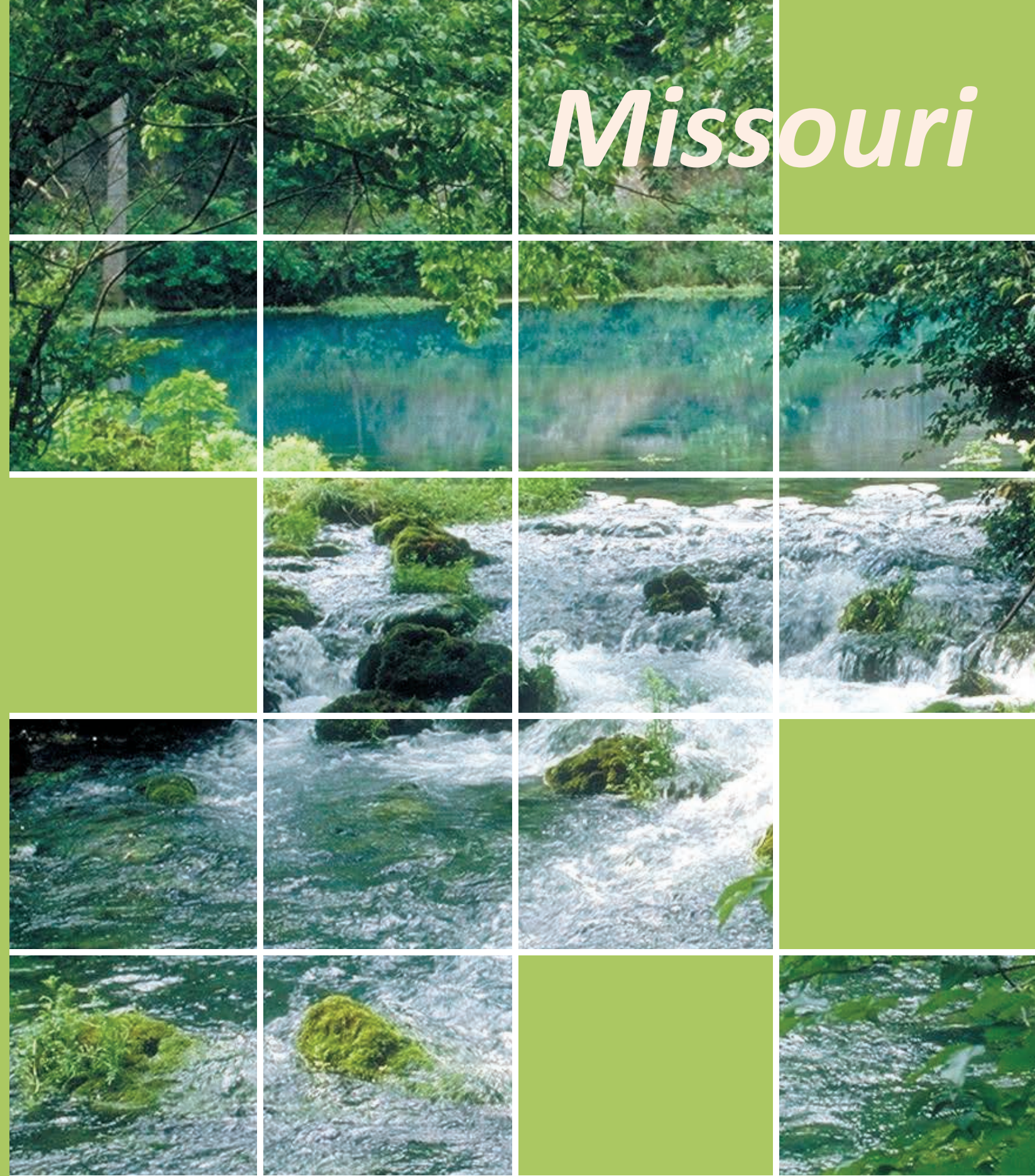


Missouri



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

On the Cover:

Alley Spring, Eminence, Missouri, 1985, Series B, Image 045-08950; *Department of Economic Development, Division of Tourism*, Record Group 104; Missouri State Archives.

