$35,000,000 General Obligation Bonds, Series 1998, the \$20,000,000 General Obligation Bonds, Series 2003, the \$20,960,000 General Obligation Refunding Bonds, Series 2005, the \$5,155,000 General Obligation Refunding Bonds, Series 2008, and the \$26,210,000 General Obligation Bonds, Series 2009, and to pay the costs of issuance.

The average interest rate on the 2010 General Obligation Refunding Bond is 4.17%. The net proceeds of \$25,128,292 resulted in an economic loss to the City in the amount of (\$2,116,552). The 1998 General Obligation Bond \$5,490,000, the 1998 General Obligation Bond \$35,000,000, and the 2008 General Obligation Bond \$5,155,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position. A portion of the 2003 General Obligation Bond \$20,000,000, 2005 General Refunding Bond \$20,960,000, and the 2009 General Obligation Bond \$26,210,000 were not refunded.

On April 1, 2012, the City issued \$11,500,000 in General Obligation Note, Series 2012. The note was issued to provide (a) erecting municipal buildings; (b) establishing sanitary, storm, drainage or sewage and repairing, improving and extending the same; (c) constructing bridges; and (d) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities and purchasing land.

On February 21, 2013, the City issued \$64,940,000 in General Obligation Refunding Bonds, Series 2013. Net present value savings related to the refunding bonds totaled \$2,463,877.02 or 4.05%, 3.79%, and 3.47% of the refunded bonds and reduced total debt service by \$2,518,549. The proceeds of the Series 2013 Bonds will be used by the City for the purposes of (a) refunding, defeasing and/or restructuring all or a portion of the outstanding maturities of the 2006 City Bond and (b) paying certain costs of issuance of the Series 2013 Bonds and the City Bond. The 2006 Bank Bonds were issued to provide funds to purchase the 2006 City Bond. The proceeds of the 2006 City Bond were used by the City to finance construction and equipping of the Capital City Convention Center (the "Convention Center").

On December 18, 2015, the City issued \$17,635,000 in General Obligation Refunding Bonds Series 2015 A & B. The bonds were issued for the purpose of (a) refunding, defeasing and restructuring all or a portion of the outstanding maturities on the original principal amount of (i) \$20,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2003 (City of Jackson, Mississippi General Obligation Bonds Project) dated January 15, 2003, and a corresponding portion of the \$20,000,000 City of Jackson, Mississippi General Obligation Bond, Series 2003, (ii) \$20,960,000 City of Jackson, Mississippi General Obligation Bonds, Series 2005, dated August 4, 2005, (iii) \$65,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2006 (City of Jackson, Mississippi General Obligation Capital City Convention Center Project), dated November 8, 2006, and a corresponding portion of the \$65,000,000 City of Jackson, Mississippi General Obligation Bond, Series 2006 (Capital City Convention Center Project), (iv) \$26,210,000 Mississippi Development Bank Special Obligation Bonds, Series 2009 (City of Jackson, Mississippi General Obligation Street Resurfacing Project), dated January 6, 2009, and a corresponding portion of the \$26,210,000 City of Jackson, Mississippi General Obligation Street Resurfacing Bond, Series 2009, and

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

(v) \$64,940,000 Mississippi Development Bank Special Obligation Bonds, Series 2013 (City of Jackson, Mississippi General Obligation Capital City Convention Center Refunding Project), dated February 28, 2013, and a corresponding portion of the \$64,940,000 City of Jackson, Mississippi General Obligation Refunding Bond, Series 2013 (Capital City Convention Center Project), and (b) paying the costs incident to the sale and issuance of the Series 2015 A & B Bonds.

The average interest rate on the 2015 General Obligation Refunding Bond is 4.15%. The net proceeds of \$18,605,644.80 resulted in an economic loss to the City in the amount of \$(1,247,198.25). The 2005 General Obligation Bond \$20,960,000 and the 2006 General Obligation Bond \$65,000,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position. A portion of the 2003 General Obligation Bond \$20,000,000, the 2009 General Obligation Bond \$26,210,000, and the 2013 General Obligation Refunding Bond \$64,940,000 were not refunded.

On August 30, 2016, the City issued \$12,384,000 in General Obligation Refunding Bonds, Series 2016. The bonds were issued to provide funds for the purpose of advance refunding and defeasing a portion of the \$26,210,000 (original principal amount) Mississippi Development Bank Special Obligation Bonds, Series 2009 (City of Jackson, Mississippi General Obligation Street Resurfacing Project), dated January 6, 2009.

The average interest rate on the 2016 General Obligation Refunding Bond is 2.125%. The net proceeds of \$12,497,437.44 resulted in an economic gain to the City in the amount of \$728,535.18. A portion of the 2009 General Obligation Bond \$26,210,000 were not refunded.

At September 30, 2016, the City had \$14,565,000 of general obligation bonds considered to be defeased.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds in denominations of \$5,000 with principal maturing annually and interest due at various semi-annual dates. General obligation bonds currently outstanding at September 30, 2016, were as follows (in thousands):

	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
<u>General Obligation Bonds:</u>					
MS Development Bank GO Bonds, Series 2003	01/05/03	2.00-5.25%	03/01/23	20,000	\$ 5,690
General Obligation Bonds, Series 2009	01/01/09	4.00-5.80%	01/01/24	26,210	1,865
General Obligation Refunding Series 2010A	09/01/10	3.00-5.00%	09/01/24	16,655	16,655
General Obligation Refunding Series 2010B	09/01/10	4.37%	09/01/24	7,010	7,010
General Obligation Refunding Series 2013	02/21/13	3.00-5.00%	03/01/36	64,940	64,490
General Obligation Refunding Series 2015A	12/18/15	3.00-5.00%	05/01/36	17,465	17,465
General Obligation Refunding Series 2015B	12/18/15	2.95%	05/01/20	170	170
General Obligation Refunding Series 2016	08/30/16	3.00-4.00%	01/01/24	12,384	<u>12,384</u>
Total General Obligation Bonds					<u>\$ 125,729</u>
	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
<u>General Obligation Notes:</u>					
General Obligation Notes Payable Series 2012	04/01/12	1.71%	09/01/24	11,500	\$ 2,300
Total General Obligation Notes					<u>\$ 2,300</u>



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**2. Revenue Bonds**

On September 1, 2011, the City issued \$46,720,000 and \$2,565,000 in Water/Sewer System Revenue Refunding Bonds to advance refund \$42,355,000 of outstanding Water/Sewer System Revenue Bonds, Series 2002, \$1,140,000 of outstanding Water/Sewer Revenue Refunding, Series 2004, and \$2,790,000 of outstanding Water/Sewer Revenue Refunding, Series 2005. The purpose for issuing the Tax-Exempt Bonds is (a) to fund the 2011A Purchase Account, in order to provide funds for the purchase of the Tax-Exempt City Bond (which amounts are to provide financing for the refunding, defeasance and/or restructuring of a portion of the Prior Bonds pursuant to the Act), (b) to pay the premium for the Bond Insurance Policy and the Surety Bond for the Tax-Exempt Bonds, and (c) to fund the 2011A Bond Issuance Expense Account to pay the Costs of Issuance in connection with the Tax-Exempt Bonds and the Tax-Exempt City Bond. The purpose for issuing the Taxable Bonds is (a) to fund the 2011B Purchase Account, in order to provide funds for the purchase of the Taxable City Bond (which amounts are to provide financing for the refunding and/or restructuring of a portion of the Prior Bonds pursuant to the Act), (b) to pay the premium for the Bond Insurance Policy and the Surety Bond for the Taxable Bonds, and (c) to fund the 2011B Bond Issuance Expense Account to pay the Costs of Issuance in connection with the Taxable Bonds and the Taxable City Bond. The City completed the advance refunding to reduce its debt service payments over the next 21 years by \$3,838,070 and to obtain an economic gain (difference between the present values of the old debt and the new debt service payments) of \$144,146.

On September 1, 2012, the City issued \$63,045,000 and \$19,180,000 in Water/Sewer Revenue Refunding Bonds to advance refund \$76,120,000 of outstanding Water/Sewer System Revenue Refunding, Series 2004. The purpose for issuing the Tax-Exempt Bonds is (a) amount will provide financing for the refunding, defeasance and/or restructuring of the Series 2004 Bonds and the 2004 City Bonds, (b) as to the Taxable Bonds, to purchase the Taxable City Bond, which amount will provide financing for the refunding, defeasance and/or restructuring of the Series 2004 Bonds and 2004 City Bonds, (c) to pay premium for the Surety Bond and the Policy and (d) to fund the costs of issuance in connection with the Series 2012 Bonds and the Series 2012 City Bonds. The City completed the advance refunding to reduce its debt service payments over the next 20 years by \$3,067,182 and to obtain an economic gain (difference between the present values of the old debt and the new debt service payments) of \$3,062,988.

On June 1, 2013, the City issued \$89,990,000 in Water/Sewer Revenue Bonds with an average interest rate of 6.07. The Series 2013 Bonds are being issued pursuant to the Act for the purpose of providing funds to purchase the Series 2013 City Bond. This amount will provide financing for improvement and repair of the system in accordance with the Performance Contract, pay the premium for the Surety Bond and the Policy, and a fund the costs of issuance in connection with the Series 2013 Bonds and the Series 2013 City Bond.

On August 24, 2016, the City issued \$17,135,000 in Water/Sewer Revenue Refunding Bonds, Series 2016. The Series 2016 Bonds were issued to realize debt service savings and for the purpose of the providing funds to: (i) currently refund all of the City's outstanding Water and Sewer System Revenue Refunding Bonds, Series 2005, issued in the original principal amount of \$27,180,000, of which \$18,325,000 remains outstanding; (ii) pay the premium for the Surety Bond and the Policy; and (iii) pay certain costs of issuance in connection with the Series 2016 Bonds. The average interest rate on the 2016 Water/Sewer Revenue Refunding Bonds is 4.66%. The net proceeds of \$18,623,514.04 resulted in an economic loss to the City in the amount of \$(298,514.04). The 2005 Water/Sewer System Revenue Refunding Bonds of \$27,180,000 are considered to be defeased and the liability for those bonds have been removed from the Government-Wide Statement of Net Position.

Revenue bonds outstanding at September 30, 2016, were as follows (in thousands):

<u>Revenue Bonds:</u>	<u>Date of</u>	<u>Interest</u>	<u>Final</u>		
<u>Enterprise Funds:</u>	<u>Obligation</u>	<u>Rate</u>	<u>Maturity</u>	<u>Issued</u>	<u>Outstanding</u>
			<u>Date</u>		
Water/Sewer Revenue Refunding 2011A	09/01/11	2.50-5.00%	09/01/34	46,720	40,150
Water/Sewer Revenue Refunding 2011B	09/01/11	4.070-5.40%	09/01/34	2,565	2,265
Water/Sewer Revenue Refunding 2012A	09/01/12	3.50-5.00%	09/01/34	63,045	63,045
Water/Sewer Revenue Refunding 2012B	09/01/12	1.00-2.375%	09/01/20	19,180	9,870
Water/Sewer Revenue 2013	06/01/13	5.00-6.875%	06/01/39	89,990	89,990
Water/Sewer Revenue Refunding 2016	08/24/16	3.00-4.000%	09/01/24	17,135	17,135

Total Revenue Bonds

\$ 222,455

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**3. Tax Increment Limited Obligation Bonds**

The City issued \$2.270 million of tax increment limited obligation bonds in December 2007 to provide funds for the costs of constructing certain infrastructure improvements, site development and or site preparation in connection with the development and construction of a redevelopment project located within the City. The City entered into an Interlocal Cooperation Agreement with Hinds County, Mississippi, to provide the pledge of certain ad valorem tax revenues for the payment of the principal and interest on the bonds. As a result, the bonds are not a general obligation of the City.

On April 23, 2009, the City issued \$407,000 of tax increment limited obligation bonds to provide funds for infrastructure improvements, including site utilities such as electrical, water, sanitary sewer and natural gas lines; installation of storm drainage and site work; construction of entrances with curb and gutter, sidewalks; landscaping of rights-of-way; installation of fencing and entry gates; capitalized interest; related engineering costs and expenses; TIF plan preparation fees; other incidental costs; and related professional fees.

On June 19, 2009, the City issued \$1,600,000 of tax increment limited obligation bonds to provide funds for infrastructure improvements supporting the project including, installation of site utilities such as water, sanitary sewer, and natural gas lines; landscaping of rights-of-way; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees for the project.

On December 30, 2010, the City issued \$2,800,000 of tax increment limited obligation bonds to provide funds for the renovation and related construction of properties generally known as the King Edward Hotel and Garage and the Standard Life Building and related properties located in a portion of the City Block bounded by Mill, Capitol, Roach, and Pearl Street.

Limited obligation bonds outstanding at September 30, 2016, are as follows (in thousands):

<u>Limited Obligation Bonds:</u>	<u>Date of</u>	<u>Interest</u>	<u>Final</u>		
<u>General Long-Term Debt:</u>	<u>Obligation</u>	<u>Rate</u>	<u>Maturity</u>	<u>Issued</u>	<u>Outstanding</u>
			<u>Date</u>		
Tax Increment Financing Bonds, 2007	12/28/2007	4.47%	3/1/2020	2,270	\$ 940
Tax Increment Financing Bonds, 2009	4/23/2009	4.20%	4/1/2024	407	254
Tax Increment Financing Bonds, 2009	6/19/2009	4.75%	7/1/2022	1,600	855
Tax Increment Financing Bonds, 2010	12/30/2010	4.75-5.50%	3/1/2030	2,800	<u>2,031</u>
 Total Limited Obligation Bonds					 <u>\$ 4,080</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**4. Section 108 Loan**

On July 1, 2008, the City entered into a loan guaranty assistance in an amount not to exceed the \$10,000,000 under Section 108 of the Housing and Community Development Act of 1974 for the purpose of providing assistance for the Capital City Center Revitalization Project and for development of a revolving business loan program. Under the Contract for Loan Guarantee Assistance between the City and HUD, HUD authorized the City to loan up to \$10,000,000 under the 108 Program to TCI MS Investment, Inc. for special economic development activities under 24 CFR 570.703(i)(1) and 570.203(b) and, in particular, for "site assemblage" costs for the Revitalization Project. Upon repayment of the TCI Loan, the City is authorized to use funds under the 1098 program for the Business Loan Pool.

The Revitalization Project is to consist of development of two (2) hotels, commercial and retail space, a parking garage and residential facilities to help revitalize the City's CBD while providing job creation for persons of low and moderate income through construction activities and then through the new businesses opened as part of the Revitalization Project. The Business Loan Pool is to be used to provide loan to for-profit and non-profit businesses and organizations which meet the eligibility requirements of 24 CFR 570.703, the national objective requirements of 570.208 and, if applicable, the public benefit standards of 570.209(b).

As required by the Guaranty Agreement, the City also entered into an agreement with Regions Bank to serve as custodian of original loan and security documents for the loan to TCI.

**5. Jackson Redevelopment Authority**

**Urban Renewal Bonds and Notes**

Urban renewal bonds and notes are issued to provide funds for various rehabilitation projects at September 30, 2016, were as follows (in thousands):

	<u>Date of Obligation</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
<u>Urban Renewal Bonds:</u>					
<u>Enterprise Funds:</u>					
Urban Renewal Bond, Series, 2011A	06/01/11	3.25%	06/01/31	7,165	\$ 5,945
Urban Renewal Bond, Series, 2011B	06/01/11	5.15%	06/01/23	2,745	2,220
Urban Renewal Bond, Series, 2015	10/30/15	1.375%	11/01/18	3,350	<u>3,350</u>
Total Urban Renewal Bonds and Notes					<u>\$ 11,515</u>



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

6. A summary of long-term debt transactions for the primary government and for the component unit for the year ended September 30, 2016, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
<b>Governmental activities:</b>						
Bonds and loans payable:						
General obligation bonds	\$ 124,150	\$ 30,019	\$ 28,440	\$ -	\$ 125,729	\$ 297
Limited obligation bonds	4,576	-	496	-	4,080	527
General Obligation Note	4,600	-	2,300	-	2,300	2,300
State revolving loan MDA	259	-	42	-	217	43
Miss. Development Bank Loan	2,159	-	275	-	1,884	294
Section 108 Loan	7,000	-	-	-	7,000	-
Less deferred amounts:						
For issuance discount	(313)	(88)	(22)	-	(379)	-
For issuance premium	6,728	1,172	561	-	7,339	-
Total bonds payable	149,159	31,103	32,092	-	148,170	3,461
Capital leases	15,677	-	4,037	-	11,640	2,985
Claims and judgments	2,563	1,769	591	-	3,741	770
Workers' Compensation Benefits	5,376	1,567	1,813	-	5,130	1,680
Compensated absences	4,273	1,665	2,187	-	3,751	2,582
	27,889	5,001	8,628	-	24,264	8,017
Total Governmental Activity	\$ 177,048	\$ 36,104	\$ 40,720	\$ -	\$ 172,432	\$ 11,478
<b>Business-type activities:</b>						
Bonds and loans payable:						
Revenue bonds	\$ 227,910	\$ 17,135	\$ 22,590	\$ -	\$ 222,455	\$ 7,830
Miss. Development Bank Loan	5,021	-	658	-	4,363	717
Less deferred amounts:						
For issuance discount	(2,203)	(118)	(1,478)	-	(843)	-
For issuance premiums	15,113	630	1,188	-	14,555	-
Total bonds payable	245,841	17,647	22,958	-	240,530	8,547
Capital leases	2,719	-	1,550	-	1,169	716
State Revolving Loan (DEQ)	25,633	3,575	1,886	-	27,322	2,405
Compensated absences	494	149	219	-	424	271
	28,846	3,724	3,655	-	28,915	3,392
Total Business-type activities	\$ 274,687	\$ 21,371	\$ 26,613	\$ -	\$ 269,445	\$ 11,939
<b>Component Unit – Jackson Redevelopment Authority</b>						
Urban Renewal bonds	\$ 14,877	\$ 3,350	\$ 4,310	\$ (2,402)	\$ 11,515	\$ 805
Less deferred amounts:						
On refunding	(136)	-	-	-	(136)	-
Total Component Unit	\$ 14,741	\$ 3,350	\$ 4,310	\$ (2,402)	\$ 11,379	\$ 805
Total Long-Term Debt	\$ 466,476	\$ 60,825	\$ 71,643	\$ (2,402)	\$ 453,256	\$ 24,222



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

7. The City's legal debt margin for the issuance of general obligation bonds was \$107,047,217 at September 30, 2016.

**8. Annual Maturities Requirements**

The annual requirements to amortize all long-term debts outstanding, net of unamortized bond discount of \$136,460 for the component unit as of September 30, 2016, including interest, by source of retirement are as follows (in thousands):

**Debt Service Fund (Special Tax Levy)**

Fiscal Year	General Obligation Bonds		Total
	Interest	Principal	
2017	\$ 4,965	\$ 297	\$ 5,262
2018	4,932	2,985	7,917
2019	4,742	5,826	10,568
2020	4,446	8,958	13,404
2021	4,065	9,414	13,479
2022 – 2026	14,589	39,514	54,103
2027 – 2031	9,302	25,300	34,602
2032 – 2036	3,842	33,435	37,277
Total	<u>\$ 50,883</u>	<u>\$ 125,729</u>	<u>\$ 176,612</u>

Fiscal Year	State Revolving Loan MDA		Total
	Interest	Principal	
2017	\$ 6	\$ 43	\$ 49
2018	4	48	52
2019	3	48	51
2020	2	50	52
2021	-	28	28
Total	<u>\$ 15</u>	<u>217</u>	<u>\$ 232</u>

Fiscal Year	General Obligation Note		Total
	Interest	Principal	
2017	\$ 39	\$ 2,300	\$ 2,339
Total	<u>\$ 39</u>	<u>\$ 2,300</u>	<u>\$ 2,339</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

Fiscal Year	MS Development Bank Loan		Total
	Interest	Principal	
2017	\$ 31	\$ 294	\$ 325
2018	31	294	325
2019	31	294	325
2020	31	294	325
2021	31	294	325
2022-2026	45	414	459
Total	<u>\$ 200</u>	<u>\$ 1,884</u>	<u>\$ 2,084</u>

Fiscal Year	Limited Obligation Bonds		Total
	Interest	Principal	
2017	\$ 143	\$ 527	\$ 670
2018	117	554	671
2019	90	588	678
2020	62	606	668
2021	38	380	418
2022-2026	810	586	1,396
2027-2031	102	839	941
Total	<u>\$ 1,362</u>	<u>\$ 4,080</u>	<u>\$ 5,442</u>

**General Fund (General Fund Revenues)**

Fiscal Year	Obligation Under Capital Leases		Total
	Interest	Principal	
2017	\$ 225	\$ 2,985	\$ 3,210
2018	190	2,587	2,757
2019	146	1,363	1,509
2020	112	1,397	1,509
2021	80	754	834
2022-2026	143	2,574	2,717
Total	<u>\$ 896</u>	<u>\$ 11,640</u>	<u>\$ 12,536</u>

Fiscal Year	HUD Section 108		Total
	Interest	Principal	
2017	\$ 29	\$ -	\$ 29
2018	29	250	279
2019	29	650	679
2020	29	650	679
2021	29	650	679
2022-2026	29	3,250	3,279
2027-2031	29	1,550	1,579
Total	<u>\$ 203</u>	<u>\$ 7,000</u>	<u>\$ 7,203</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**Enterprise Funds - Water/Sewage Disposal System Fund (Water/Sewer Revenue)**

Revenue Bonds			
Fiscal Year	Interest	Principal	Total
2017	\$ 11,327	\$ 7,830	\$ 19,157
2018	11,084	8,070	19,154
2019	10,786	8,370	19,156
2020	10,457	8,705	19,162
2021	10,142	9,015	19,157
2022-2026	44,131	47,125	91,256
2027-2031	31,290	53,210	84,500
2032-2036	16,755	48,710	65,465
2037-2041	5,697	31,420	37,117
Total	<u>\$ 151,669</u>	<u>\$ 222,455</u>	<u>\$ 374,124</u>

Obligation Under Capital Lease			
Fiscal Year	Interest	Principal	Total
2017	11	716	727
2018	3	453	456
Total	<u>\$ 14</u>	<u>\$ 1,169</u>	<u>\$ 1,183</u>

State Revolving Loan			
Fiscal Year	Interest	Principal	Total
2017	\$ 467	\$ 2,405	\$ 2,872
2018	415	1,950	2,365
2019	363	1,735	2,098
2020	328	1,504	1,832
2021	296	1,536	1,832
2022 – 2026	1,074	6,133	7,207
2027 – 2031	558	7,035	7,593
2032 – 2036	118	5,024	5,142
Total	<u>\$ 3,619</u>	<u>\$ 27,322</u>	<u>\$ 30,941</u>

MS Development Bank Loan			
Fiscal Year	Interest	Principal	Total
2017	\$ -	\$ 717	\$ 717
2018	-	717	717
2019	-	717	717
2020	-	717	717
2021	-	717	717
2022 – 2026	-	778	778
Total	<u>\$ -</u>	<u>\$ 4,363</u>	<u>\$ 4,363</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**Jackson Redevelopment Authority (Urban Renewal Project Revenues)**

<u>Fiscal Year</u>	<u>Jackson Redevelopment Authority Notes Payable, Urban Renewal Notes and Bonds</u>		<u>Total</u>
	<u>Interest</u>	<u>Principal</u>	
2017	\$ 492	\$ 805	\$ 1,297
2018	461	830	1,291
2019	381	3,680	4,061
2020	276	560	836
2021	254	585	839
2022 – 2026	891	2,520	3,411
2027 – 2031	<u>353</u>	<u>2,535</u>	<u>2,888</u>
Total	3,108	11,515	14,623
Unamortized refunding cost and discount	<u>-</u>	<u>(136)</u>	<u>(136)</u>
Total	<u>\$ 3,108</u>	<u>\$ 11,379</u>	<u>\$ 14,487</u>

The City has unconditionally and irrevocably agreed to grant and contribute to the Jackson Redevelopment Authority from the General Fund of the City sums sufficient to pay the principal of and interest on the bonds issued by the Jackson Redevelopment Authority for urban renewal purposes, as the same shall mature and become due. Principal and interest maturities for 2016 were paid by contributions from the General Fund of \$1,342,278.

There are a number of requirements contained in various revenue bond ordinances. The City is in compliance with all significant requirements.

**9. Annual Maturities Requirements**

The annual requirements to amortize all debt outstanding for the City and the component unit as of September 30, 2016, including interest of \$136,460 for the component unit are as follows (in thousands):

<u>Fiscal Year</u>	<u>City of Jackson</u>	<u>Jackson Redevelopment Authority</u>
2017	\$ 35,357	\$ 1,297
2018	34,693	1,291
2019	35,781	4,061
2020	38,348	836
2021	37,469	839
2022 and thereafter	<u>435,411</u>	<u>6,299</u>
Total	<u>\$ 617,059</u>	<u>\$ 14,623</u>



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 4 – Detailed notes on all funds (Continued):**

**G. LONG-TERM DEBT (Continued):**

**10. Interest Rate Swap**

On March 31, 2004, the City and the Mississippi Development Bank (collectively "the City") executed a confirmation with RFPC, LLC (a subsidiary of Rice Financial Products Company) (the "2004 Swap Counterparty"), in connection with the execution of an Interest Rate Swap Agreement (the "2004 Swap Agreement") in order to reduce the debt service costs associated with certain outstanding obligations of the City. The swap was done in conjunction with the Mississippi Development Bank Special Obligation Bonds Series 2002 (Jackson, Mississippi Water and Sewer System Revenue Bond Project) issued to fund certain water and sewer improvements for the City. The notional amount of the swap is \$49,105,000. The City received a savings pre-payment from the 2004 Swap Counterparty.

On February 24, 2016, the City of Jackson terminated the 2004 Swap Agreement. The City received \$1,510,000 at the closing of the agreement.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 5 – GASB 54 Fund Balance Presentation – Classification Total**

Details of nonspendable, restricted, committed, assigned, and unassigned fund balances for the year ended September 30, 2016 are as follows:

	General Fund	Federal Grant	Debt Service	Improvement Fund	1998 GO Bond	2003 GO Bond	2009 GO Bond	Capitol Street 2-Way	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES:</b>										
<b>NONSPENDABLE:</b>										
General Government	\$ 1,186,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,186,472
<b>RESTRICTED FOR:</b>										
General Government	-	851,446	-	-	-	-	-	-	134,397	985,843
Public Safety	687,422	42,354	-	-	-	-	-	-	-	729,776
Public Works	-	545,451	-	-	-	-	-	-	729,204	1,274,655
Human and Cultural Services	-	1,683,264	-	-	-	-	-	-	-	1,683,264
Debt Service Reserve	-	-	4,275,039	-	-	-	-	-	-	4,275,039
<b>COMMITTED TO:</b>										
General Government	3,481,150	-	-	15,332	-	-	-	-	-	3,496,482
Public Safety	1,584,528	-	-	-	-	-	-	-	-	1,584,528
Public Works	-	-	-	6,040,340	166,742	-	365,405	1,154,349	-	7,726,836
Human and Cultural Services	-	-	-	-	-	-	-	-	288,157	288,157
Employee Benefits	-	-	-	-	-	-	-	-	54,046	54,046
<b>ASSIGNED TO:</b>										
General Government	1,179,401	-	-	-	-	-	-	-	-	1,179,401
<b>UNASSIGNED:</b>										
General Government	6,931,448	-	-	-	-	-	-	-	-	6,931,448
Public Works	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 15,050,421</b>	<b>\$ 3,122,515</b>	<b>\$ 4,275,039</b>	<b>\$ 6,055,672</b>	<b>\$ 166,742</b>	<b>\$ -</b>	<b>\$ 365,405</b>	<b>\$ 1,154,349</b>	<b>\$ 1,205,804</b>	<b>\$ 31,395,947</b>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 6 – Other Information**

**A. RISK MANAGEMENT**

**1. Workers Compensation Benefits**

The City maintains a self-funded workers' compensation plan accounted for in the General Fund. Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments and case reserves development. Liabilities are based on the ultimate costs of settling claims including inflation and other factors and include provisions for estimated claims adjustment expenses. Benefits paid to employees during fiscal year 2016 were \$1,812,571.

The excess workers' compensation insurance is obtained to cover the City for workers' compensation claims in excess of the City's liability of \$1,000,000. Coverage limit is up to \$750,000 except \$1,000,000 for police, firefighter, and first responders.

**2. Unemployment Benefits**

The City also maintains an Unemployment Compensation Revolving Fund (Employee Benefit Trust Fund) established pursuant to state law. In addition to funding all valid claims, the City is required to maintain the balance in the fund at not less than 2% of the first \$14,000 paid each employee during the preceding year. As of September 30, 2016, the required amounts were funded. Claims totaled \$153,648 during fiscal year 2016. Estimates of the liability for unpaid claims are based on patterns of claims payments.

**3. Group Benefits**

Additionally, the City maintains the Employees' Group Benefit Fund (Internal Service Fund) to account for the accumulation of revenues, principally contributions from the City of Jackson and employees to be used to fund future liabilities and current payment of employer medical claims and related administration expenditures of the City's group benefit plan. Revenues totaled \$7,605,911 and employee benefit costs were \$15,897,676 during fiscal year 2016. Claims incurred but not reported at September 30, 2016, in the Employees' Group Benefit Fund are provided for in the fund balance of that fund based primarily upon an actuary's estimate.

**4. Tort Liability**

In compliance with the Tort Claims Act, Chapter 46 of Title 11 and as amended by the 1993 Legislature, Section 11-46-17(3) requires all municipalities from and after October 1, 1993, to obtain such policies of insurance, establish self-insurance reserves, or provide a combination of insurance and reserves necessary to cover all risks of claims and suits for which the City of Jackson may be liable under the Tort Claims Act.

In order to assure compliance with the Tort Claims Act, House Bill 417 established the Mississippi Tort Claims Board. Municipalities are required to submit plans of insurance, self-insurance and or reserves to the Tort Claims Board for approval.

Municipalities may comply with the requirements of the Tort Claims Act by one of the following methods: (1) Purchase of liability insurance, (2) Pooling of two or more municipalities or other political subdivision to purchase liability insurance or to self insure, (3) Self-insure with the establishment of a self-insurance reserve fund.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**A. RISK MANAGEMENT (Continued):**

**4. Tort Liability (Continued):**

The City of Jackson is in compliance by using method number three as indicated above. The 2016 fiscal year budget had the monies necessary to establish the reserve fund at the required funding level. Estimates of the liability for unpaid claims are actuarially determined.

For the past three years, the settlement amount for claims against the City has not exceeded the amount of insurance coverage maintained by the City.

The following table provides a reconciliation of changes in the liabilities for claims for years ended September 30, 2016 and 2015:

	Employee Benefit Fund	Tort Claims	Unemployment Benefits Fund	Workers' Compensation Benefits
2016:				
Beginning Balance	\$ 411,233	\$ 2,562,989	\$ -	\$ 5,375,638
Current Year Claims/Changes in Estimates	15,897,474	1,769,418	153,648	1,567,118
Claims Payments	15,897,474	590,558	153,648	1,812,571
Ending Balance	<u>\$ 411,233</u>	<u>\$ 3,741,849</u>	<u>\$ -</u>	<u>\$ 5,130,185</u>
2015:				
Beginning Balance	\$ 411,233	\$ 2,210,204	\$ -	\$ 3,970,366
Current Year Claims/Changes in Estimates	15,635,230	445,594	143,483	3,422,288
Claims Payments	15,635,230	92,809	143,483	2,017,016
Ending Balance	<u>\$ 411,233</u>	<u>\$ 2,562,989</u>	<u>\$ -</u>	<u>\$ 5,375,638</u>

**5. Other Risks:**

Commercial insurance is obtained to protect the City from excess losses greater than \$1,000,000 per individual claim for police and fire employees. Commercial insurance is obtained to protect the City from excess losses greater than \$400,000 per individual claim for all other employees.

The commercial policy also includes various amounts of additional coverage ranging from \$25,000 to \$250,000. Commercial property crime carries a limit of \$25,000 per occurrence for computer fraud, employee theft, forgery or alteration, funds transfer fraud, money and securities-inside buildings, money and securities-outside buildings. The property deductible is \$100,000; crime deductible is \$5,000; unintentional errors and omissions coverage is \$1,000,000 per occurrence; and catastrophe coverage is \$25,000,000 per occurrence. Amounts of settlements have not exceeded insurance coverage in the past three years.

**B. COMMITMENTS**

During fiscal year 1993, the City entered into a revolving loan agreement with the Department of Environmental Quality (DEQ) for loans to the Jackson Water/Sewage Disposal System Fund. The City has pledged sales tax reimbursements from the State of Mississippi to repay the DEQ loans. The outstanding balance of the revolving loans at September 30, 2016, was \$27,322,362.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**B. COMMITMENTS (Continued):**

**Federal Grants**

The City participates in a number of state and federally funded grant programs, principal of which are Community Development Block Grant, Federal Highway Administration, Department of Transportation and Department of Justice grants. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. During September 30, 2013 the City had disallowed expenditures resulting from audits performed by the following grantor agency: U. S. Department of Housing and Urban Development, Community Development Block Grant for the amount of \$1,939,952.41.

A settlement has been reached with the grantor to reimburse the Community Development Block Grant line of credit with non-federal funds over a three-year period in the following fiscal years:

1 <sup>st</sup> payment December 2014	\$	646,650.81
2 <sup>nd</sup> payment December 2015		646,650.80
3 <sup>rd</sup> payment December 2016		<u>646,650.80</u>
Total	\$	<u>1,939,952.41</u>

As of September 30, 2016, the outstanding balance is \$646,650.80.

At September 30, 2016, the City had disallowed expenditures resulting from a monitoring performed by the grantor agency, U. S. Department of Housing and Urban Development, Community Development Block Grant. The results of the compliance monitoring review for grant numbers B-97-MC-28-0003, B-98-MC-28-0003, B-99-MC-28-0003, B-10-MC-28-0003, B-11-MC-28-0003 and B-12-MC-28-0003 for the amount of \$1,510,810.00.

A settlement has been reached with the grantor to reimburse the Community Development Block Grant line of credit with non-federal funds over a three-year period in the following fiscal years:

1 <sup>st</sup> payment December 2016	\$	503,603.34
2 <sup>nd</sup> payment December 2017		503,603.33
3 <sup>rd</sup> payment December 2018		<u>503,603.33</u>
Total	\$	<u>1,510,810.00</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**C. WATER AND SEWER OPERATION & MAINTENANCE FUND DEFICIENCY**

As specified in Section 6.03 (d) of the General Bond Resolution, a transfer may be made from the Water and Sewer Contingent Fund when a deficiency occurs in the deposit amount for the Water and Sewer Operation and Maintenance Fund. In September 30, 2016, a transfer of \$5,450,710 was made from the Water and Sewer Contingent Fund to the Water and Sewer Operation and Maintenance Fund. This transfer was specified in Section 6.03 (a) of the General Bond Resolution established in the order of priority for depositing monies received in the Water and Sewer Revenue Fund into the various Water and Sewer Funds as created by Section 6.03 of the General Bond Resolution. The Water and Sewer Operation and Maintenance Fund have first priority on revenues of the Water and Sewer System. Since the Water and Sewer Operation and Maintenance Fund had a deficiency of \$5,450,710 in meeting its deposit amount, the transfer from the Water and Sewer Contingent Fund to the Water and Sewer Operation and Maintenance Fund was made to meet the deposit amount specified in Section 6.03 (a) of the General Bond Resolution. As specified by Section 6.03 (d) of the General Bond Resolution for the Water and Sewer Contingent Fund is funded. As of April 28, 2017, the transfer from the Water and Sewer Contingent Fund has restored \$2,857,177 leaving a balance due of \$2,593,533.

**D. SUBSEQUENT EVENT:**

Subsequent events have been evaluated through April 28, 2017, which represents the date the comprehensive annual financial report were available to be issued. Subsequent events after that date have not been evaluated.

**E. CONTINGENT LIABILITIES:**

The City can expect to pay a penalty to the State of Mississippi Department of Revenue for Water/Sewer Sales Tax. As of April 28, 2017, the assessed penalty has not been determined.

**Litigation**

The City is defendant in a number of legal actions seeking actual and punitive damages. Contingencies totaling \$4,144,681 for which it is probable a loss has been incurred and are subject to reasonable estimation are recognized in the financial statements in the governmental funds. The City is vigorously defending all matters of litigation and believes there will be no material adverse financial effect.

**F. JOINT VENTURES**

The following provides the summary financial information of the Jackson/Hinds Library System as of September 30, 2016 (in thousands):

<u>Jackson/Hinds Library System</u>	
Total assets	\$ 804
Total liabilities	\$ 301
Total fund equity	\$ 503
Total revenues	\$ 4,578 (1)
Total expenditures	\$ 4,830
Net increase (decrease) in fund balance	\$ (252)
Total debt	\$ -

(1) The percentage share of the joint venture applicable to the City of Jackson is fifty percent (50%).

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM:**

The City of Jackson participates in two retirement systems administered by the Public Employees' Retirement System of Mississippi (PERS). Both systems are defined benefit plans and include a multi-employer, cost-sharing pension plan and an agent multi-employer pension plan as described below:

**Public Employees' Retirement System**

**1. Plan Description and Provisions**

The City of Jackson, Mississippi contributes to the Public Employees Retirement System of Mississippi ("PERS"), a cost-sharing multiple- employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustee' authority to determine contribution rates and established by Miss. Cods Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

**2. Description of Funding Policy**

PERS members are required to contribute 9.00% of their annual covered salary and the City of Jackson, Mississippi is required to contribute at an actuarially determined rate. This rate was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Jackson, Mississippi contributions to PERS for the years ended September 30, 2016, 2015, and 2014 were \$10,201,773, \$11,504,087, and \$11,229,471, respectively, equal to the required contributions for each year.

As of most recent measurement date of the net pension liability, membership data for the pension plan is as follows:

<u>Members Category</u>	<u>Pension</u>
Retirees and beneficiaries currently receive benefits	582
Former members entitled to benefits but yet receiving them	-
Former members – not entitled to benefits	-
Active members:	-
Vested	1
Non-vested	-
Total Participants	583

**3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2016, the City reported a liability of \$171,692,317 for its proportionate share of the net pension liability. The 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 that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contribution of all participating entities, actuarially determined. At September 30, 2016, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City's proportion was 1.110675 percent.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

City'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 that date.

<u>Net Pension Liability</u>	
Measurement Date	<u>June 30, 2015</u>
Total Pension Liability	\$ 448,319,343
Fiduciary Net Pension	<u>276,627,026</u>
Net Pension Liability	<u>\$ 171,692,317</u>

For the year ended September 30, 2016, the City recognized pension expense of \$16,636,168. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

**A. Governmental Activities:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,131,380	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	8,253,691
Changes of assumptions	12,903,191	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,215,768	(4,915,790)
City contributions subsequent to the measurement date	<u>8,921,992</u>	<u>-</u>
Total	<u>\$ 27,172,331</u>	<u>\$ 3,337,901</u>

**B. Business-Type Activities:**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 604,350	\$ -
Net Difference between projected and actual earnings on pension plan investments	-	1,153,690
Changes of assumptions	1,887,517	-
Changes in proportion and differences between City contributions and proportionate share of contributions	169,938	(719,096)
City contributions subsequent to the measurement date	<u>1,305,135</u>	<u>-</u>
Total	<u>\$ 3,966,940</u>	<u>\$ 434,594</u>



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**3. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

At September 30, 2016, \$31,139,271 was reported as deferred outflows of resources and \$3,772,495 as deferred inflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	Amount
2017	\$ 7,716,237
2018	7,381,312
2019	3,801,056
2020	2,511,459
2021	2,511,459
Thereafter	3,445,253
	<u>\$ 27,366,776</u>

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources.* Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographics factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members. In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than RP-2000 Mortality Table, which was used prior to 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively. Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years.