This report can be viewed on the Internet at <http://oa.mo.gov/accounting/reports>

STATE OF MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended June 30, 2015



JEREMIAH W. (JAY) NIXON

Governor

DOUGLAS E. NELSON

Commissioner

Office of Administration

STACY NEAL

Director

Division of Accounting

STATE OF MISSOURI
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2015

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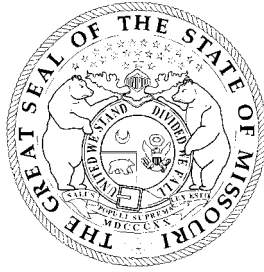
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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Jeremiah W. (Jay) Nixon
Governor



Doug Nelson
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
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Stacy Neal
Director

January 14, 2016

The Honorable Jeremiah W. (Jay) Nixon
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2015. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

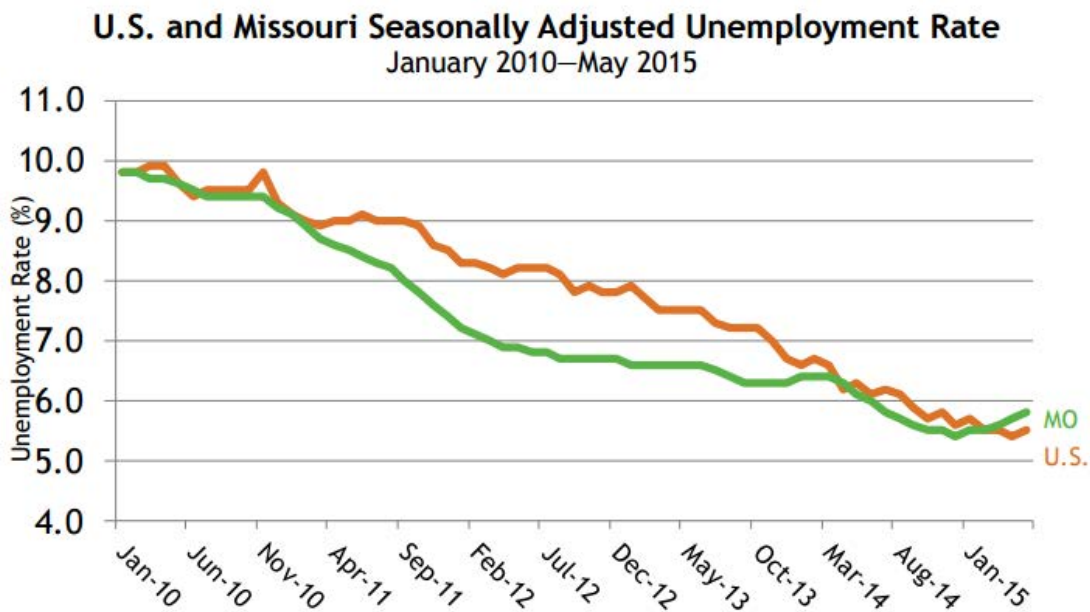
The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Article IV, Section 27 of the Missouri Constitution, amended in 2014, requires the Governor to notify the General Assembly if the Governor reduces allotments when it appears revenues will be less than estimated. This Section then gives the General Assembly the authority to overturn any of the Governor’s restrictions with a two-thirds vote, similar to the procedure to overturn a veto. Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