**4. Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary changes	3.75 – 19.00%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**4. Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U. S. Broad	34%	5.20%
International Equity	19	5.20
Emerging Markets Equity	8	5.45
Fixed Income	20	0.25
Real Assets	10	4.00
Private Equity	8	6.15
Cash	1	(0.50)
Total	100%	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be at the current contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to change in the discount rate.* The following table presents the City's proportionate share of the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.75%) or 1-percentage-point higher (8.75%) than current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of net pension liability	\$ 226,306,202	\$ 171,692,317	\$ 126,373

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**City's Firefighters and Police Officers Disability and Relief- Municipal Retirement Systems Pension Plan**

**1. Plan Description**

The City of Jackson contributes to the Municipal Retirement Systems and Fire and Police Disability and Relief Fund (MRS), an agent multiple-employer defined benefit pension plan administered by the Public Employees' Retirement System of Mississippi. The City's uniformed police officers and firefighters employed prior to April 1, 1976, participate in MRS. Firefighters and police officers employed subsequent to April 1, 1976, are members of the Public Employees' Retirement System of the State as previously described. MRS provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefit provisions are established by Sections 21-29, Articles 1, 3, 5 and 7, Mississippi Code Ann. (1972) and annual local and private legislation. Legislation may be amended only by the State of Mississippi Legislature. At June 30, 2015, the date of the most recent actuarial verification, there was 1 participating municipal employee and 597 retired participants and beneficiaries currently receiving benefits. PERS issues a publicly available financial report that includes financial statements and required supplementary information for MRS. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**2. Basis of Accounting**

MRS uses the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed, investment income is recognized when earned. Expenses, including benefits and refunds paid, are recognized when incurred. Investments for MRS are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit rating. Mortgage securities are valued on the basis of future principal and interest payments and counted at prevailing interest rates for similar instruments. Short-term investments are reported at market value when published prices are available, or at cost plus accrued interest, which approximates market or fair value. For individual investments where no readily ascertainable market value exists, the Public Employees' Retirement System, in consultation with their investment advisors and custodial bank, has determined the fair values.

**3. Net Pension Liability**

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability: (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plan. The City's net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**3. Net Pension Liability (Continued)**

<u>Net Pension Liability</u> Measurement Date	<u>June 30, 2016</u>
Total Pension Liability	\$ 113,164,572
Fiduciary Net Pension	<u>56,020,542</u>
Net Pension Liability	<u>\$ 57,144,030</u>

A schedule of Net Pension Liability, in addition to the information above, includes multi-year trend information (beginning with FY 2015) and is presented in the Required Supplementary Information Section on pages 91 – 94.

**4. Schedule of Changes in Net Pension Liability**

The change in Net Pension Liability, for the Disability and Relief municipal pension plan, for the fiscal year ended September 30, 2016 is as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Change in Net Pension Liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	8,619,793	-	8,619,793
Benefit changes	-	-	-
Difference between expected and actual experience	(462,872)	-	(462,872)
Employer's contribution	-	5,099,714	(5,099,714)
Employees' contributions	-	6,022	(6,022)
Pension plan net investment income	-	306,774	(306,774)
Benefit payments, including refunds of employee contributions	(12,430,953)	(12,430,953)	-
Administrative expense	-	(101,994)	101,994
Other	-	175,260	(175,260)
Net Change	(4,274,032)	(6,945,177)	2,671,145
Net Pension Liability Beginning	<u>117,438,604</u>	<u>62,965,719</u>	<u>54,472,885</u>
Net Pension Liability Ending	<u>\$ 113,164,572</u>	<u>\$ 56,020,542</u>	<u>\$ 57,144,030</u>



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**5. Pension Expense**

For the year ended September 30, 2016, the City recognized total pension expense of \$4,939,810. Pension expense recognized by the plan is as follows:

<u>Members Category</u>	<u>Pension Expense</u>
Changes for the Year:	
Service cost	\$ -
Interest on the total liability	8,619,793
Expensed portion of current-period difference between expected and actual experience in the total liability	(462,872)
Expensed portion of current-period changes of assumptions	-
Members contributions	(6,022)
Projected earnings on plan investments	(4,592,038)
Expensed portion of current-period difference between actual and projected earnings on plan investments	857,051
Administrative expense	101,994
Other	(175,260)
Recognition of beginning deferred outflows of resources as pension expense	597,164
Total Pension Expense	\$ <u>4,939,810</u>

**6. Schedule of Deferred Outflows and Inflows of Resources**

Deferred outflows of resources and deferred inflows of resources by source reported by the City at September 30, 2016 for the Disability and Relief municipal plan are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>5,219,706</u>	<u>-</u>
Total	\$ <u>5,219,706</u>	\$ <u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension at September 30, 2016 will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2017	\$ 1,454,215
2018	1,454,215
2019	1,454,216
2020	857,060
Total	\$ <u>5,219,706</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**G. EMPLOYEES' RETIREMENT SYSTEM (Continued):**

**7. Actuarial Assumptions**

*Discount Rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (6.75%) or 1-percentage-point higher (8.75%) than current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Plan's net pension liability (Asset)	\$ 65,765,897	\$ 57,144,030	\$ 49,613,806

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**8. Schedule of Assumptions**

Actuarially determined contribution rates are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are reported. Contributions for the year ending September 30, 2016 were based on the June 30, 2014 actuarial valuation.

Schedule of Assumptions	Disability and Relief Municipal Pension
Valuation date	June 30, 2014
Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.0% net of pension plan investment, including inflation
Projected salary increase*	4.0%- 6.0%

The Accompanying Notes are an integral part of these Financial Statements

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**H. OTHER POSTEMPLOYMENT BENEFITS**

Effective for the 2009 fiscal year, the City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenses/expenditures and related liabilities (assets), note disclosures, and required supplementary information. This Statement requires recognition of the cost of other postemployment benefits during the periods when employees render their services and disclosure about actuarially accrued liabilities related to past services and the status and progress of funding the benefits. The requirements of GASB statement No. 45 were implemented prospectively beginning October 1, 2007.

**Plan Description**

The City's OPEB plan provides post employment healthcare coverage, including dental benefits to eligible individuals. Eligible individuals include all regular, full-time employees of the City, as well as permanent part-time employees who work at least 20 hours per week, and their spouses and dependent children. Employees must have earned at least 25 years of service with the City in order to be eligible for retiree healthcare coverage. Coverage continues at the election of the retiree until age 65. Retirees must pay the required monthly premium for either single or family coverage, as applicable. As of September 30, 2016, 120 retirees are eligible to receive benefits under the plan. The plan was established under authority of the City Council and may be amended or abolished by council action.

**Annual OPEB cost and Net OPEB Obligation**

The City's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the actuarial valuation performed by an outside actuary consultant. The following table shows the components of the government's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

	Governmental Activities	Business-type Activities	Total OPEB Plan
Annual Required Contribution	\$ 5,174,987	\$ 757,012	\$ 5,931,999
Interest on net OPEB obligation	1,172,485	171,515	1,344,000
Adjustment to ARC	<u>(2,578,769)</u>	<u>(377,230)</u>	<u>(2,955,999)</u>
Annual OPEB cost (expense)	3,768,703	551,297	4,320,000
Less: Contributions made	<u>(1,034,648)</u>	<u>(151,352)</u>	<u>(1,186,000)</u>
Increase in net OPEB obligation	2,734,055	399,945	3,134,000
Net OPEB obligation beginning	<u>29,702,405</u>	<u>4,473,595</u>	<u>34,176,000</u>
Net OPEB obligation end of year	\$ <u>32,436,460</u>	\$ <u>4,873,540</u>	\$ <u>37,310,000</u>

**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6 – Other Information (Continued):**

**H. OTHER POSTEMPLOYMENT BENEFITS (Continued):**

**Trend Information for OPEB Plan:**

Fiscal Year Ending		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
9/30/14	\$	5,484,000	22%	\$	29,840,000
9/30/15	\$	5,593,000	22%	\$	34,176,000
9/30/16	\$	4,343,000	28%	\$	37,310,000

**Funding status and funding progress**

The City funds the plan on a pay-as-you-go basis. As of September 30, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$40,791,000 with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. The covered payroll was \$56,563,000 and the ratio of the UAAL to the covered payroll was 72.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future.

Although, the actuarial accrued liability for the OPEB plan has decreased, the City has not provided funding for the plan.

**Actuarial methods and assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2016 actuarial valuation, the projected unit credit method was used. It is amortized as a level percent of payroll over a 15 year open period and a level-dollar payment. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.00% initially, reduced by decrements to an ultimate trend rate of 5.00% after ten years. Both rates include a 2.75% inflation assumption. Currently there are no assets set aside that are legally held exclusively for OPEB.



**CITY OF JACKSON**  
**Notes to Financial Statements**  
**September 30, 2016**

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**Note 7 – Prior Period Adjustment:**

In 2004, the City awarded a grant to a third party to establish a Revolving Loan Fund Program. This program was designed to provide low interest rate loans to small businesses. As these loans were paid back, the third party would use the principal to replenish the Revolving Loan Fund. In 2015, the current balance on the outstanding loans was transferred back to the City. A prior period adjustment in the Major Governmental Funds- Federal Grant Fund was needed to reflect the receivable created for this transfer. The ending fund balance for this Fund will continue to represent the outstanding balance of the loans provided under the Revolving Loan Fund Program.

	<u>Governmental Activities</u>
Adjustment to correct receivable	\$ <u>(475,074)</u>
Total adjustment to receivable	\$ <u>(475,074)</u>

The accompanying notes are an integral part of these Financial Statements.

**CITY OF JACKSON**  
**Required Supplementary Information**  
**Employees' Retirement Systems**  
**Schedule of Funding Progress**  
**September 30, 2016**

**DISABILITY AND RELIEF - MUNICIPAL RETIREMENT SYSTEMS PENSION PLAN**

(Dollar amounts in Thousands)

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage Of Covered Payroll [(b-a)/c]</b>
9/30/2007	98,151	135,551	37,400	72.4	222	16,846.8
9/30/2008	91,928	130,625	38,697	70.4	219	17,669.9
9/30/2009	79,139	133,082	53,943	59.5	191	28,242.4
9/30/2010	70,753	131,163	60,410	53.9	93	64,957.0
9/30/2011	65,786	127,461	61,675	51.6	99	62,298.0
9/30/2012	60,512	124,010	63,498	48.8	42	151,185.7
6/30/2013	58,743	121,503	62,760	48.3	41	154,839.6
6/30/2014	59,770	117,587	57,817	50.8	50	115,634.0
6/30/2015	60,469	117,439	56,970	51.5	47	121,212.8
6/30/2016	159,160	330,663	171,503	48.1	419	40,931.5

**Schedule of Funding Progress  
OPEB PLAN**

(Dollar amounts in Thousands)

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage Of Covered Payroll [(b-a)/c]</b>
10/1/2008	-	52,430	52,430	0.00%	69,894	75.0
10/1/2009	-	36,875	36,875	0.00%	66,782	55.2
10/1/2010	-	36,875	36,875	0.00%	66,782	55.2
5/1/2012	-	45,498	45,498	0.00%	N/A	N/A
5/1/2014	-	42,463	42,463	0.00%	64,572	65.8
3/1/2017	-	40,791	40,791	0.00%	56,563	72.1

**CITY OF JACKSON, MISSISSIPPI**  
**Required Supplementary Information**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**PERS**  
**Last 10 Fiscal Years\***  
**September 30, 2016**

	2015
City's proportion of the net pension liability (asset)	\$ 171,692,317
City's proportionate of the net pension liability (asset)	1.110675%
City's covered-employee payroll	64,753,114
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	265.15%
Plan fiduciary net position as a percentage of the total pension liability	61.70%

\*The amounts presented for each fiscal year were determined as of the measurement date of 6/30/2015 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the fiscal year ended September 30, 2016, and until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

	2016
Contractually required Contribution	\$ 10,201,773
Contribution in relation to the contractually required Contribution	10,201,773
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 64,753,114
Contributions as a percentage of covered-employee payroll	15.75%

The Accompanying Notes are an integral part of these Financial Statements.



**CITY OF JACKSON, MISSISSIPPI**  
**Required Supplementary Information**  
**Schedule Of Employer Net Pension Liability**  
**PERS**  
**Year Ended September 30, 2016**

City's Contribution	\$	<u>2016</u> 5,099,714	\$	<u>2015</u> 5,544,877
Actuarially determined contribution	\$	<u>2016</u> 5,099,714	\$	<u>2015</u> 5,544,877
Contribution in relation to the actuarially determined Contribution		<u>5,099,714</u>		<u>5,544,877</u>
Contribution deficiency (excess)	\$	<u>-</u>	\$	<u>-</u>
City's covered-employee payroll		N/A		N/A
Contribution as a percentage of covered-employee payroll		N/A		N/A

Payroll-related information not provided plan is closed to new entrants and there are very few remaining active members and many municipalities have no remaining active members.

**Notes to Schedule**

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ending September 30, 2016 were based on the June 30, 2014 actuarial valuation.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Ultimate Asset Reserves
Amortization cost method	N/A
Amortization method	N/A
Remaining amortization period	Five year smoothed market
Inflation	3.50%
Salary increases	4.50% - 6.00% including inflation
Investment rate of return	8.00%, net of pension plan investment expenses, including inflation

The Accompanying Notes are an integral part of these Financial Statements.

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

#### **Parks and Recreation Fund**

To account for the operation and maintenance of all City-owned parks. Financing is provided by a 2-Mill annual property tax levy, admissions, fees and concessions. Appropriations are made from General Fund sources to the extent that such tax levy and other revenues are not sufficient to finance expenditures.

#### **State Grant Fund**

To account for proceeds of state grants or loans other than those grants or loans for Enterprise Fund or Capital Projects Fund items.

#### **Disability and Relief Fund**

To account for the receipt of revenues, principally tax levies, and payments of bond principal and interest related to bonds issued to provide reductions in the accrued actual liability related to pensions of retired and disabled police and fireman employed prior to April 1, 1976.

### **Capital Projects Funds**

#### **1% Infrastructure Tax**

To account for proceeds received for the improvement of infrastructure in the City. Financing is provided by a special sales tax of 1%.

#### **2012 General Obligation Note**

To account for proceeds of general obligation note of \$11,500,000 providing updates to City Facilities and rehabilitation of sewer line projects.

#### **Thalia Mara Hall**

To account for proceeds received for the renovation and improvements being made to Thalia Mara Hall.

#### **Museum to Market Project**

To account for proceeds received for the walking and biking trail from LeFleur's Bluff State Park to the Mississippi Agriculture Museum.



**City of Jackson**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of September 30, 2016**

	<u>Special Revenue</u>			
	<u>Parks and Recreation</u>	<u>State Grant</u>	<u>Disability and Relief</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 494,108	\$ 134,397	\$ 447,701	\$ 1,076,206
Other Receivable	2,299,749	-	4,879,302	7,179,051
Total Current Asset	<u>\$ 2,793,857</u>	<u>\$ 134,397</u>	<u>\$ 5,327,003</u>	<u>\$ 8,255,257</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	-
Contracts Payable	-	-	-	-
Due to other funds	-	-	-	-
Other Liabilities	217,632	-	393,655	611,287
Total liabilities	<u>217,632</u>	<u>-</u>	<u>393,655</u>	<u>611,287</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	2,288,068	-	4,879,302	7,167,370
Total deferred inflows of resources	<u>2,288,068</u>	<u>-</u>	<u>4,879,302</u>	<u>7,167,370</u>
<b>FUND BALANCES</b>				
Restricted	-	134,397	-	134,397
Committed	288,157	-	54,046	342,203
Total Fund Balance	<u>288,157</u>	<u>134,397</u>	<u>54,046</u>	<u>476,600</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,793,857</u>	<u>\$ 134,397</u>	<u>\$ 5,327,003</u>	<u>\$ 8,255,257</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

Capital Projects					Total Nonmajor Governmental Funds
1% Infrastructure Tax	2012 GO Note	Thalia Mara Hall Renovation	Museum To Market Project	Total	
\$ 511,134	\$ 729,090	\$ 114	\$ -	1,240,338	\$ 2,316,544
-	-	-	206,355	206,355	7,385,406
<u>\$ 511,134</u>	<u>\$ 729,090</u>	<u>\$ 114</u>	<u>\$ 206,355</u>	<u>1,446,693</u>	<u>\$ 9,701,950</u>
226,413	-	-	-	226,413	226,413
284,721	-	-	-	284,721	284,721
-	-	-	206,355	206,355	206,355
-	-	-	-	-	611,287
<u>511,134</u>	<u>-</u>	<u>-</u>	<u>206,355</u>	<u>717,489</u>	<u>1,328,776</u>
-	-	-	-	-	7,167,370
-	-	-	-	-	7,167,370
-	729,090	114	-	729,204	863,601
-	-	-	-	-	342,203
<u>-</u>	<u>729,090</u>	<u>114</u>	<u>-</u>	<u>729,204</u>	<u>1,205,804</u>
<u>\$ 511,134</u>	<u>\$ 729,090</u>	<u>\$ 114</u>	<u>\$ 206,355</u>	<u>\$ 1,446,693</u>	<u>\$ 9,701,950</u>

(Continued)

The notes to the financial statements are an integral part of this statement.



**City of Jackson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended September 30, 2016**

	<b>Special Revenue</b>			
	<b>Parks and Recreation</b>	<b>State Grant</b>	<b>Disability and Relief</b>	<b>Total</b>
<b>REVENUES</b>				
General property taxes	\$ 2,346,376	\$ -	\$ 4,604,937	\$ 6,951,313
Licenses and permits	450	-	875	1,325
Intergovernmental	97,503	100,205	139,917	337,625
Admissions, fees, rentals and concessions	190,301	-	-	190,301
Interest	1,937	85	535	2,557
Other	-	-	5,888	5,888
Total revenues	<u>2,636,567</u>	<u>100,290</u>	<u>4,752,152</u>	<u>7,489,009</u>
<b>EXPENDITURES</b>				
Current Operations:				
Personnel Services	3,635,297	-	-	3,635,297
Supplies	343,408	8,565	-	351,973
Other Services and Charges	909,819	56,600	4,751,617	5,718,036
Capital Outlay	538,146	97,967	-	636,113
Debt Service:				
Principal	95,645	-	-	95,645
Interest and service charges	9,418	-	-	9,418
Total expenditures	<u>5,531,733</u>	<u>163,132</u>	<u>4,751,617</u>	<u>10,446,482</u>
Excess (deficiency) of revenues over expendi	<u>(2,895,166)</u>	<u>(62,842)</u>	<u>535</u>	<u>(2,957,473)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	1,495,167	6,562	-	1,501,729
State Grant Fund	-	-	-	-
Transfers out:				
Capital Projects Fund	-	(1,000,000)	-	(1,000,000)
Sale of capital assets	-	-	-	-
Total other financing sources	<u>1,495,167</u>	<u>(993,438)</u>	<u>-</u>	<u>501,729</u>
Net change in fund balances	<u>(1,399,999)</u>	<u>(1,056,280)</u>	<u>535</u>	<u>(2,455,744)</u>
Fund balances at beginning of year	<u>1,688,156</u>	<u>1,190,677</u>	<u>53,511</u>	<u>2,932,344</u>
Fund balances at end of year	<u>\$ 288,157</u>	<u>\$ 134,397</u>	<u>\$ 54,046</u>	<u>\$ 476,600</u>

The notes to the financial statements are an integral part of this statement.

Capital Projects					
1% Infrastructure Tax	2012 GO Note	Thalia Mara Hall Renovation	Museum To Market Project	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,951,313
-	-	-	-	-	1,325
-	-	-	-	-	337,625
-	-	-	-	-	190,301
-	1,036	-	-	1,036	3,593
4,041,136	-	-	206,355	4,247,491	4,253,379
4,041,136	1,036	-	206,355	4,248,527	11,737,536
-	-	-	-	-	3,635,297
-	-	-	-	-	351,973
560,080	4,071	-	-	564,151	6,282,187
3,480,970	-	-	-	3,480,970	4,117,083
-	-	-	-	-	95,645
-	-	-	-	-	9,418
4,041,050	4,071	-	-	4,045,121	14,491,603
86	(3,035)	-	206,355	203,406	(2,754,067)
-	-	-	-	-	1,501,729
-	-	1,000,000	-	1,000,000	1,000,000
-	-	-	-	-	(1,000,000)
-	-	-	-	-	-
-	-	1,000,000	-	1,000,000	1,501,729
86	(3,035)	1,000,000	206,355	1,203,406	(1,252,338)
(86)	732,125	(999,886)	(206,355)	(474,202)	2,458,142
\$ -	\$ 729,090	\$ 114	\$ -	\$ 729,204	\$ 1,205,804

The notes to the financial statements are an integral part of this statement.

**City of Jackson**  
**Parks and Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budget Amount</u>			<u>Variance with Final Budget - positive(negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
General property taxes	\$ 2,281,239	\$ 2,281,239	\$ 2,346,376	\$ 65,137
Licenses and permits	500	500	450	(50)
Intergovernmental	90,000	90,000	97,503	7,503
Admissions, fees, rentals and concessions	564,200	564,200	190,301	(373,899)
Interest	-	-	1,937	1,937
Total revenues	<u>2,935,939</u>	<u>2,935,939</u>	<u>2,636,567</u>	<u>(299,372)</u>
<b>EXPENDITURES</b>				
Current Operations:				
Personnel Services	3,975,477	3,897,477	3,635,297	262,180
Supplies	475,940	403,018	343,408	59,610
Other Services and Charges	1,729,493	1,630,080	909,819	720,261
Capital Outlay	62,706	63,119	538,146	(475,027)
Debt Service:				
Principal	98,119	98,524	95,645	2,879
Interest and service charges	9,355	9,363	9,418	(55)
Total expenditures	<u>6,351,090</u>	<u>6,101,581</u>	<u>5,531,733</u>	<u>569,848</u>
Excess (deficiency) of revenues over expenditures	<u>(3,415,151)</u>	<u>(3,165,642)</u>	<u>(2,895,166)</u>	<u>270,476</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	1,495,174	1,495,174	1,495,167	(7)
Total other financing sources	<u>1,495,174</u>	<u>1,495,174</u>	<u>1,495,167</u>	<u>(7)</u>
Net change in fund balances	(1,919,977)	(1,670,468)	(1,399,999)	270,469
Fund balances at beginning of year	<u>1,688,156</u>	<u>1,688,156</u>	<u>1,688,156</u>	-
Fund balances at end of year	<u>\$ (231,821)</u>	<u>\$ 17,688</u>	<u>\$ 288,157</u>	<u>\$ 270,469</u>

**City of Jackson**  
**State Grants Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budget Amount</u>			<u>Variance with Final Budget - positive(negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 534,294	\$ 107,520	\$ 100,205	(7,315)
Interest	-	-	85	85
Total revenues	<u>534,294</u>	<u>107,520</u>	<u>100,290</u>	<u>(7,230)</u>
<b>EXPENDITURES</b>				
Current Operations:				
Personnel Services	86,670	-	-	-
Supplies	5,655	8,715	8,565	150
Other Services and Charges	116,265	98,203	56,600	41,603
Capital Outlay	<u>325,704</u>	<u>602</u>	<u>97,967</u>	<u>(97,365)</u>
Total expenditures	<u>534,294</u>	<u>107,520</u>	<u>163,132</u>	<u>(55,612)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(62,842)</u>	<u>(62,842)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	-	-	6,562	6,562
Transfers out:				
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,000,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(993,438)</u>	<u>6,562</u>
Net change in fund balances	-	-	(1,056,280)	(1,056,280)
Fund balances at beginning of year	<u>1,190,677</u>	<u>1,190,677</u>	<u>1,190,677</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,190,677</u>	<u>\$ 1,190,677</u>	<u>\$ 134,397</u>	<u>\$ (1,056,280)</u>



**City of Jackson**  
**Disability and Relief Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budget Amount</u>		<u>Actual Amount</u>	<u>Variance with Final Budget - positive(negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 4,454,342	\$ 4,604,937	\$ 4,604,937	\$ -
Licenses and permits	-	875	875	-
Intergovernmental	111,673	139,917	139,917	-
Interest	-	484	535	51
Other	-	5,888	5,888	-
Total revenues	<u>4,566,015</u>	<u>4,752,101</u>	<u>4,752,152</u>	<u>51</u>
<b>EXPENDITURES</b>				
Current Operations:				
Other Services and Charges	<u>4,566,015</u>	<u>4,752,101</u>	<u>4,751,617</u>	<u>484</u>
Total expenditures	<u>4,566,015</u>	<u>4,752,101</u>	<u>4,751,617</u>	<u>484</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>535</u>	<u>535</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	535	535
Fund balances at beginning of year	<u>53,511</u>	<u>53,511</u>	<u>53,511</u>	<u>-</u>
Fund balances at end of year	<u>\$ 53,511</u>	<u>\$ 53,511</u>	<u>\$ 54,046</u>	<u>\$ 535</u>

**City of Jackson**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2016**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
General property taxes				
Current realty taxes	\$ 2,137,174	\$ 2,137,174	\$ 2,186,327	\$ 49,153
Current personal taxes	881,361	881,361	963,237	81,876
Delinquent taxes	-	-	107,061	107,061
Automobile ad valorem taxes	393,789	393,789	511,065	117,276
Homestead exemption	50,000	50,000	107,186	57,186
Licenses and permits	-	-	670	670
Interest	-	-	7,839	7,839
Special assessments	-	-	10,173	10,173
Other revenues	59,393	59,393	1,755,552	1,696,159
Total revenues	3,521,717	3,521,717	5,649,110	2,127,393
EXPENDITURES				
General obligation bonds				
Principal	-	-	2,796,006	(2,796,006)
Interest and service charges	-	-	7,827,412	(7,827,412)
Other services and charges	12,950,227	44,189,034	-	44,189,034
Total expenditures	12,950,227	44,189,034	10,623,418	33,565,616
Excess (deficiency) of revenues over expenditures	(9,428,510)	(40,667,317)	(4,974,308)	(35,693,009)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,428,510	8,030,942	2,076,906	(5,954,036)
Sale of bonds	-	30,019,000	30,019,000	-
Premium on sale of bonds	-	1,172,277	1,172,277	-
Payment to refunded bond escrow	-	-	(28,440,000)	(28,440,000)
Discount on GO Bond	-	-	(88,175)	(88,175)
Total other financing sources (uses)	9,428,510	39,222,219	4,740,008	(34,482,211)
Net change in fund balances	-	(1,445,098)	(234,300)	(1,210,798)
Fund balances at beginning of year	4,059,339	4,509,339	4,509,339	-
Fund balances at end of year	\$ 4,059,339	\$ 3,064,241	\$ 4,275,039	\$ (1,210,798)

**City of Jackson**  
**1998 GO Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 253	\$ 253
Total revenues	-	-	253	253
<b>EXPENDITURES</b>				
Other services and charges	178,488	178,488	-	178,488
Capital outlay	-	-	12,250	(12,250)
Total expenditures	178,488	178,488	12,250	166,238
Excess (deficiency) of revenues over expenditures	(178,488)	(178,488)	(11,997)	166,491
<b>OTHER FINANCING SOURCES(USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(178,488)	(178,488)	(11,997)	166,491
Fund balances at beginning of year	178,739	178,739	178,739	-
Fund balances at end of year	<u>\$ 251</u>	<u>\$ 251</u>	<u>\$ 166,742</u>	<u>\$ 166,491</u>

**City of Jackson**  
**2003 GO Public Improvement Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 7,570,956	\$ 4,253,147	\$ 394,581	\$ (3,858,566)
Interest	2,000	2,000	-	(2,000)
Other	-	-	180,803	180,803
Total revenues	<u>7,572,956</u>	<u>4,255,147</u>	<u>575,384</u>	<u>(3,679,763)</u>
<b>EXPENDITURES</b>				
Current Operations				
Personnel services	17,120	17,120	-	17,120
Other services and charges	8,219,489	6,244,437	5,917	6,238,520
Capital outlay	<u>39,500</u>	<u>39,500</u>	<u>71,427</u>	<u>(31,927)</u>
Total expenditures	<u>8,276,109</u>	<u>6,301,057</u>	<u>77,344</u>	<u>6,223,713</u>
Excess (deficiency) of revenues over expenditures	<u>(703,153)</u>	<u>(2,045,910)</u>	<u>498,040</u>	<u>2,543,950</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(703,153)	(2,045,910)	498,040	2,543,950
Fund balances at beginning of year	<u>(498,040)</u>	<u>(498,040)</u>	<u>(498,040)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (1,201,193)</u>	<u>\$ (2,543,950)</u>	<u>\$ -</u>	<u>\$ 2,543,950</u>



**City of Jackson**  
**2009 GO Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget-</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 564	\$ 564
Total revenues	-	-	564	564
<b>EXPENDITURES</b>				
Current Operations				
Supplies	2,310	-	-	-
Other services and charges	1,226,688	500,657	4,799	495,858
Capital outlay	81,399	-	131,017	(131,017)
Total expenditures	1,310,397	500,657	135,816	364,841
Excess (deficiency) of revenues over expenditures	(1,310,397)	(500,657)	(135,252)	365,405
<b>OTHER FINANCING SOURCES(USES)</b>				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(1,310,397)	(500,657)	(135,252)	365,405
Fund balances at beginning of year	500,657	500,657	500,657	-
Fund balances at end of year	\$ (809,740)	\$ -	\$ 365,405	\$ 365,405

**City of Jackson**  
**2012 GO Note Capital Project Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 1,036	\$ 1,036
Total revenues	-	-	1,036	1,036
<b>EXPENDITURES</b>				
Current Operations:				
Other Services and Charges	678,569	678,569	4,071	674,498
Capital Outlay	52,506	52,506	-	52,506
Total expenditures	731,075	731,075	4,071	727,004
Excess (deficiency) of revenues over expenditures	(731,075)	(731,075)	(3,035)	728,040
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(731,075)	(731,075)	(3,035)	728,040
Fund balances at beginning of year	732,125	732,125	732,125	-
Fund balances at end of year	\$ 1,050	\$ 1,050	\$ 729,090	\$ 728,040



**City of Jackson**  
**Capitol Street 2-Way**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended September 30, 2016**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental Revenue	\$ 3,563,219	\$ 2,265,514	\$ 195,235	\$ (2,070,279)
Interest	-	-	2,055	2,055
Total revenues	3,563,219	2,265,514	197,290	(2,068,224)
EXPENDITURES				
Current Operations				
Other services and charges	3,566,759	1,732,401	-	1,732,401
Capital outlay	-	-	278,046	(278,046)
Total expenditures	3,566,759	1,732,401	278,046	1,454,355
Excess (deficiency) of revenues over expenditures	(3,540)	533,113	(80,756)	(613,869)
OTHER FINANCING SOURCES(USES)				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(3,540)	533,113	(80,756)	(613,869)
Fund balances at beginning of year	1,235,105	1,235,105	1,235,105	-
Fund balances at end of year	\$ 1,231,565	\$ 1,768,218	\$ 1,154,349	\$ (613,869)

City of Jackson  
Thalia Mara Hall Renovation Capital Project Funds  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other	\$ 248,908	\$ 248,908	\$ -	\$ (248,908)
Total revenues	248,908	248,908	-	(248,908)
<b>EXPENDITURES</b>				
Current Operations:				
Other Services and Charges	248,908	248,908	-	248,908
Total expenditures	248,908	248,908	-	248,908
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
State Grant Fund	-	-	1,000,000	(1,000,000)
Total other financing sources (uses)	-	-	1,000,000	(1,000,000)
Net change in fund balances	-	-	1,000,000	(1,000,000)
Fund balances at beginning of year	(999,886)	(999,886)	(999,886)	-
Fund balances at end of year	\$ (999,886)	\$ (999,886)	\$ 114	\$ (1,000,000)



**City of Jackson**  
**Museum To Market Project Capital Project Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Other	\$ 1,043,646	\$ 1,043,646	\$ 206,355	\$ (837,291)
Total revenues	1,043,646	1,043,646	206,355	(837,291)
<b>EXPENDITURES</b>				
Current Operations:				
Other Services and Charges	1,043,646	1,043,646	-	1,043,646
Total expenditures	1,043,646	1,043,646	-	1,043,646
Excess (deficiency) of revenues over expenditures	-	-	206,355	206,355
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	206,355	206,355
Fund balances at beginning of year	(206,355)	(206,355)	(206,355)	-
Fund balances at end of year	\$ (206,355)	\$ (206,355)	\$ -	\$ 206,355

**City of Jackson**  
**1% Infrastructure Tax Capital Project Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the year ended September 30, 2016**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Other	\$ -	\$ -	\$ 4,041,136	\$ 4,041,136
Total revenues	-	-	4,041,136	4,041,136
<b>EXPENDITURES</b>				
Current Operations:				
Other Services and Charges	12,991,000	24,863,709	560,080	24,303,629
Capital Outlay	800,000	800,000	3,480,970	(2,680,970)
Total expenditures	13,791,000	25,663,709	4,041,050	21,622,659
Excess (deficiency) of revenues over expenditures	(13,791,000)	(25,663,709)	86	25,663,795
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(13,791,000)	(25,663,709)	86	25,663,795
Fund balances at beginning of year	(86)	(86)	(86)	-
Fund balances at end of year	<u>\$ (13,791,086)</u>	<u>\$ (25,663,795)</u>	<u>\$ -</u>	<u>\$ 25,663,795</u>

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## **Nonmajor Proprietary**

### **Madison-Ridgeland Sewage Disposal System Fund**

To account for costs of construction, operation and maintenance of the East Madison County Sewage Disposal System. The City of Ridgeland, Mississippi will be responsible for the service contracts with Madison County participating in the system.

### **Transportation Fund**

To account for operational costs of the City's transit system. Deficiencies in the revenues over expenses are financed by the City.

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**City of Jackson**  
**Combining Statement of Net Position**  
**Proprietary Funds - Nonmajor Funds**  
**As of September 30, 2016**

	<u>Madison- Ridgeland Sewage</u>	<u>Transportation</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalent	\$ 10	\$ 274,836	\$ 274,846
Intergovernmental Receivable	-	1,652,358	1,652,358
Total Current Asset	<u>10</u>	<u>1,927,194</u>	<u>1,927,204</u>
Property, Plant and Equipment, at Cost			
Land	-	450,000	450,000
Buildings	-	8,436,201	8,436,201
Water plant, distribution system and equipment	574,018	410,690	984,708
Automotive and other equipment	5,278	11,985,515	11,990,793
	<u>579,296</u>	<u>21,282,406</u>	<u>21,861,702</u>
Less: accumulated depreciation	<u>(270,217)</u>	<u>(8,705,949)</u>	<u>(8,976,166)</u>
	309,079	12,576,457	12,885,536
Construction in progress	13,800	268,521	282,321
Net property, plant and equipment	<u>322,879</u>	<u>12,844,978</u>	<u>13,167,857</u>
Total Assets	<u>322,889</u>	<u>14,772,172</u>	<u>15,095,061</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources	-	126,461	126,461
Total deferred outflows of resources	<u>-</u>	<u>126,461</u>	<u>126,461</u>
Total assets and deferred outflows of resources	<u>\$ 322,889</u>	<u>\$ 14,898,633</u>	<u>\$ 15,221,522</u>

**City of Jackson**  
**Combining Statement of Net Position**  
**Proprietary Funds - Nonmajor Funds**  
**As of September 30, 2016**

	<u>Madison- Ridgeland Sewage</u>	<u>Transportation</u>	<u>Totals</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 2,347	\$ 1,371,822	\$ 1,374,169
Due to other funds	-	288,013	288,013
Compensated absences	-	5,077	5,077
Current portion of long term debt:			
Lease Obligations	-	90,892	90,892
Total current liabilities	<u>2,347</u>	<u>1,755,804</u>	<u>1,758,151</u>
Current Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	-	5,531	5,531
Total current liabilities payable from restricted assets	<u>-</u>	<u>5,531</u>	<u>5,531</u>
Post Employment Benefits accrual	-	99,868	99,868
Pension liability	-	637,176	637,176
Long Term Debt (less amounts classified as current liabilities):			
Compensated absences	-	7,785	7,785
Lease obligations	-	91,985	91,985
Total long-term debt	<u>-</u>	<u>99,770</u>	<u>99,770</u>
Total liabilities	<u>2,347</u>	<u>2,598,149</u>	<u>2,600,496</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources	-	17,272	17,272
Total deferred inflows of resources	<u>-</u>	<u>17,272</u>	<u>17,272</u>
Total liabilities and deferred inflows of resources	<u>2,347</u>	<u>2,615,421</u>	<u>2,617,768</u>
<b>NET POSITION</b>			
Net investment in capital assets	322,879	12,662,101	12,984,980
Unrestricted	<u>(2,337)</u>	<u>(378,889)</u>	<u>(381,226)</u>
Total Net Position	<u>320,542</u>	<u>12,283,212</u>	<u>12,603,754</u>

**City of Jackson**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds - Nonmajor Funds**  
**For the Year Ended September 30, 2016**

	<u>Madison- Ridgeland Sewage</u>	<u>Transportation</u>	<u>Totals</u>
<b>Operating Revenues:</b>			
Sales to Customers	\$ -	\$ 406,195	\$ 406,195
Other Revenue	-	489,642	489,642
	<u>-</u>	<u>895,837</u>	<u>895,837</u>
<b>Total Operating revenues</b>			
	-	895,837	895,837
<b>Operating Expenses:</b>			
Personnel Services	-	318,089	318,089
Supplies	-	786,569	786,569
Other services and charges	44,515	6,315,216	6,359,731
Depreciation	15,848	766,011	781,859
	<u>60,363</u>	<u>8,185,885</u>	<u>8,246,248</u>
<b>Total operating expenses</b>			
	60,363	8,185,885	8,246,248
<b>Operating Income (loss)</b>			
	(60,363)	(7,290,048)	(7,350,411)
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	-	368	368
Interest and service charges on long term debt and capitalized lease obligations	-	(14,463)	(14,463)
	<u>-</u>	<u>(14,463)</u>	<u>(14,463)</u>
<b>Total nonoperating revenues (expenses)</b>			
	-	(14,095)	(14,095)
<b>Loss before contributions and transfers</b>			
	(60,363)	(7,304,143)	(7,364,506)
<b>Capital contributions from grants</b>			
	-	6,283,958	6,283,958
<b>Transfers In:</b>			
General Fund	-	4,158,713	4,158,713
Enterprise Funds	87,436	-	87,436
	<u>87,436</u>	<u>4,158,713</u>	<u>4,246,149</u>
<b>Total transfers in (out)</b>			
	87,436	4,158,713	4,246,149
<b>Change in Net Position</b>			
	27,073	3,138,528	3,165,601
<b>Total net position</b>			
	293,469	9,144,684	9,438,153
<b>Total net position - ending</b>			
	<u>\$ 320,542</u>	<u>\$ 12,283,212</u>	<u>\$ 12,603,754</u>

**City of Jackson**  
**Combining Statement of Cash Flows**  
**Proprietary Funds - Nonmajor Funds**  
**For the Year Ended September 30, 2016**

	<b>Madison- Ridgeland Sewage</b>	<b>Transportation</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ -	\$ 406,195	\$ 406,195
Receipts from other revenue	-	(889,231)	(889,231)
Payments to suppliers	(66,200)	(8,023,277)	(8,089,477)
Payments to employees	-	(172,107)	(172,107)
Net cash used for			
Operating activities	(66,200)	(8,678,420)	(8,744,620)
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	87,436	4,158,713	4,246,149
Net cash provided by noncapital and related financing activities	87,436	4,158,713	4,246,149
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(21,226)	(1,092,165)	(1,113,391)
Principal paid on capital debt	-	(259,745)	(259,745)
Interest paid on capital debt	-	(14,463)	(14,463)
Proceeds from capital contributions	-	6,283,958	6,283,958
Deferred inflow on pension liability	-	(57,156)	(57,156)
Deferred outflow on pension liability	-	(66,254)	(66,254)
Net cash provided by capital and related financing activities	(21,226)	4,794,175	4,772,949
<b>Cash Flow Provided by Investing Activities:</b>			
Interest on investments	-	368	368
Net cash provided by investing activities	-	368	368
Net increase (decrease) in cash and cash equivalents	10	274,836	274,846
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	<u>\$ 10</u>	<u>\$ 274,836</u>	<u>\$ 274,846</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>			
Operating loss	\$ (60,363)	\$ (7,290,048)	\$ (7,350,411)
Depreciation expense	15,848	766,011	781,859
(Increase) decrease in other receivable	-	(1,378,873)	(1,378,873)
Increase (decrease) in due to other funds	-	(1,603,717)	(1,603,717)
Increase (decrease) in accounts payable	(21,685)	676,694	655,009
Increase (decrease) in accrued interest payable	-	5,531	5,531
Increase (decrease) in compensated absences	-	(3,053)	(3,053)
Increase (decrease) in pension liability	-	123,727	123,727
Increase (decrease) in other liabilities	-	25,308	25,308
Total adjustments	(5,837)	(1,388,372)	(1,394,209)
Net cash provided by operating activities	<u>\$ (66,200)</u>	<u>\$ (8,678,420)</u>	<u>\$ (8,744,620)</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Borrowing under capital lease	\$ -	\$ -	\$ -



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## **Fiduciary Funds**

### **Unemployment Compensation Revolving Fund**

To account for money held in trust to fund unemployment claims pursuant to State law.