State Economy

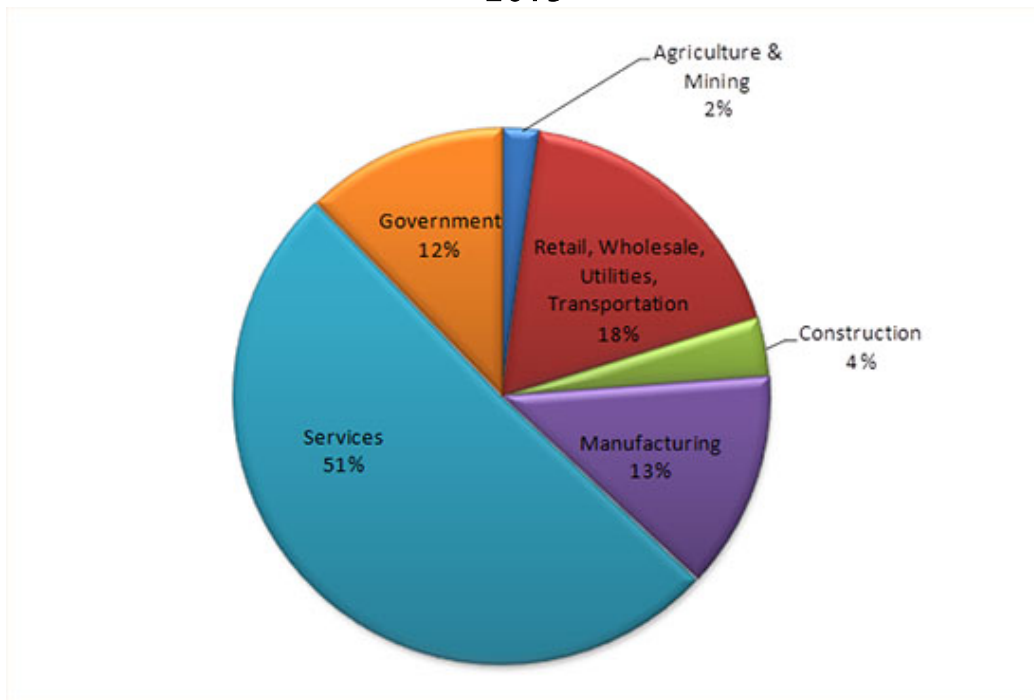
Missouri’s economy continues to show some growth over the past year. However, there are signs of uncertainty in the U.S. and Missouri’s economy. Missouri’s unemployment rate and total employment both moved in a positive direction. The State’s unemployment rate was at 5.8% in May 2015 which is down from May 2014 at 6.1%. The lowest point over the same 12 month period was reached in December 2014 at 5.4% corresponding to the lowest rate in close to seven years. The lowest point for Missouri was just slightly lower than the U.S. unemployment rate at the end of the same measurement period, which was 5.5% in May 2015 representing a nearly seven year low. Even though January to May 2015 reflected an uptick in the State’s unemployment rate, the trend has continued to be downward since 2010 as see in the following graph.



Source: MERIC 2015 Missouri Economic Report.

The U.S. gross domestic product (GDP) had a decline in the first quarter of 2015 but did experience growth in the last three quarters of 2014. Growth during that period averaged 3.9% with the highest quarter reaching 5% from the second to the third quarter. Some economists believe the decline in the first quarter of 2015 was due to a harsh winter season and the California Port strike among other factors. However other economists believe that uncertainty played a factor in the first quarter decline. Overall, U.S. GDP increased 0.8% for the year. Missouri's GDP increased by the same rate as the U.S., totaling \$284.5 billion dollars in 2014. This puts the State at 21st among all states in GDP rankings. The decline in the first quarter of 2015 has given some analysts concerns about the future of the economy. The following chart represents sectors that produce Missouri's GDP.

Missouri Gross State Product 2015



Source: MERIC 2015 Missouri Economic Report.

Unemployment has continued to decline, but there have been slight increases that may signal that the economy is still weak. GDP continues to expand although concerns remain due to the decline that occurred in the first quarter of 2015. Even with uneven growth, positive signs remain for Missouri including:

- personal income increased by 3.3% from calendar year 2014 to 2015.
- manufacturing employment grew at a faster rate than the U.S. with Missouri's growth represents a 2.1% increase, the U.S. was at 1.5%.
- continued growth in purchasing managers index (PMI) resulting in 29 consecutive months above the expansionary level.
- industrial production has grown by 1.4% from May 2014 to May 2015.

Long-Term Financial Planning

During the 2014 legislative session, the legislature passed Senate Bill 509 and Senate Bill 496, which made substantial changes to the State's existing tax structure. The legislation reduced the maximum tax rate on personal income, created an income tax deduction for business income as well as increased a personal exemption for individuals that have an adjusted gross income of less than \$20,000. However, some ambiguity in the bills makes them difficult to estimate the impact. Estimates indicate that the bills will cost at least \$620 million annually once fully in effect, which will occur in fiscal year 2022 at the earliest due to a phased implementation.

Every year since 2010, the State has taken advantage of a low interest environment by refinancing some of its existing debt that was originally issued at higher interest rates. Since August 2014, the State has refunded two separate series of outstanding Board of Public Building (BPB) Bonds for economic savings. The bond sales produced combined budgetary savings of \$12.9 million over the life of the bonds. The present value savings for the refunding transactions were 7.92% and 6.44%. As refunding opportunities present themselves, the State will continue to review the potential impact to the State and will continue to review all debt outstanding to ensure that the State's debt is managed efficiently.