### **Charitable Trust Fire and Police Fund**

To account for contributions from the public sector which are held in trust for police and fire allowable claims.

### **Mausoleum Trust Fund**

To account for funds to be used for maintenance and upkeep of the Henry Mausoleum located in Kernaghan Cemetery.

### **Tax Collections**

To account for receipt of tax collections for and subsequent payment to the Jackson/Hinds Library System, Jackson Municipal Separate School District, Capital City Community Convention Center, and Jackson Convention & Visitors Bureau.

**CITY OF JACKSON  
ALL TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN POSITION AND LIABILITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Unemployment Compensation Revolving Fund	Charitable Trust Fire and Police Fund	Mausoleum Trust Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 603,587	\$ 9,321	\$ -	\$ 612,908
Investment at fair value:				
Certificate of deposit	-	-	32,644	32,644
Total assets	<u>\$ 603,587</u>	<u>\$ 9,321</u>	<u>\$ 32,644</u>	<u>\$ 645,552</u>
<b>Liabilities and Net Position</b>				
Liabilities:				
Total liabilities	<u>14,915</u>	<u>-</u>	<u>-</u>	<u>14,915</u>
Net Position:				
Held in trust	<u>588,672</u>	<u>9,321</u>	<u>32,644</u>	<u>630,637</u>
Total net position	<u>588,672</u>	<u>9,321</u>	<u>32,644</u>	<u>630,637</u>
Total liabilities and net position	<u>\$ 603,587</u>	<u>\$ 9,321</u>	<u>\$ 32,644</u>	<u>\$ 645,552</u>

**CITY OF JACKSON  
ALL TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Unemployment Compensation Revolving Fund	Trust Fire and Police Fund	Mausoleum Trust Fund	Total
Additions:				
Interest	\$ 815	\$ 56	\$ 46	\$ 917
Other additions	<u>209,500</u>	<u>-</u>	<u>-</u>	<u>209,500</u>
Total additions	<u>210,315</u>	<u>56</u>	<u>46</u>	<u>210,417</u>
Deductions:				
General government Trust funds	<u>153,648</u>	<u>-</u>		<u>153,648</u>
Change in Net Position	56,667	56	46	56,769
Net position at beginning of year	<u>532,005</u>	<u>9,265</u>	<u>32,598</u>	<u>573,868</u>
Net position at end of year	<u>\$ 588,672</u>	<u>\$ 9,321</u>	<u>\$ 32,644</u>	<u>\$ 630,637</u>



**CITY OF JACKSON  
ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Cash and Cash Equivalents</u>	<u>Total Assets</u>	<u>Other Liabilities</u>	<u>Total Liabilities</u>
<b>Capital City Community Convention Center</b>				
Balance at October 1, 2015	\$ 12,267	\$ 12,267	\$ 12,267	\$ 12,267
Additions	4,625,657	4,625,657	4,625,657	4,625,657
Deductions	<u>4,625,590</u>	<u>4,625,590</u>	<u>4,625,590</u>	<u>4,625,590</u>
Balance at September 30, 2016	<u>\$ 12,334</u>	<u>\$ 12,334</u>	<u>\$ 12,334</u>	<u>\$ 12,334</u>
<b>Jackson Convention &amp; Visitors Bureau</b>				
Balance at October 1, 2015	\$ -	\$ -	\$ -	\$ -
Additions	3,601,532	3,601,532	3,601,532	3,601,532
Deductions	<u>3,300,656</u>	<u>3,300,656</u>	<u>3,300,656</u>	<u>3,300,656</u>
Balance at September 30, 2016	<u>\$ 300,876</u>	<u>\$ 300,876</u>	<u>\$ 300,876</u>	<u>\$ 300,876</u>
Balance at October 1, 2015	\$ -	\$ -	\$ -	\$ -
Additions	1,897,000	1,897,000	1,897,000	1,897,000
Deductions	<u>1,897,000</u>	<u>1,897,000</u>	<u>1,897,000</u>	<u>1,897,000</u>
Balance at September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Jackson Municipal Separate School District</b>				
Balance at October 1, 2015	\$ -	\$ -	\$ -	\$ -
Additions	12,674,433	12,674,433	12,674,433	12,674,433
Deductions	<u>12,674,433</u>	<u>12,674,433</u>	<u>12,674,433</u>	<u>12,674,433</u>
Balance at September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>1% Infrastructure Tax</b>				
Balance at October 1, 2015	\$ 19,971,818	\$ 19,971,818	\$ 19,971,818	\$ 19,971,818
Additions	14,216,712	14,216,712	14,216,712	14,216,712
Deductions	<u>4,041,107</u>	<u>4,041,107</u>	<u>4,041,107</u>	<u>4,041,107</u>
Balance at September 30, 2016	<u>\$ 30,147,423</u>	<u>\$ 30,147,423</u>	<u>\$ 30,147,423</u>	<u>\$ 30,147,423</u>
<b>Total - All Agency Funds:</b>				
Balance at October 1, 2015	\$ 19,984,085	\$ 19,984,085	\$ 19,984,085	\$ 19,984,085
Additions	37,015,335	37,015,335	37,015,335	37,015,335
Deductions	<u>26,538,787</u>	<u>26,538,787</u>	<u>26,538,786</u>	<u>26,538,786</u>
Balance at September 30, 2016	<u>\$ 30,460,633</u>	<u>\$ 30,460,633</u>	<u>\$ 30,460,633</u>	<u>\$ 30,460,633</u>

**CITY OF JACKSON**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE (1)**  
**SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Governmental funds capital assets:</b>		
Land	\$ 13,472,741	\$ 13,690,521
Buildings	81,771,484	81,480,260
Automotive and equipment:	76,146,359	75,895,455
Infrastructure	285,555,213	285,531,093
Construction in progress	37,348,706	31,018,202
Total governmental funds capital assets	<u>\$ 494,294,503</u>	<u>\$ 487,615,531</u>
 <b>Investment in governmental funds capital assets by source:</b>		
Assets prior to 1985 not segregated by sources	\$ 13,433,441	\$ 13,762,712
General Fund revenues	82,313,942	79,044,775
Special Revenue Fund revenues	96,506,024	95,891,964
Special Assessment bonds	2,123,934	2,123,934
General Obligation bonds	251,216,535	250,723,795
Limited Obligation bonds	4,330,429	4,330,429
Debt Service Fund revenues	65,000	65,000
Federal grants	43,666,124	41,131,814
State grants	208,126	110,159
County grants	430,949	430,949
Total governmental funds capital assets	<u>\$ 494,294,503</u>	<u>\$ 487,615,531</u>

(1) This schedule presents only the capital asset balances (excluding accumulated depreciation) related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.



**CITY OF JACKSON**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY (1)**  
**SEPTEMBER 30, 2016**

	Land	Buildings	Infrastructure	Automotive and Equipment	Construction In Progress	Total
Assets prior to 1985 not segregated by function and activity	\$ 10,388,572	\$ -	\$ -	\$ 3,044,869	\$ -	\$ 13,433,441
<b>General Government:</b>						
Planning	-	68,800	658,952	495,245	1,756,707	2,979,704
Code Services	-	-	-	670,093	-	670,093
Telecommunication	-	4,554,834	37,152	132,555	-	4,724,541
Data Processing / Information System	-	42,257	51,185	5,720,365	-	5,813,807
Vehicle Pool Fund	-	-	-	1,650,523	-	1,650,523
Mayor's Office of Development Assistance	100,000	-	-	104,679	-	204,679
Office Services	-	-	-	146,335	-	146,335
Purchasing	-	-	-	50,452	-	50,452
Finance and Management	-	2,299,392	133,238	288,302	-	2,720,932
Personnel	-	-	-	225,894	-	225,894
Municipal Court Services	-	-	-	1,466,044	-	1,466,044
Vehicle Maintenance	-	5,816	-	720,841	-	726,657
Minority Business Development	-	-	-	27,598	-	27,598
Total general government	100,000	6,971,099	880,327	11,698,926	1,756,707	21,407,259
<b>Urban Development and Housing:</b>						
Neighborhood Enhancement Task	-	-	-	11,125	-	11,125
Redevelopment Projects	87,578	-	-	69,874	-	157,452
Post Office Project	500	-	-	-	-	500
Union Station	-	15,044,796	243,000	-	-	15,287,796
Total urban development and housing	88,078	15,044,796	243,000	80,999	-	15,456,873
<b>Health and Welfare:</b>						
Public Relations/Information	-	-	-	14,829	-	14,829
Senior Services	-	251,344	-	345,674	-	597,018
Day Care Services	-	281,849	16,109	256,428	-	554,386
Senior Centers/Community Centers	-	1,271,615	-	19,813	-	1,291,428
Group Home	46,245	-	-	-	-	46,245
Human and Cultural Services	-	15,645	1,876	73,456	472,716	563,693
Total health and welfare	46,245	1,820,453	17,985	710,200	472,716	3,067,599
<b>Public Safety:</b>						
Fire Department	75,000	5,300,973	3,672,248	16,073,809	-	25,122,030
Police Department	123,992	6,037,047	1,304,848	27,395,756	21,466,235	56,327,878
Small Animal Control	-	1,366,367	-	17,746	-	1,384,113
Juvenile Justice	-	431,482	4,502,506	86,199	-	5,020,187
Emergency Management	-	-	-	17,914	-	17,914
Communication Center	-	1,292,879	-	300,903	-	1,593,782
Public Safety Garage	-	-	-	29,060	-	29,060
Total public safety	198,992	14,428,748	9,479,602	43,921,387	21,466,235	89,494,964
<b>Public Works:</b>						
Cemeteries	-	8,430	-	143,318	-	151,748
Engineering	585,273	1,020,866	49,275,948	5,120,000	426,842	56,428,929
Traffic Engineering	-	17,215	638,701	2,392,214	917,369	3,965,499
Traffic Signals	-	-	2,355,398	425,559	1,224,974	4,005,931
Care and Maintenance of Public Buildings	-	7,836,192	8,536,528	89,982	60,842	16,523,544
Custodial Services	-	-	-	34,818	-	34,818
Public Works Deputy Dir/Adm	-	-	-	41,124	-	41,124
Public Works Infrastructure Management	-	-	-	998,008	3,995,841	4,993,849
Pest Control	-	-	-	1,426	-	1,426
Streets	354,278	-	129,100,975	-	6,783,056	136,238,309
Storm Drainage	-	-	71,942,748	992,716	244,123	73,179,587
Bridges	-	-	1,787,206	-	-	1,787,206
Soil Conservation	-	120,000	112,159	-	-	232,159
Total public works	939,551	9,002,703	263,749,663	10,239,165	13,653,047	297,584,129
<b>Culture and Recreation:</b>						
Planetarium	-	827,314	34,963	1,342,865	-	2,205,142
Jackson Zoological Park	-	3,000,000	-	465,122	-	3,465,122
Municipal Art Building	-	5,758	29,049	5,907	-	40,714
Parks and Recreation	225,820	16,925,172	8,069,927	3,429,987	-	28,650,906
Teen Center	-	-	-	5,293	-	5,293
Library	-	5,710,933	2,198,621	156,099	-	8,065,653
Smith Robertson Cultural Center	-	1,238,810	340,745	57,595	-	1,637,150
City Auditorium and Art Center	-	3,849,374	511,131	64,922	-	4,425,427
Total culture and recreation	225,820	31,557,361	11,184,436	5,527,790	-	48,495,407
<b>Miscellaneous:</b>						
City Council/Mayor	-	402,665	-	427,895	-	830,560
City Clerk	-	-	-	192,219	-	192,219
City Hall	-	2,526,372	-	-	-	2,526,372
Legal	-	17,287	-	246,356	-	263,643
Mayor's Action Line	-	-	-	34,862	-	34,862
Industrial Park	1,485,483	-	-	-	-	1,485,483
Internal Audit	-	-	-	21,692	-	21,692
Total miscellaneous	1,485,483	2,946,324	-	923,024	-	5,354,831
<b>Total governmental funds capital assets</b>	<b>\$ 13,472,741</b>	<b>\$ 81,771,484</b>	<b>\$ 285,555,213</b>	<b>\$ 76,146,359</b>	<b>\$ 37,348,706</b>	<b>\$ 494,294,503</b>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.



**CITY OF JACKSON**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Governmental Funds Capital Assets October 1, 2015	Additions	Deductions	Governmental Funds Capital Assets September 30, 2016
<b>General Government:</b>				
Planning	\$ 2,048,928	\$ 1,940,539	\$ 243,579	\$ 3,745,888
Code Services	560,216	-	-	560,216
Data Processing/ Information Systems	3,010,326	178,435	-	3,188,761
Transportation	10,192,613	-	-	10,192,613
Vehicle Pool	1,059,993	20,278	-	1,080,271
Telecommunications	10,129,928	-	-	10,129,928
Office Services	1,669	-	-	1,669
Purchasing	50,839	-	-	50,839
Finance and Management	7,708,115	-	-	7,708,115
Personnel	136,244	-	-	136,244
Municipal Court Services	1,933,830	-	-	1,933,830
Vehicle Maintenance	1,628,972	-	-	1,628,972
Total general government	<u>38,461,673</u>	<u>2,139,252</u>	<u>243,579</u>	<u>40,357,346</u>
<b>Urban Development and Housing:</b>				
Redevelopment Projects	272,751	-	-	272,751
Union Station	13,448,496	-	-	13,448,496
Total urban development and housing	<u>13,721,247</u>	<u>-</u>	<u>-</u>	<u>13,721,247</u>
<b>Health and Welfare:</b>				
Senior Services	853,215	-	152,672	700,543
Day Care Services	1,208,980	-	-	1,208,980
Senior Centers/Community Centers	616,255	-	-	616,255
Human and Cultural Services	1,368,019	501,559	-	1,869,578
Total health and welfare	<u>4,046,469</u>	<u>501,559</u>	<u>152,672</u>	<u>4,395,356</u>
<b>Public Safety:</b>				
Fire Department	31,063,026	-	827,500	30,235,526
Police Department	43,946,884	-	74,336	43,872,548
Small Animal Control	1,714,102	-	-	1,714,102
Juvenile Justice	11,693,078	-	-	11,693,078
Communication Center	4,120,964	-	-	4,120,964
Public Safety Garage	230,776	-	-	230,776
Total public safety	<u>92,768,830</u>	<u>-</u>	<u>901,836</u>	<u>91,866,994</u>
<b>Public Works:</b>				
Cemeteries	356,014	-	-	356,014
Engineering	88,202,869	-	-	88,202,869
Traffic Engineering	2,373,737	44,397	-	2,418,134
Public Works Administration	14,408	-	-	14,408
Public Works Infrastructure Management	-	4,993,850	-	4,993,850
Care and Maintenance of Public Buildings	25,182,440	97,848	35,019	25,245,269
Custodial Services	46,823	-	11,750	35,073
Pest Control	10,452	-	-	10,452
Central Supply	709,337	-	-	709,337
Streets	97,363,337	-	-	97,363,337
Storm Drainage	61,666,869	-	-	61,666,869
Soil Conservation	482,909	-	-	482,909
Total public works	<u>276,409,195</u>	<u>5,136,095</u>	<u>46,769</u>	<u>281,498,521</u>
<b>Culture and Recreation:</b>				
Planetarium	5,192,962	-	-	5,192,962
Jackson Zoological Park	3,687,674	-	-	3,687,674
Municipal Art Building	75,838	-	-	75,838
Parks and Recreation	19,007,741	493,844	246,922	19,254,663
Library	10,611,997	-	-	10,611,997
Smith Robertson Cultural Center	2,867,818	-	-	2,867,818
City Auditorium and Art Center	14,083,234	-	-	14,083,234
Total culture and recreation	<u>55,527,264</u>	<u>493,844</u>	<u>246,922</u>	<u>55,774,186</u>
<b>Miscellaneous:</b>				
City Council/Mayor	6,414,185	-	-	6,414,185
City Clerk	71,440	-	-	71,440
Legal	163,536	-	-	163,536
Mayor's Action Line	7,674	-	-	7,674
Internal Audit	24,018	-	-	24,018
Total miscellaneous	<u>6,680,853</u>	<u>-</u>	<u>-</u>	<u>6,680,853</u>
Total governmental funds capital assets	<u>\$ 487,615,531</u>	<u>\$ 8,270,750</u>	<u>\$ 1,591,778</u>	<u>\$ 494,294,503</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.



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## STATISTICAL SECTION (UNAUDITED)

This part of the City of Jackson's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	122
These schedules contain trend information to help the reader understand how the City of Jackson's financial performance and well-being have changed over time.	
Revenue Capacity	126
These schedules contain information to help the reader assess the City of Jackson's most significant local revenue source, the property tax.	
Debt Capacity	130
These schedules present information to help the reader assess the affordability of the City of Jackson's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	138
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Jackson's financial activities take place.	
Operating Information	140
These schedules contain service and infrastructure data to help the reader understand how the information in the City of Jackson's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Jackson**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$125,653	\$121,798	\$197,641	\$179,234	\$187,511	\$180,357	\$188,172	\$180,607	\$197,359	\$207,047
Restricted	5,961	5,926	5,726	13,446	15,040	17,469	23,585	32,587	28,617	64,061
Unrestricted	(190,475)	(173,696)	(8,168)	(45,855)	(41,290)	(36,100)	(38,882)	(32,604)	(37,367)	(44,725)
<b>Total governmental activities net position</b>	<b><u>\$ (58,861)</u></b>	<b><u>\$ (45,972)</u></b>	<b><u>\$195,199</u></b>	<b><u>\$146,825</u></b>	<b><u>\$161,261</u></b>	<b><u>\$161,726</u></b>	<b><u>\$172,875</u></b>	<b><u>\$180,590</u></b>	<b><u>\$188,609</u></b>	<b><u>\$226,383</u></b>
<b>Business-type activities</b>										
Net investment in capital assets	\$218,760	\$213,137	\$192,012	\$101,011	\$184,185	\$183,735	\$176,170	\$163,408	\$156,309	\$147,013
Restricted	-	-	-	-	-	-	-	3,861	3,820	3,765
Unrestricted	-86,839	59,674	84,672	159,496	73,303	78,501	77,521	82,482	91,591	94,972
<b>Total business-type activities net position</b>	<b><u>\$305,599</u></b>	<b><u>\$272,811</u></b>	<b><u>\$276,684</u></b>	<b><u>\$260,507</u></b>	<b><u>\$257,488</u></b>	<b><u>\$262,236</u></b>	<b><u>\$253,691</u></b>	<b><u>\$249,751</u></b>	<b><u>\$251,720</u></b>	<b><u>\$245,750</u></b>
<b>Primary government</b>										
Net investment in capital assets	\$344,413	\$334,935	\$389,653	\$371,696	\$371,696	\$364,092	\$364,342	\$344,015	\$353,668	\$354,060
Restricted	5,961	5,926	5,726	15,041	15,040	17,469	23,585	36,448	32,437	67,826
Unrestricted	(103,636)	(114,022)	76,504	113,641	32,013	42,401	38,639	49,878	54,224	50,247
<b>Total primary government net position</b>	<b><u>\$246,738</u></b>	<b><u>\$226,839</u></b>	<b><u>\$471,883</u></b>	<b><u>\$500,378</u></b>	<b><u>\$418,749</u></b>	<b><u>\$423,962</u></b>	<b><u>\$426,566</u></b>	<b><u>\$430,341</u></b>	<b><u>\$440,329</u></b>	<b><u>\$472,133</u></b>

Source: Statement of Net Position.

**City of Jackson**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

Expenses	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
General government	\$ 40,546	\$ 40,625	\$ 15,780	\$ 40,602	\$ 29,456	\$ 29,312	\$ 32,358	\$ 44,790	\$ 69,721	\$ 49,147
Public safety	68,029	64,796	27,031	64,780	57,055	59,166	56,922	55,996	53,664	62,576
Public works	13,375	19,595	14,505	24,661	24,721	21,774	27,451	31,518	25,301	15,993
Human and cultural services	16,297	16,720	7,831	14,311	13,756	16,011	9,645	14,170	14,890	13,067
Employee benefits	6,485	1,564	8,232	7,860	8,685	8,625	8,764	2,149	1,765	2,180
Interest on long-term debt	7,825	5,912	844	8,230	7,448	5,864	8,830	5,389	5,917	5,647
Total governmental activities expenses	152,557	149,212	74,223	160,444	141,121	140,752	143,970	154,012	171,258	148,610
Business-type activities:										
Water/Sewer	32,851	45,439	55,553	48,891	55,347	41,795	41,064	42,275	45,279	39,904
Transportation	8,200	8,213	7,995	7,554	6,970	8,713	7,956	7,990	7,685	6,852
Madison Sewage	60	55	109	82	74	51	-	-	-	-
Sanitation	11,996	10,857	10,766	11,699	11,894	11,156	10,244	10,296	10,299	10,931
Total business-type activities expenses	53,107	64,564	74,423	68,226	74,285	61,715	59,264	60,561	63,263	57,687
Total primary government expenses	\$ 205,664	\$ 213,776	\$ 148,646	\$ 228,670	\$ 215,406	\$ 202,467	\$ 203,234	\$ 214,573	\$ 234,521	\$ 206,297
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 8,439	\$ 9,281	\$ 10,875	\$ 14,204	\$ 15,019	\$ 13,075	\$ 4,951	\$ 6,334	\$ 4,525	\$ 7,422
Public Safety	288	195	1,348	823	798	367	3,241	2,824	3,135	2,806
Public Works	208	195	162	200	253	15	1,206	1,469	1,393	1,147
Human and cultural services	658	455	464	595	885	619	2,025	1,575	2,813	1,667
Employee benefits	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	13,486	11,912	8,251	12,261	10,114	11,570	17,441	16,681	18,436	12,968
Capital grants and contributions	2,697	5,200	7,016	11,291	1,970	5,025	2,226	6,188	7,912	1,771
Total governmental activities program revenues	25,776	27,238	28,116	39,374	29,039	30,671	31,090	35,071	38,214	27,781
Business-type activities:										
Charges for services:										
Water/Sewer	63,085	59,849	69,423	44,052	47,966	47,578	41,974	41,440	47,468	43,847
Transportation	406	716	710	677	589	529	431	360	397	426
Sanitation	11,606	11,349	11,024	11,311	12,007	11,473	11,258	10,850	11,981	10,476
Operating grants and contributions	509	570	506	582	631	706	664	694	832	1,378
Capital grants and contributions	6,415	2,143	2,516	4,675	2,844	2,568	4,584	1,741	1,534	5,133
Total business-type activities program revenue	82,021	74,627	84,179	61,297	64,037	62,854	58,911	55,085	62,212	61,260
Net (expense)/revenue										
Governmental activities	(126,781)	(121,974)	(46,108)	(121,070)	(112,082)	(110,081)	(112,880)	(118,941)	(133,044)	(120,829)
Business-type activities	28,914	10,063	9,756	(6,929)	(10,248)	1,139	(353)	(5,476)	(1,051)	3,573
Total primary government net expenses	\$ (97,867)	\$ (111,911)	\$ (36,352)	\$ (127,999)	\$ (122,330)	\$ (108,942)	\$ (113,233)	\$ (124,417)	\$ (134,095)	\$ (117,256)
General Revenues and Other Charges in										
Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 69,708	\$ 77,881	\$ 77,634	\$ 72,437	\$ 74,856	\$ 68,108	\$ 68,523	\$ 71,298	\$ 65,845	\$ 61,945
Sales taxes	36,731	31,937	32,740	32,718	32,701	31,656	31,268	33,598	37,298	40,849
Franchise taxes	8,119	8,975	9,667	8,245	8,218	7,878	8,552	9,234	9,062	10,144
Investment earnings	52	59	74	145	395	341	187	616	3,021	1,864
Gain on sale of capital assets	489	318	561	108	166	172	40	-	478	301
Miscellaneous	401	1,071	1,714	577	282	317	204	203	106	25
Transfers	(2,082)	(3,054)	(6,106)	(9,585)	(5,000)	(10,232)	(4,027)	(4,027)	(4,613)	(5,473)
Total governmental activities	113,418	117,187	116,284	104,645	111,618	98,240	104,747	110,922	111,197	109,655
Business-type activities:										
Investment earnings	91	124	256	249	472	490	244	812	2,352	4,615
Gain on sale of capital assets	-	2	59	15	30	76	21	(1,332)	56	55
Miscellaneous	1,700	-	-	-	-	-	-	-	-	-
Gain on retirement bonds	-	-	-	-	-	1,275	-	-	-	-
Transfers	2,082	3,054	6,106	9,585	5,000	5,565	4,027	4,027	4,613	5,473
Total business-type activities	3,873	3,180	6,421	9,849	5,502	7,406	4,292	3,507	7,021	10,143
Total primary government	\$ 117,291	\$ 120,367	\$ 122,705	\$ 114,494	\$ 117,120	\$ 105,646	\$ 109,039	\$ 114,429	\$ 118,218	\$ 119,798
Changes in Net Position										
Governmental activities	\$ (13,363)	\$ (4,787)	\$ 70,177	\$ (16,425)	\$ (464)	\$ (11,841)	\$ (8,133)	\$ (8,019)	\$ (21,847)	\$ (11,174)
Business-type activities	32,787	13,243	16,177	2,920	(4,746)	8,545	3,939	(1,969)	5,970	13,716
Total primary government	\$ 19,424	\$ 8,456	\$ 86,354	\$ (13,505)	\$ (5,210)	\$ (3,296)	\$ (4,194)	\$ (9,988)	\$ (15,877)	\$ 2,542
Source: Statement of Activities										



**City of Jackson**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2016	69,708	36,429	8,119	44	258	114,558
2015	77,880	31,636	8,975	47	254	118,792
2014	61,797	29,440	1,552	30	270	93,089
2013	56,970	29,902	1,590	26	270	88,758
2012	55,855	29,155	1,652	30	268	86,960
2011	54,594	30,798	1,823	28	268	87,511
2010	50,483	29,995	1,890	31	262	82,661
2009	53,256	32,301	1,572	31	274	87,434
2008	48,769	35,428	1,477	31	282	85,987
2007	44,240	35,838	1,442	31	304	81,855

Source: Statement of Activities

**City of Jackson**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund										
Nonspendable	\$ 1,187	\$ 875	\$ 997	\$ 2,283	\$ 2,160	\$ 1,814	\$ 1,470	\$ 1,327	\$ 1,301	\$ 1,138
Restricted	687	550	517	492	658	437	-	-	-	-
Committed	5,066	3,780	3,833	3,585	4,789	6,086	2,659	2,807	2,747	2,731
Assigned	1,179	2,005	2,518	49	49	33	-	-	-	-
Unassigned	6,931	5,525	16,579	26,517	26,310	24,757	26,695	24,897	20,760	11,835
Total general fund	<u>\$ 15,050</u>	<u>\$ 12,735</u>	<u>\$ 24,444</u>	<u>\$ 32,926</u>	<u>\$ 33,966</u>	<u>\$ 33,127</u>	<u>\$ 30,824</u>	<u>\$ 29,031</u>	<u>\$ 24,808</u>	<u>\$ 15,704</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	8,261	7,876	8,362	7,210	4,045	3,600	4,876	7,205	4,215	3,855
Committed	8,084	8,188	10,699	13,943	11,692	19,780	21,075	27,311	27,271	63,120
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(498)	(1,663)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 16,345</u>	<u>\$ 15,566</u>	<u>\$ 17,398</u>	<u>\$ 21,153</u>	<u>\$ 15,737</u>	<u>\$ 23,380</u>	<u>\$ 25,951</u>	<u>\$ 34,516</u>	<u>\$ 31,486</u>	<u>\$ 66,975</u>

Source: Governmental Funds - Balance Sheet

**City of Jackson**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes	\$ 69,945	\$ 69,118	\$ 77,435	\$ 70,026	\$ 69,887	\$ 68,253	\$ 67,772	\$ 69,315	\$ 62,702	\$ 63,606
Licenses and permits	1,448	1,973	2,006	2,291	2,676	2,873	2,541	3,453	4,198	3,167
Intergovernmental	46,900	47,489	50,291	55,535	49,721	46,069	48,425	55,498	62,448	56,783
Charges for services	4,581	4,695	4,092	4,152	3,693	3,499	3,314	3,324	3,456	3,032
Fines	2,849	3,457	3,109	3,923	4,166	4,537	4,092	4,245	3,602	3,106
Investment earnings	52	59	74	145	395	342	186	616	3,020	5,252
Special assessments	10	21	34	2	6	8	1	19	-	14
Other	18,209	18,625	18,626	18,423	16,560	15,923	14,707	13,526	13,331	13,374
Total revenues	143,994	145,437	155,667	154,497	147,104	141,504	141,038	149,996	152,757	148,334
<b>Expenditures</b>										
General government	27,989	28,371	30,515	30,718	29,269	30,977	30,506	39,351	63,886	46,176
Public safety	53,086	54,068	54,738	52,586	57,035	52,606	51,571	53,215	53,572	58,926
Culture and recreation	13,339	14,619	14,242	13,753	8,349	13,370	8,078	12,299	12,835	13,177
Public Works	9,175	16,554	30,334	23,232	24,698	19,126	24,430	36,742	26,302	17,243
Employee Benefits	6,696	7,553	8,070	7,780	8,685	8,625	8,071	2,149	1,765	2,180
Capital Outlay	8,658	7,546	10,463	21,090	10,539	5,749	9,982	15,311	1,379	9,040
Debt service										
Principal	7,150	15,700	6,030	2,780	873	624	3,806	10,731	14,330	13,830
Interest	8,244	6,491	6,013	5,061	6,575	6,424	7,128	5,789	6,419	6,314
Total expenditures	134,337	150,902	160,405	157,000	146,023	137,501	143,572	175,587	180,488	166,886
Excess of revenues over (under) expenditures	9,657	(5,465)	(4,738)	(2,503)	1,081	4,003	(2,534)	(25,591)	(27,731)	(18,552)
<b>Other financing sources (uses)</b>										
Transfer in	6,435	9,347	15,582	10,400	4,813	7,927	7,201	7,581	6,584	6,565
Transfer out	(16,624)	(19,836)	(28,448)	(26,745)	(16,442)	(18,159)	(15,006)	(15,474)	(15,012)	(14,354)
Proceeds from capital leases	-	2,095	4,808	12,144	3,098	172	-	-	-	1,119
Issuance of debt	-	-	-	10,185	402	9,041	27,153	38,280	2,475	186
Sales of Bonds	30,019	-	-	64,940	-	-	-	-	5,155	66,117
Sale of capital assets	489	318	561	108	166	-	40	-	-	-
Payments to refunded bond escrow agent	(28,440)	-	-	(69,891)	-	(33)	(25,089)	(359)	(124)	-
Discount on GO bond	(88)	-	-	-	-	-	-	-	-	-
Premium on GO bond issue	1,172	-	-	5,738	-	-	1,463	430	-	-
Proceeds from Tax Increment Bonds	-	-	-	-	-	-	-	2,382	2,270	-
Total other financing sources (uses)	(7,037)	(8,076)	(7,497)	6,879	(7,963)	(1,052)	(4,238)	32,840	1,348	59,633
Net change in fund balances	\$ 2,620	\$ (13,541)	\$ (12,235)	\$ 4,376	\$ (6,882)	\$ 2,951	\$ (6,772)	\$ 7,249	\$ (26,383)	\$ 41,081
Debt service as a percentage of noncapital expenditures	14.0%	18.3%	8.7%	6.1%	5.8%	5.7%	8.9%	11.5%	13.1%	14.6%

**City of Jackson**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Motor Fuel Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2016	69,945	30,691	8,119	44	258	109,057
2015	69,118	31,636	8,975	47	254	110,030
2014	77,435	29,440	1,552	30	270	108,727
2013	70,026	32,034	1,590	26	270	103,946
2012	69,887	29,155	1,652	30	268	100,992
2011	68,253	30,798	1,823	28	268	101,170
2010	67,772	29,995	1,890	31	262	99,950
2009	69,315	32,301	1,572	31	274	103,493
2008	62,702	35,428	1,447	31	282	99,890
2007	63,606	35,838	1,442	31	304	101,221

Source: Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance



**City of Jackson**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years (2)**

Fiscal Year	Real Property		Personal Property		Total		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value	Assessed Value (2)	Estimated Actual Value		
2016	\$ 797,782,302	\$ 6,209,794,880	\$ 427,318,830	\$ 1,940,221,673	\$ 1,225,101,132	\$ 8,150,016,553	56.26	10%,15%,and 30%
2015	782,206,847	6,106,236,603	429,291,423	1,975,757,483	1,211,498,270	8,081,994,086	56.46	10%,15%,and 30%
2014	792,551,066	6,169,507,167	423,157,579	1,950,263,833	1,215,708,645	8,119,771,000	62.07	10%,15%,and 30%
2013	805,068,802	6,271,511,887	396,924,146	1,871,856,147	1,201,992,948	8,143,368,034	56.54	10%,15%,and 30%
2012	810,977,848	6,317,262,297	413,249,466	1,993,670,330	1,224,227,314	8,310,932,627	56.63	10%,15%,and 30%
2011	809,368,529	6,323,192,313	396,605,625	1,897,105,793	1,205,974,154	8,220,298,106	56.63	10%,15%,and 30%
2010	798,026,041	6,252,141,950	400,770,321	1,887,134,230	1,198,796,362	8,139,276,180	56.72	10%,15%,and 30%
2009	790,601,910	6,190,265,033	423,164,849	1,988,646,047	1,213,766,759	8,178,911,080	56.72	10%,15%,and 30%
2008	658,357,211	5,139,019,840	452,411,093	2,076,697,273	1,110,768,304	7,215,717,113	56.75	10%,15%,and 30%
2007	657,256,904	5,079,239,993	452,073,610	2,081,230,213	1,109,330,514	7,160,470,206	56.75	10%,15%,and 30%

(1) Ad valorem tax property assessments within the City and the Jackson Municipal Separate School District are fixed at ten percent (10%) of appraised value for homeowner occupied real property, and fifteen percent (15%) of appraised value for all other real and personal property for Fiscal Years 1987-1996. State law required a reappraisal of all property in Mississippi in order to obtain an equitable and uniform appraisal in proportion to current market value, and property was assessed at fifteen percent (15%) beginning in Fiscal Year 1985. The assessed value for motor vehicles and for property owned by public service corporations is determined by an assessment schedule prepared each year by the State of Mississippi Tax Commission, and is set at approximately thirty percent (30%) of appraised value for Fiscal Year 1989 and thereafter.

(2) Includes automotive valuation.

There was an error in reporting the fiscal year 2006 assessed and estimated taxable property. This error is corrected in fiscal year 2007.

SOURCE: Hinds, Rankin and Madison County Tax Collectors

**CITY OF JACKSON  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Overlapping Rates									
City of Jackson				County	School District				Total Direct & Overlapping Rates
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Debt Service & Operating County Milage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	
2016	53.28	2.98	56.26	38.33	65.91	16.76	82.67	1.77	179.03
2015	48.90	7.56	56.46	38.33	65.91	16.53	82.44	1.57	178.80
2014	56.77	5.30	62.07	38.33	64.79	7.17	71.96	1.49	173.85
2013	53.50	3.04	56.54	38.33	62.58	14.91	77.49	1.49	173.85
2012	53.43	3.20	56.63	38.33	62.66	12.33	74.99	1.40	171.35
2011	53.56	3.07	56.63	44.13	62.58	12.41	74.99	1.40	177.15
2010	50.09	6.63	56.72	39.12	68.91	6.08	74.99	1.31	172.14
2009	51.25	5.47	56.72	39.12	68.91	6.08	74.99	1.31	172.14
2008	52.28	4.47	56.75	39.12	68.91	6.08	74.99	1.28	172.14
2007	47.23	9.52	56.75	39.12	68.91	6.08	74.99	1.28	172.14

Source: Hinds County Tax Collectors, Jackson Public School District, and Jackson/Hinds Library System



**City of Jackson**  
**Principal Property Taxpayers**  
**September 30, 2016**  
(amounts expressed in thousands)

<u><b>Taxpayer</b></u>	<b>2016</b>			<b>2007</b>		
	<u><b>Taxable Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Taxable Assessed Value</b></u>	<u><b>Taxable Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Taxable Assessed Value</b></u>
Bell South	\$ 27,777	2	2.70%	\$ 75,530	1	8.21%
Entergy	135,063	1	13.14%	50,680	2	5.51%
Atmos Energy	14,836	5	1.44%	9,645	3	1.05%
Midcontinent Express Pipeline LLC	25,419	3	2.47%	-		-
AT& T Services	7,637	9	0.74%	4,238	9	0.46%
Trustmark National Bank	-		-	5,629	6	0.61%
Parkway Properties	-		-	7,674	4	0.83%
Central MS Health Systems	-		-	4,751	8	0.52%
Entergy Services Inc	12,968	7	1.26%	-		-
Wal-Mart/Sam's Wholesale Club	-		-	5,601	7	0.61%
McCarty Holman, Inc.	-		-	-		-
Deposit Guaranty National Bank	-		-	-		-
Jackson Medical	-		-	3,823	10	0.42%
Jackson HMA Inc. LLC	4,703	10	0.46%	7,005	5	0.76%
Texas Eastern Transmission C	13,154	6	1.28%	-		-
Gulf South Pipeline Co. LP	21,607	4	2.10%	-		-
Delphi Auto Systems LLC	-		-	-		-
Illinois Central Railroad	9,145	8	0.89%	-		-
Eaton Aerospace LLC	-		-	-		-
Mississippi Valley Gas Company	-		-	-		-
<b>Totals</b>	<u><b>\$ 272,309</b></u>		<u><b>26.48%</b></u>	<u><b>\$ 174,576</b></u>		<u><b>18.98%</b></u>

Source: Hinds County

**City of Jackson**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<b>Fiscal Year Ended September 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2016	\$ 61,601	\$ 59,548	96.7	\$ 1,229	\$ 60,777	98.7
2015	59,436	59,314	99.8	528	59,842	100.7
2014	69,499	66,623	95.9	1,458	68,081	98.0
2013	69,069	61,147	88.5	1,106	62,253	90.1
2012	67,138	60,734	90.5	1,533	62,267	92.7
2011	-	-	-	-	-	-
2010	61,942	59,321	95.8	972	60,293	97.3
2009	61,363	59,602	97.1	376	59,978	97.7
2008	55,147	54,276	98.4	306	54,582	99.0
2007	55,147	54,276	98.4	306	54,582	99.0

The data was not available from Hinds County in 2011.

The total tax levy does not include automobile ad valorem taxes.

Beginning Fiscal Year 1988, the majority of school taxes collected were remitted directly to the Jackson Municipal Separate School District by Hinds County, the collecting agency.



**City of Jackson**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Limited Obligation Bonds	State Revolving Loan MDA	Miss Development Bank Loan	Section 108 Loan	General Obligation Note	Capital Leases
2016	\$ 125,729	\$ 4,080	\$ 217	\$ 1,884	\$ 7,000	\$ 2,300	\$ 11,640
2015	124,150	4,576	259	2,159	7,000	4,600	15,677
2014	139,280	5,111	302	2,452	6,889	6,900	17,880
2013	135,645	5,622	342	2,747	7,000	9,200	18,167
2012	131,290	6,102	383	3,040	7,000	402	17,058
2011	131,720	6,541	430	3,335	7,000	-	18,073
2010	131,720	4,231	462	2,650	7,000	-	13,520
2009	134,610	4,522	497	2,847	7,000	-	13,053
2008	112,535	2,270	534	737	-	-	13,027
2007	115,500	210	568	622	-	-	14,013

(Continued)

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 138 for personal income and population data.

Business-Type Activities												
Sewer Bonds		State Revolving Loan MDA		State Revolving Loan (DEQ)		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)				
\$	222,455	\$	4,363	\$	1,169	\$	27,322	\$	408,159	6.81%	\$	2,352
	227,910		5,021		2,719		25,633		419,704	7.00%		2,419
	233,660		3,943		4,187		22,534		443,138	7.39%		2,554
	239,265		2,727		4,137		15,653		440,505	7.34%		2,539
	154,430		-		3,069		12,578		335,352	5.59%		1,933
	148,325		-		2,758		13,799		331,981	5.54%		1,913
	148,920		-		4,704		15,428		328,635	5.26%		1,894
	155,830		-		5,722		16,997		341,078	5.59%		1,851
	161,345		-		1,716		18,508		310,672	4.98%		1,686
	167,670		-		2,272		19,005		319,860	5.46%		1,736

**City of Jackson**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Limited Obligation Bonds</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2016	\$ 1,027,889	\$ 4,080	\$ 125,729	\$ 4,275	\$ 125,534	12.21%	\$ 682.25
2015	1,022,125	4,576	124,150	4,509	124,217	12.15%	675.09
2014	1,048,184	5,111	132,380	4,045	133,446	12.73%	725.25
2013	1,053,718	5,622	135,465	5,149	135,938	12.90%	738.79
2012	1,046,591	6,102	131,290	2,331	135,061	12.90%	734.03
2011	1,034,756	6,541	131,720	1,832	136,429	13.18%	741.46
2010	1,022,263	4,231	131,720	2,577	133,374	13.05%	724.86
2009	1,027,088	4,522	134,610	2,471	136,661	13.31%	742.72
2008	921,948	2,270	112,535	2,257	112,548	12.21%	611.67
2007	920,291	210	115,500	2,521	113,189	12.30%	615.16

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual of Taxable Property on page 128 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 130.

**City of Jackson**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2016**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Hinds County	\$ 42,615	76.57%	\$ 32,630
Jackson Public Schools	136,820	100.00%	<u>136,820</u>
Subtotal, overlapping debt			169,450
 City of Jackson direct debt	 132,109	 100.00%	 <u>132,109</u>
 Total direct and overlapping debt			 <u>\$ 301,559</u>

Sources: Assessed value data used to estimate applicable percentages by City of Jackson, Hinds County, and Jackson Public Schools.

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Jackson.

This process recognizes that, when considering the City of Jackson ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is with the government's boundaries and dividing it by the county's total taxable assessed value.



**City of Jackson  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Debt limit	\$174,666	\$173,182	\$176,428	\$176,090	\$174,971	\$173,629	\$173,116	\$ 175,386	\$160,093	\$160,138
Total net debt applicable to limit	<u>107,047</u>	<u>105,717</u>	<u>100,148</u>	<u>94,548</u>	<u>73,224</u>	<u>73,261</u>	<u>70,951</u>	<u>74,132</u>	<u>43,375</u>	<u>50,710</u>
Legal debt margin	<u>\$ 67,619</u>	<u>\$ 67,465</u>	<u>\$ 76,280</u>	<u>\$ 81,542</u>	<u>\$101,747</u>	<u>\$100,368</u>	<u>\$102,165</u>	<u>\$ 101,254</u>	<u>\$116,718</u>	<u>\$109,428</u>
Total net debt applicable to the limit as a percentage of the debt limit										

**Legal Debt margin Calculation for Fiscal Year 2016**

Assessed value	\$1,230,506
Less Homestead Exemption	<u>(66,064)</u>
Total assessed value	\$1,164,442
Debt limit (15% of total assessed value)	174,666
Debt application to limit:	
Bond indebtedness	290,074
Less: Amount set aside for repayment of revenue bond debt	<u>(222,455)</u>
Total net debt applicable to limit	<u>\$ 67,619</u>
Legal debt margin	<u>\$ 107,047</u>

Note: Under state finance law, the City of Jackson's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.



**City of Jackson**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Water / Sewer Revenue Bonds								
Fiscal Year	Water/Sewer Charges and Other		Less: Operating Expenses		Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2016	\$	64,673	\$	14,138	\$ 50,535	\$ 8,569	\$ 12,144	2.44
2015		59,883		29,442	30,441	14,063	12,205	1.16
2014		69,472		34,670	34,802	9,180	11,917	1.65
2013		44,186		33,337	10,849	9,380	6,680	0.68 <sup>1</sup>
2012		48,171		33,366	14,805	6,780	4,961	1.26
2011		47,578		32,755	14,823	4,870	6,876	1.26
2010		41,974		26,128	15,846	6,085	7,284	1.19
2009		41,440		27,837	13,603	6,910	7,617	0.94
2008		47,468		29,410	18,058	6,910	7,617	1.24
2007		44,180		22,830	21,350	6,325	8,212	1.47

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

<sup>1</sup> The City of Jackson increased water/sewer rates effective November 19, 2013. The sewer rate increase was 108% and the water rate increase was 29%. Applied fund balance was used for water/sewer shortfall for fiscal year 2013. An engineer consultant will conduct an analysis on the water/sewer system.

**City of Jackson**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income (3)</b>	<b>Median Age (4)</b>	<b>Education Level in Years of Formal Schooling (2)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2016	173,514	\$ 5,595,827	\$ 32,250	31	12	30,000	5.1%
2015	173,514	5,739,843	33,080	31.3	12	30,000	4.8%
2014	173,514	5,675,296	32,708	31.5	12	30,000	5.9%
2013	173,514	5,801,267	33,434	31.5	12	30,000	6.7%
2012	173,514	5,997,858	34,567	31.0	12	30,000	7.3%
2011	173,514	5,995,776	34,555	32.0	12	30,600	8.4%
2010	173,514	6,247,025	36,003	31.0	12	30,600	7.8%
2009	184,256	6,104,770	33,132	31.9	12	30,600	7.9%
2008	184,256	6,238,540	33,858	31.0	12.3	31,000	6.5%
2007	184,256	5,860,815	31,808	31.9	12.3	31,000	5.0%

**Data Sources**

- (1) Mississippi Census Bureau
- (2) Jackson Public Schools Estimate
- (3) Bureau of Labor Statistics
- (4) U S Census Bureau

**City of Jackson  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of Mississippi	31,556	1	17.13%	27,100	1	14.71%
University of Mississippi	8,000	2	4.34%	9,000	2	4.88%
U.S. Government	5,500	3	2.98%	5,600	3	3.04%
Jackson Public School District	4,814	4	2.61%	4,500	4	2.44%
Baptist Health Systems	2,875	5	1.56%	2,700	5	1.47%
St. Dominic Health Services	2,600	6	1.41%	2,465	6	1.34%
City of Jackson, Mississippi	1,926	7	1.05%	2,300	7	1.25%
Jackson State University	1,667	8	0.90%	1,670	8	0.91%
AT&T	1,300	9	0.71%	1,440	9	0.78%
Central MS Medical Center	1,200	10	0.65%	1,400	10	0.76%
	<u>61,438</u>		<u>33.34%</u>	<u>58,175</u>		<u>31.58%</u>

Source: MetroJackson Chamber of Commerce 2016

**City of Jackson**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
General government	266	267	278	302	290	315	307	310	325	330
Public safety										
Police										
Officers	440	389	412	455	499	479	465	-	500	425
Civilians	193	245	280	267	272	261	270	-	299	291
Fire										
Firefighters and officers	338	333	345	316	337	357	342	354	362	351
Civilians	14	24	23	17	11	11	10	11	11	7
Public works	157	395	425	461	484	482	449	466	606	552
Culture and Recreation	260	273	262	318	238	303	370	319	218	381
Total	<u>1,668</u>	<u>1,926</u>	<u>2,025</u>	<u>2,136</u>	<u>2,131</u>	<u>2,208</u>	<u>2,213</u>	<u>1,460</u>	<u>2,321</u>	<u>2,337</u>

Source: City of Jackson Information System Department.

(1) The dashes indicate data that is not available.

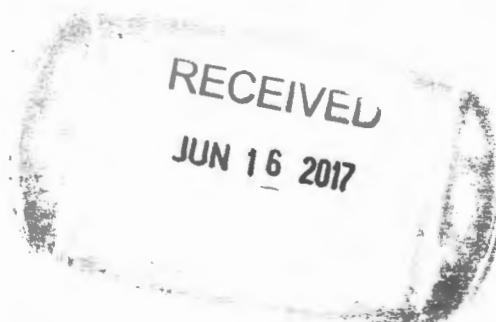
**City of Jackson**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Police</b>										
Parking violations	9,399	9,197	10,098	12,281	17,190	18,101	13,777	11,076	13,223	14,832
Traffic violations	30,405	44,008	41,823	52,425	60,598	57,815	56,587	47,146	38,429	25,314
<b>Fire</b>										
Number of calls answered (1)	716	14,567	14,025	11,825	9,403	-	-	11,577	7,644	7,342
Inspections	3,941	3,205	4,141	4,500	4,635	3,590	3,701	4,510	3,241	4,500
<b>Highways and streets</b>										
Street resurfacing (miles) (1)	24.8	6.2	6.1	4.2	10.6	-	-	68.3	8.3	5.6
Potholes repaired (2)	22,116	30,389	29,921	37,565	29,871	38,776	51,431	3,619	4,154	3,626
<b>Sanitation</b>										
Refuse collected (tons/day)	4,114	5,496	5,361	5,301	7,904	4,523	5,718	5,058	5,848	2,398.4
Recyclables collected (tons/day)	83.18	81.96	90.06	91.35	89.84	76.89	81.72	80.16	109.88	90.77
<b>Culture and recreation</b>										
Community center admissions	79	110	64	89	118	53	68	90	34	101
<b>Water</b>										
New connections (1)	-	-	-	-	212	-	198	670	334	530
Average daily consumption (thousands of gallons) (1)	-	-	-	-	-	24,024	-	21,080	21,530	20,630
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons) (1)	-	-	-	-	-	46,650	47,170	44,650	42,100	47,200

Source: Various City of Jackson departments.

(1) The dashes indicate data that is not available.

(2) Prior years have been recorded as the number of pothole calls not the number of potholes repaired.





**City of Jackson  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public safety</b>										
Police stations	6	6	6	6	6	6	6	6	5	5
Fire stations	21	21	21	21	21	21	21	21	21	21
<b>Highways and streets</b>										
Streets (miles)	1,201	1,201	1,201	1,201	1,204	1,300	1,447	1,431	1,428	1,428
Traffic signals intersection	358	358	358	358	358	358	334	334	333	333
<b>Culture and recreation</b>										
Parks	57	57	54	54	54	54	54	54	54	54
Gymnasiums	5	5	5	5	5	5	5	5	5	5
Swimming pools	9	9	9	9	9	9	9	9	9	9
Tennis courts	61	61	61	61	61	61	61	61	61	61
Community centers	10	10	10	10	10	10	10	10	10	10
<b>Water</b>										
Water mains (miles)	-	-	-	-	-	-	1,220	1,220	1,220	1,220
Fire hydrants	-	-	-	-	-	-	7,500	7,500	7,500	7,500
Maximum daily capacity (thousands of gallons)	-	-	-	-	-	-	25,600,000	25,600,000	25,600,000	25,600,000
<b>Sewer</b>										
Sanitary sewers (miles)	-	-	-	-	-	-	911	911	911	911
Storms sewers (miles)	-	-	-	-	-	-	460	460	460	460

Source: Various City of Jackson departments.  
(1) The dashes indicate data that is not available.



# BANKS, FINLEY, WHITE & CO.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S 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

The Honorable Mayor Tony Yarber  
and Honorable Members of the City Council  
Jackson, Mississippi

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jackson, Mississippi (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Jackson, Mississippi's basic financial statements and have issued our report thereon dated April 28, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jackson, Mississippi'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 our opinion on the effectiveness of the City of Jackson, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jackson, Mississippi's internal control over.

Our consideration of internal control over was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in 2016-2, 2016-3 and 2016-4 in the accompanying schedule of findings and questioned costs to be material weaknesses.

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. We consider the deficiency described in 2016-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Jackson, Mississippi'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2016-1 and 2016-3.

### **City of Jackson, Mississippi's Response to Findings**

City of Jackson, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Jackson, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Bam, Fing, White & Co.*

Jackson, Mississippi  
April 28, 2017

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**BANKS, FINLEY,  
WHITE & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor Tony Yarber  
and Honorable Members of The City Council  
Jackson, Mississippi

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

We have audited the City of Jackson, Mississippi's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Jackson, Mississippi's major federal programs for the year ended September 30, 2016. City of Jackson, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Jackson, Mississippi's major federal programs 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 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, Mississippi'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 each major federal program. However, our audit does not provide a legal determination of the City of Jackson, Mississippi's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Jackson, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

**Report on Internal Control Over Compliance**

Management of the City of Jackson, Mississippi, 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 City of Jackson, Mississippi's internal control over



compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 City of Jackson, Mississippi'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 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.

*Bone, Fing, White & CO.*

Jackson, Mississippi  
April 28, 2017





City of Jackson  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2016

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<b><u>U.S. Department of Agriculture</u></b>				
Food and Nutrition Service (MS Department of Education - Pass Through)				
Child and Adult Care Food Program	10.558	V0000718080	\$ 247,601	\$ -
SUBTOTAL CFDA NUMBER 10.558			<u>247,601</u>	<u>-</u>
Summer Food Service Program for Children (MS Department of Education - Pass Through)	10.559	V0000718080	25,567	-
SUBTOTAL CFDA NUMBER 10.559			<u>25,567</u>	<u>-</u>
(Central Mississippi Planning and Development District - Pass Through)				
Commodity Supplemental Food Program	10.565	1196-25	24,258	-
Commodity Supplemental Food Program	10.565	1516-25	38,506	-
SUBTOTAL CFDA NUMBER 10.565			<u>62,764</u>	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>335,932</u>	<u>-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Programs:				
Community Development Block Grant	14.218	B-11-MC-28-0003	646,651	-
Community Development Block Grant	14.218	B-13-MC-28-0003	1,082,686	-
Community Development Block Grant	14.218	B-14-MC-28-0003	730,406	-
Community Development Block Grant	14.218	B-15-MC-28-0003	543,603	131,776
SUBTOTAL CFDA NUMBER 14.218			<u>3,003,346</u>	<u>131,776</u>
Emergency Shelter Grants Program	14.231	E-13-MC-28-0002	5,059	-
Emergency Shelter Grants Program	14.231	E-15-MC-28-0002	87,034	76,723
SUBTOTAL CFDA NUMBER 14.231			<u>92,093</u>	<u>76,723</u>
HOME Investment Partnership Program	14.239	M-09-MC-28-0200	178,712	110,643
HOME Investment Partnership Program	14.239	M-10-MC-28-0200	332,635	160,712
HOME Investment Partnership Program	14.239	M-11-MC-28-0200	1,068,426	853,465
HOME Investment Partnership Program	14.239	M-12-MC-28-0200	68,570	6,483
SUBTOTAL CFDA NUMBER 14.239			<u>1,648,343</u>	<u>1,131,303</u>
Housing Opportunities for Persons with AIDS	14.241	MS-H12-F001	798,202	782,539
Housing Opportunities for Persons with AIDS	14.241	MS-H13-F001	68,379	65,182
SUBTOTAL CFDA NUMBER 14.241			<u>866,581</u>	<u>847,721</u>
Economic Development Initiative-Special Project, Neighborhood Initiative and Misc Grants	14.251	B-09-SP-MS-0133	97,967	-
Economic Development Initiative-Special Project, Neighborhood Initiative and Misc Grants	14.251	B-09-SP-MS-0134	3,500	-
Economic Development Initiative-Special Project, Neighborhood Initiative and Misc Grants	14.251	B-10-SP-MS-0109	379,362	-
SUBTOTAL CFDA NUMBER 14.251			<u>480,829</u>	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>6,091,192</u>	<u>2,187,523</u>
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012DJBX1095	34	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014DJBX0673	5,950	5,950
SUBTOTAL CFDA NUMBER 16.738			<u>5,984</u>	<u>5,950</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>5,984</u>	<u>5,950</u>



City of Jackson  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2016

<u>Federal Agency/Program</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor Number</u>	<u>Current Year Federal Expenditures</u>	<u>Current Year Expenditures to Subrecipients</u>
<b><u>U.S. Department of Labor</u></b>				
<b>Direct Program:</b>				
<b>Older Americans Act</b>				
<b>(Senior Service America - Pass Through)</b>				
Senior Community Service Employment Program (Title V)	17.235	AD-29496-16-55-A-24	118,146	-
Senior Community Service Employment Program (Digital Inclusion Initiative)	17.235	AD-26910-15-55-A-24	358,428	-
SUBTOTAL CFDA NUMBER 17.235			<u>476,574</u>	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u>476,574</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
<b>Federal Transit Administration</b>				
<b>Direct Programs:</b>				
Federal Transit Formula Grants	20.507	MS-90-0072-01	55,556	-
Federal Transit Formula Grants	20.507	MS-90-00-88	1,505,876	-
Federal Transit Formula Grants	20.507	MS-90-X092-00	3,660,942	-
Federal Transit Formula Grants	20.507	MS-90-0081-01	678,906	-
Federal Transit Formula Grants	20.507	MS-34-0003	136,510	-
Federal Transit Formula Grants	20.507	MS-2016-010-00	121,053	-
SUBTOTAL CFDA NUMBER 20.507			<u>6,158,843</u>	<u>-</u>
<b>(Mississippi Department of Transportation-Pass Through)</b>				
Highway Planning and Construction (I.T.S. Railroad Crossing)	20.205	ITS-0250-00(020) 103901/701000	<u>300</u>	<u>-</u>
Highway Planning and Construction (Traffic Calming Project)	20.205	TCP-0250 103924/102000	<u>32,756</u>	<u>-</u>
Highway Planning and Construction (Lynch Street Improvements)	20.205	DHP-7300-00(001) 104587/801000	<u>80,590</u>	<u>-</u>
Highway Planning and Construction (Dr. Jessie Mosley Project)	20.205	STP-7285-00(002) 104860/801000	<u>39,402</u>	<u>-</u>
Highway Planning and Construction (Fortification Street)	20.205	STP-7285-00(002) 105325/801000	<u>302,451</u>	<u>-</u>
Highway Planning and Construction (Capitol Street Improvements)	20.205	STP-xxxx-00(002) 106058/801000	<u>195,235</u>	<u>-</u>
Highway Planning and Construction (Tiger Grant)	20.205	STP-xxxx-00(002) 107200/811000	<u>397,054</u>	<u>-</u>
Urban Youth Corps Grant	20.205	STP-9999-09(045) 107296-308000	<u>32,592</u>	<u>-</u>
SUBTOTAL CFDA NUMBER 20.205			<u>1,080,380</u>	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>7,239,223</u>	<u>-</u>

City of Jackson  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2016

Federal Agency/Program	Federal CFDA Number	Pass Through Grantor Number	Current Year Federal Expenditures	Current Year Expenditures to Subrecipients
<b><u>U.S. Department of Health and Human Services</u></b>				
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers (Central MS Planning and Development District - Pass Through)				
Title III-B Outreach	93.044	1036-25	10,000	-
SUBTOTAL CFDA NUMBER 93.044			10,000	-
Special Programs for the Aging Title III, Part C, Nutrition Services (Central MS Planning and Development District - Pass Through)				
Congregate Nutrition Program (Non-cash)	93.045	1196-25	94,246	-
SUBTOTAL CFDA NUMBER 93.045			94,246	-
Substance Abuse and Mental Health Services Administration <b>Direct Program:</b>				
Comprehensive Community Mental Health Services for Children	93.104	14SM61630A	809,644	680,491
SUBTOTAL CFDA NUMBER 93.104			809,644	680,491
(State of MS Office of Child Nutrition - Pass Through)				
Child Care Development Block Grant	93.575	6007754	68,827	-
Child Care Development Block Grant	93.575	6007755	659,201	-
SUBTOTAL CFDA NUMBER 93.575			728,028	-
Title XX-Social Services Block Grant (Central MS Planning and Development District - Pass Through)				
Transportation	93.667	1536-25	132,074	-
Home Delivered Meals (Non-cash)	93.667	1516-25	167,304	-
SUBTOTAL CFDA NUMBER 93.667			299,378	-
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			1,941,296	680,491
<b><u>Corporation for National and Community Service</u></b>				
Mississippi Commission for Volunteer Service - Pass Through				
AMERICORPS	94.006	15AC174893	213,432	-
AMERICORPS	94.006	16AC185598	1,811	-
SUBTOTAL CFDA NUMBER 94.006			215,243	-
<b>TOTAL MISSISSIPPI COMMISSION FOR VOLUNTEER SERVICE</b>			215,243	-
<b><u>U.S. Department of Homeland Security</u></b>				
Mississippi Emergency Management Agency (Pass-Through)				
Homeland Security Grant Program	97.067	14HS221T	8,000	-
Homeland Security Grant Program	97.067	14LE221	800	-
SUBTOTAL CFDA NUMBER 97.067			8,800	-
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			8,800	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 16,314,244	\$ 2,873,964

The accompanying notes are an integral part of this schedule. See auditor's report on supplementary schedules.

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**CITY OF JACKSON**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2016**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Jackson under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Jackson, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Jackson.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - CONTINGENCY**

The City has responsibility for expending grant funds in accordance with specific instructions from its funding sources. Any deficits resulting from over expenditures and/or questioned costs are the responsibility of the City.

Any unexpended grant funds at the end of the grant period may be refundable or carried over to the following period at the discretion of the funding sources. Notwithstanding the audits by independent certified public accountants, all costs included in this report remain subject to audit by the agencies providing financial support within the limits of the Uniform Guidance. The determination as to whether costs will be allowable or unallowable under the grants will be made by representatives of the funding sources having authority to make and enforce contracts.

**NOTE 4 – LOAN AND LOAN GUARANTEES**

In accordance with the Uniform Guidance, loans and loan guarantees include new loans made during the year, plus prior year loans for which the federal government imposes continuing compliance requirements.

CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2016

**Section 1: Summary of Auditor's Results**

- |    |   |            |
|----|---|------------|
| 1. | Type of auditor's report issued on the basic financial statements.                        | Unmodified |
| 2. | Material noncompliance relating to the financial statements.                              | No         |
| 3. | Internal control over financial reporting:  |            |
|    | a. Material weaknesses identified?  | Yes        |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | Yes        |

**Federal Awards:**

- |    |  |            |
|----|--|------------|
| 4. | Type of auditor's report issued on compliance with major federal programs:                   | Unmodified |
| 5. | Internal control over major programs:  |            |
|    | a. Material weaknesses identified?   | No         |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses?    | No         |
| 6. | Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None       |
| 7. | Federal programs identified as major programs:   |            |

Community Development Block Grant Entitlement Grants Cluster:

CFDA #14.218 - U. S. Department of Housing and Urban Development  
Community Development Block Grant

Housing Opportunities for Persons With Aids:

CFDA#14.241 - U. S. Department of Housing and Urban Development  
HOPWA Grant

Federal Transit Cluster:

CFDA #20.500 - U.S. Department of Transportation  
Federal Transit Capital Investment Grants  
CFDA #20.507 - U.S. Department of Transportation  
Federal Transit Formula Grants



CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2016

Federal programs identified as major programs: (continued)

Highway Planning & Construction Cluster:

CFDA #20.205 - U. S. Department of Transportation  
Highway Planning and Construction

Substance Abuse and Mental Health Services Administration:

CFDA #93.104 - U. S. Department of Health and Human Services  
Comprehensive Community Mental Health Services for Children Grant

8. The dollar threshold used to distinguish between type A and type B programs: \$750,000
9. The City of Jackson did not qualify as a low-risk auditee.

CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2016

**Section 2: Findings Relating to the Financial Statements Audit**

**FUND BALANCE/NET POSITION FOR GENERAL FUND BELOW REQUIRED THRESHOLD**

**Finding 2016-1**

**Finding Type: Significant Deficiency**

**Statement of Condition**

The City of Jackson's unassigned Fund Balance (Net Position) at September 30, 2016 is \$6,931,448, which amounts to 6.28% of the adopted General Fund operating revenues. This reserve amount is below the 7.5% policy adopted by the City Council.

**Cause of Condition**

Inadequate budgeting in various City Departments

**Effect of Condition**

Reduction of reserve funds available to cover anticipated events

**Criteria**

The City of Jackson's Fund Balance/Net Position Policy states that at the end of the fiscal year, "There shall be a reservation (unassigned) of fund balance equal to 7.5% of the adopted General Fund operating revenues".

**Auditor's Recommendation**

The City should take the appropriate steps to adhere to its Fund Balance/Net Position Policy at fiscal year-end. This will ensure that the City maintains a reasonable level of unexpended reserves that will allow it to plan against unanticipated expenditures, revenue shortfalls or both. Additionally, City officials should ensure that the level of reserves maintained is sufficient to provide adequate cash flow.

**AGING REPORT OF WATER & SEWER RECEIVABLES**

**Finding 2016-2**

**Finding Type: Material Weakness**

**Statement of Condition**

The City of Jackson Water Department did not provide an aging report of customer's accounts receivable at September 30, 2016. The aging report is used to determine how long customer accounts have been outstanding and is used as a tool to assist in estimating potential bad debt. This report should be a part of the reconciliation and review process for month end closing.

CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs (continued)  
Year Ended September 30, 2016

Cause of Condition

The billing system used by the Water Department requires an aging report to be run on the last day of the month that properly reflect the aged customers outstanding balance on that date. This process was not adhered to by the City of Jackson Water Department.

Effect of Condition

Outstanding customer's accounts receivable balances were not regularly reviewed for delinquency nor were the independent auditors able to properly evaluate collectability of the accounts receivables.

Criteria

Statement of Auditing Standards (SAS) No. 115 indicates that "Failure of the information and communication component of internal control to provide complete and accurate output because of deficiencies in timeliness, completeness, or accuracy" should be regarded as a material weakness in internal control.

Auditor's Recommendation

The City of Jackson Water Department should adopt internal administrative controls that require a detailed historical aging report of customer's accounts receivables to be saved and reviewed at the end of each month. This will help to ensure that outstanding receivables are accurate and are properly monitored. Additionally, this document serves as the source data for which the amounts are used to reconcile to the general ledger control accounts.

**NON-COMPLIANCE WITH REVENUE BOND COVENANTS**

**Finding 2016-3**

**Finding Type: Material Weakness**

Statement of Condition

Pursuant to revenue bond and related agreements, the City has certain covenants that provide for rates to be set at levels annually to maintain certain debt service coverage ratios. In addition, rates must be set at levels to provide for the payment of current expenses and to provide deposits to meet certain trust fund requirements associated with the bond agreements. The City is not in compliance with the debt covenants above.

Cause of Condition

The City did not have adequate monitoring of revenues, expenditures and future debt service requirements to ensure bond covenant compliance in light of changes in operations in the current year.



CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs (continued)  
Year Ended September 30, 2016

Effect of Condition

Noncompliance with revenue bond covenants

Criteria

Article VI of the July 2011 revised Revenue Bond debt covenants states that "If the water system net revenues in any fiscal year, as shown by the Municipality's audit, are less than 120% of the annual debt service requirement for such fiscal year or 100% of the sum of (a) the annual debt service requirement on the bonds and all subordinate indebtedness in such fiscal year, (b) the amounts required to be paid during such fiscal year into any debt service reserve fund and the contingent fund, and (c) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, not otherwise provided for in this subsection then the Municipality shall, as promptly as possible, request an Independent Consulting Engineer to make recommendations as to a revision of such rates, fees and charges or methods of operating the System which will result in producing the required amount in the following Fiscal Year."

Auditor's Recommendation

The City should strengthen internal administrative controls to ensure compliance with adopted procedures and to ensure compliance with the revenue bond covenant

**TIMESHEETS NOT SIGNED AND APPROVED**

**Finding 2016-4**

**REPEAT FINDING**

**Finding Type: Material Weakness**

Statement of Condition

Our audit testing of 40 payroll transactions revealed the following:

1. 25 out of 40 employee time cards selected for testing were not electronically signed by the employee. They are noted by department as follows:
  - a. Public Works – 8
  - b. Police – 6
  - c. Human and Cultural Services – 2
  - d. Fire – 3
  - e. Planning – 1
  - f. Parks & Recreation – 1
  - g. Legal – 1
  - h. Administration (Municipal Court) – 1

CITY OF JACKSON, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2016

**Finding 2016-4 (continued)**

2. 11 out of 40 employee time cards selected for testing were not electronically signed by the supervisor documenting their review and approval. They are noted by department as follows:
  - a. Police – 6
  - b. Public Works – 4
  - c. Planning – 1

Cause of Condition

Failure to follow established procedures for electronically signing and approving employee time cards

Effect of Condition

No verification of the time worked by the employee and no approval of the time by the supervisor

Criteria

The City of Jackson's Timekeeping Policy states that "All employees are responsible for signing their time cards and Supervisors and Timekeepers are authorized to approve time cards prior to the pay period deadline."

Auditor's Recommendation

The City should strengthen internal administrative controls to ensure that time cards are properly signed electronically by employees for time worked and ensure that supervisors review and electronically sign the time cards for approval prior to an employee receiving payment.

**Section 3: Major Federal Awards Program Findings and Questioned Costs**

**NONE**



**CITY OF JACKSON, MISSISSIPPI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2016**

**2015-1 FINDING NO. 1 – SECTION 2**

**Condition:** The City of Jackson's Fund Balance(Net Position) at September 30, 2015 is \$4,991,025, which amounts to 4.1% of operating revenues. This reserve amount is below the 7.5% policy adopted by the City Council.

**Current Status:** Not corrected, repeated as finding 2016-1

**2015-2 FINDING NO. 2 – SECTION 2**

**Condition:** The City does not have a grant accountant for the Public Works Department. Currently, reimbursement requests related to grant funds received in the Public Works Departments are prepared and submitted from within the department. This current process does not allow for an appropriate review by the Finance Department to properly determine the amounts to be recorded as anticipated grant revenue. As a result, grant receipts are only recorded when funds are received and the Finance Department has to request for the proper allocation of those funds once received.

**Current Status:** Corrected

**2015-3 FINDING NO. 3 – SECTION 2**

**TIMESHEETS NOT SIGNED AND APPROVED**

**Condition:** Our audit testing of 40 payroll transactions revealed the following: 24 out of 40 employee time cards were not electronically signed by the employee; 11 out of 40 employee time cards were not electronically signed by the supervisor documenting their review and approval

**Current Status:** Not corrected; repeated as finding 2016-4

**2015-4 FINDING NO. 4 – SECTION 3**

**REPORTING**

**Grant Program/CFDA#: Comprehensive Community Mental Health Services for Children and Their Families Program/ 93.104**

**Condition:** During our review of the Federal Financial Report submitted to the funding source for the year ending September 30, 2015, we noted that the report did not include the year end accruals nor did it accurately reflect the amount of actual in-kind revenue and expenses incurred during the year.

**Current Status:** Corrected

**2015-5 FINDING NO. 5 – SECTION 3**

**WAGE RATE REQUIREMENTS**

**Grant Program/CFDA#: Community Development Block Grant/14.218**

**Grant Program/CFDA#: Federal Transit Cluster - 20.500 Federal Transit\_Capital Investment Grants, 20.507 Federal Transit\_Formula Grants**

**Condition:** The City did not comply with the Davis-Bacon Act requirement that employee interviews must be conducted of the employees of the contractor and sub-contractors.

**Current Status:** Corrected

**2015-6 FINDING NO. 6 – SECTION 3**

**SUSPENSION AND DEBARMENT VERIFICATION**

**Grant Program/CFDA#: Federal Transit Cluster /20.500 & 20.507**

**Condition:** During the suspension and debarment testing, we noted that the City entered into two (2) contracts for goods and/or services for an amount equal to or exceeding \$25,000 in which no documentation was maintained to support the fact that the contractor or sub-recipient had not been suspended or debarred or otherwise excluded from receiving the contract.

**Current Status:** Corrected



## CORRECTIVE ACTION PLAN

4/28/17

### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The City of Jackson respectfully submits the following corrective action plan for the year ended September 30, 2016.

Name and address of independent public accounting firm: Banks, Finley, White & Company  
308 Highland Park Cove, Ridgeland, MS 39157

Audit period: Year Ended September 30, 2016

The findings from the September 30, 2016 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule, Section 1 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

### 2. FINDING- FINANCIAL STATEMENT AUDIT

#### Finding No. 2016-1

#### REPEAT FINDING

#### FUND BALANCE/NET POSITION FOR GENERAL FUND BELOW REQUIRED THRESHOLD

**Recommendation:** The City should take the appropriate steps to adhere to its Fund Balance/Net Position Policy at fiscal year-end. This will ensure that the City maintains a reasonable level of unexpended reserves that will allow it to plan against unanticipated expenditures, revenue shortfalls or both. Additionally, City officials should ensure that the level of reserves maintained is sufficient to provide adequate cash flow.

**Action Taken:** The City of Jackson's plan of action is:

Although the city's fund balance is currently below the required threshold, the cost savings measures that were put in place by the administration resulted in an additional \$2.2 million being added to the fund balance. In FY16, departmental budgets were set so that there would not be a need to utilize fund balance in order to continue day to day operations. The cost saving measures and other initiatives implemented by the city will continue in FY2017.

During the November 15, 2016 city council meeting, council members adopted an Ordinance establishing the Municipal General Fund Unrestricted Fund Balance Fund. The establishment of this

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fund eliminates the risk of fund balance dollars being expended without prior approval of the city council.

The city is on course to replenish its fund balance to meet and/or exceed the 7.5% minimum requirement by September 30, 2017.

**Finding No. 2016-2**

**REPEAT FINDING**

**AGING REPORT OF RECEIVABLES**

**Recommendation:** The City of Jackson Water Department should adopt internal administrative controls that require a detailed historical aging report of customer's accounts receivables to be saved and reviewed at the end of each month. This will help to ensure that outstanding receivables are accurate and are properly monitored. Additionally, this document serves as the sources data for which the amounts are used to reconcile to the general ledger control accounts.

**Action Taken:** DPW staff has made a formal request to our billing system implementations team to have the proper reporting functionality available in the billing software. This will correct the inability of the software to provide data specific accounts receivable aging information (30/60/90/120 days). Upon receipt of this software revision, the water sewer business administration office will then amend its policies and procedures to report this information on a monthly basis.

**Finding No. 2016-3**

**NON-COMPLIANCE WITH REVENUE BOND COVENANTS**

**Recommendation:** The City should strengthen administrative controls to ensure compliance with adopted procedures and to ensure compliance with the revenue bond covenants.

**Action Taken:** The City was able to add an additional \$2.5 million to the water sewer reserve account. However, the city continue improve its billing and collection efforts by insuring that the modifications to the General Ledger and the billing system are completed in a timely manner and operating efficiently. The City is on course to fully restore its water sewer reserve to meet and/or exceed the bond covenant requirements by September 30, 2017.

**Finding No. 2016-4**

**REPEAT FINDING**

**TIME SHEETS NOT SIGNED AND APPROVED**

**Recommendation:** The City should strengthen internal administrative controls to ensure that time cards are properly signed electronically by employees for time worked and ensure that supervisors review and electronically sign the times cards for approval prior to an employee receiving payment.

**Action Taken:** The City of Jackson's Department of Administration will inspect time clocks throughout the city to determine whether they are functioning properly. Upon completion of this assessment any time clocks that have been determined to be inoperable will be repaired and/or replaced. The City of Jackson's Department of Personnel Management will continue to offer






training to employees on the time clock system Kronos. The training will convey information in accordance with the City's Timekeeping Policy which entails signing timecards electronically, reviewing and approving timecards. Employees who fail to comply with the Timekeeping Policy will be subject to disciplinary action, up to including termination.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call me at (601) 960-1005.

Sincerely yours,

A handwritten signature in black ink that reads "Michelle Battee-Day". The signature is written in a cursive style with a large, stylized "M" and "D".

Michelle Battee-Day  
Interim Director of Administration

A rectangular stamp with a double-line border. Inside the border, the word "RECEIVED" is printed in a bold, sans-serif font at the top. Below it, the date "JUN 16 2017" is printed in the same font. The stamp is slightly tilted to the right.

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JUN 16 2017





**BANKS, FINLEY,  
WHITE & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
STATE LAWS AND REGULATIONS

To the Honorable Mayor Tony Yarber and  
Honorable Members of the City Council  
City of Jackson, Mississippi

We have audited the financial statements of the City of Jackson, Mississippi (the City) as of and for the year ended September 30, 2016, and have issued our report thereon dated April 28, 2017. We conducted our audit in accordance auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the financial statements disclosed no instances of non-compliance with state laws and regulations.

This report is intended solely for the information of the Mayor, City Council, management others within the organization, Office of the State Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Banks, Finley, White & Co.*

Jackson, Mississippi  
April 28, 2017



**CITY OF JACKSON  
SCHEDULE OF BONDS OF CITY OFFICIALS  
SEPTEMBER 30, 2016**

1) Company: Porter's Insurance Agency

Limits of liability: Honesty Blanket  
Position Bond Coverage

Position	Coverage per each	Term of bond
All employees except City Council (7) Mayor, City Administrative Officer, Director of Administration, Chief of Police, Deputy Chief of Police, City Clerk, Deputy Clerks(10)	\$100,000	10/01/13 - Indefinite

2) Company: FCCI Insurance Group  
Travelers Casualty and Surety Company of America  
Old Republic Surety Group  
Western Surety Company

Limits of liability: Surety Bond coverage as follows:

Position	Coverage per each	Term of bond
City Council (7)	\$100,000	12/23/14 - 12/23/18 07/01/13 - 07/01/17 07/01/16 - 07/01/17 07/01/13 - 07/01/17 07/01/13 - 07/01/17 07/11/16 - 07/01/17 07/04/16 - 07/04/17
Mayor	\$100,000	07/01/13 - 07/01/17
City Administrative Officer	\$50,000	05/15/16 - 05/15/17
City Clerk	\$50,000	05/10/16 - 05/10/17
Director of Administration	\$50,000	02/09/16 - 02/09/17
Chief of Police	\$50,000	07/20/16 - 07/20/17
Assistant Police Chief	\$50,000	08/02/16 - 08/02/17
Deputy Chief of Police	\$50,000	06/16/15 - 06/16/17 12/23/15 - 12/23/16 02/02/16 - 02/02/17 06/13/16 - 06/13/17

02/26/16 - 02/26/17



**CITY OF JACKSON  
SCHEDULE OF BONDS OF CITY OFFICIALS  
SEPTEMBER 30, 2016**

1) Company: Porter's Insurance Agency

Limits of liability: Honesty Blanket  
Position Bond Coverage

Position	Coverage per each	Term of bond
All employees except City Council (7) Mayor, City Administrative Officer, Director of Administration, Chief of Police, Deputy Chief of Police, City Clerk, Deputy Clerks(10)	\$100,000	10/01/13 - Indefinite

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Position	Coverage per each	Term of bond
City Council (7)	\$100,000	12/23/14 - 12/23/18 07/01/13 - 07/01/17 07/01/18 - 07/01/17 07/01/13 - 07/01/17 07/01/13 - 07/01/17 07/11/16 - 07/01/17 07/04/16 - 07/04/17
Mayor	\$100,000	07/01/13 - 07/01/17
City Administrative Officer	\$50,000	05/15/18 - 05/15/17
City Clerk	\$50,000	05/10/16 - 05/10/17
Director of Administration	\$50,000	02/09/16 - 02/09/17
Chief of Police	\$50,000	07/20/16 - 07/20/17
Assistant Police Chief	\$50,000	08/02/16 - 08/02/17
Deputy Chief of Police	\$50,000	06/16/15 - 06/16/17 12/23/15 - 12/23/16 02/02/16 - 02/02/17 06/13/16 - 06/13/17
Assistant City Clerk	\$50,000	02/26/16 - 02/26/17
Deputy Clerks (10)	\$50,000	10/01/15 - 10/01/16 12/07/15 - 12/07/16 12/28/15 - 12/28/16 03/23/18 - 03/23/17 08/22/16 - 08/22/17 09/12/16 - 09/12/17