In addition to the refunding transactions, the State issued bonds to finance construction on various projects. The first issuance was \$92 million for the design, acquisition, construction, furnishing and equipping of a new Fulton State Hospital and related facilities. It is expected that the project will consist of the construction of a new building that will be approximately 413,000 square feet and demolition of the existing Fulton State Hospital. The project will eliminate the backlog of maintenance and repairs that were too extensive to repair the current hospital. The total cost of the project will not exceed \$220 million. Additional bonds of approximately \$106 million are expected to be issued in 2016. The entire project is expected to be completed in 2017.

The Second Regular Session of the 97th General Assembly passed SB 723 which authorizes the Board of Public Buildings to issue \$600 million for capital repair and renovation projects throughout the State. The Board used this authority to issue \$36.8 million of bonds in April 2015 to finance construction costs at Lafferre Hall on the University of Missouri Columbia campus.

In September 2015, the BPB issued the Series B 2015 bonds for \$60 million utilizing the SB 723 authorization. Bond proceeds from this issuance will be used to pay for renovation and improvements at the State Capitol and Capitol Annex, various other state projects as well as various higher education buildings. Additional series of bonds are expected to finance \$75 million of repairs for the State Capitol and the creation of a Capitol Annex, \$77.8 million in state projects including state parks and veterans' homes, and \$161.5 million of repairs at university and community college campuses. The sales are expected to occur in the next two years. Finally, the State expects the Missouri Development Finance Board to issue approximately \$35 million in bonds for the construction of the State Historical Society building during 2016.

Relevant Financial Policies

Article X, Sections 16–24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995–1999. The State has refunded to income taxpayers \$979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2015, inclusive. The State is currently \$4.1 billion below the limit and does not expect the limit to be exceeded in fiscal year 2016.

Major Initiatives

As the economy is slow to fully recover, the State has continued to focus on reduced spending. Major initiatives include a focus on economic development and the well-being of Missouri citizens.

Economic Development. In October 2015, the Governor signed executive order 15-06 guidelines for purchase made by the State by setting standards for Minority and Women Business Enterprises (M/WBEs) participation. Annual goals of 10% MBEs and 10% WBEs were set for state agency spending on goods and services. It also directs the Office of Administration to establish enforcement procedures which will include consequences for failure to meet percentage commitments unless a good faith waiver is obtained. In order to track participation, the order sets forth the implementation of an electronic contracting system to provide access to state contracting information and to collect measurable data to document achievements of M/WBE goals. The Office of Equal Opportunity will actively recruit and provide outreach to M/WBEs to educate firms about the program and the State's procurement process.

Social Services. Senate Bill 210 extends the Federal Reimbursement Allowance program, in which health care providers pay an assessment to the State. This program allows the State to draw-down additional federal dollars to fund health care for low-income families, children, seniors and Missourians with disabilities. Senate Bill 244 created the Senior Savings Protection Act, which will prevent the financial exploitation of seniors and adults with disabilities. The bill allows brokers and dealers to refuse to process a transaction should that person suspect it would result in the exploitation of a senior citizen or adult with a disability. The broker-dealer is also required to notify the people authorized to do business on the account, as well as the Department of Health and Senior Services and the State's Commissioner of Securities.

Additional 2015 Tax Legislation. House Bill 384 enacts a tax amnesty period that allows delinquent taxpayers a one-time opportunity to pay all back taxes in fiscal year 2016 without penalty. The legislation generates additional state revenue while providing an incentive to taxpayers to be accountable for their debts to the State. A 90-day window from September 1 to November 30, 2015 was granted to allow taxpayers to settle their debt. Participation in the program requires participants to remain in compliance with state tax laws for the next eight years following the agreement. The bill also allows Missouri to enter into the Federal Vendor Debt Offset program, which will increase state revenues by collecting money that is already owed to the State by expanding current offsets to include vendor payments.

Senate Bill 174 creates the Missouri Achieving a Better Life Experience (ABLE) program, allowing a person with a disability, or their family, to create a tax-exempt account to save money for expenses related to the disability. House Bill 517 and Senate Bills 20 and 149 created or expanded numerous sales tax exemptions for businesses such as aircraft manufacturers, commercial laundries, and date storage centers. These provisions could reduce total revenue collections by up to \$26.9 million.

Senate Bill 869 and House Bill 1831 enhance protections for the health and safety of children. The new law will strengthen child care by establishing a set of quality indicators for all child care providers. The indicators will assist parents in determining if a particular child care provider has met necessary criteria such as state licensure and health and safety requirements. The 2015 implementation of these indicators will allow for continued federal assistance for families in the amount of \$100 million. The bills also require the establishment of a website containing health and safety information and a parent hotline.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

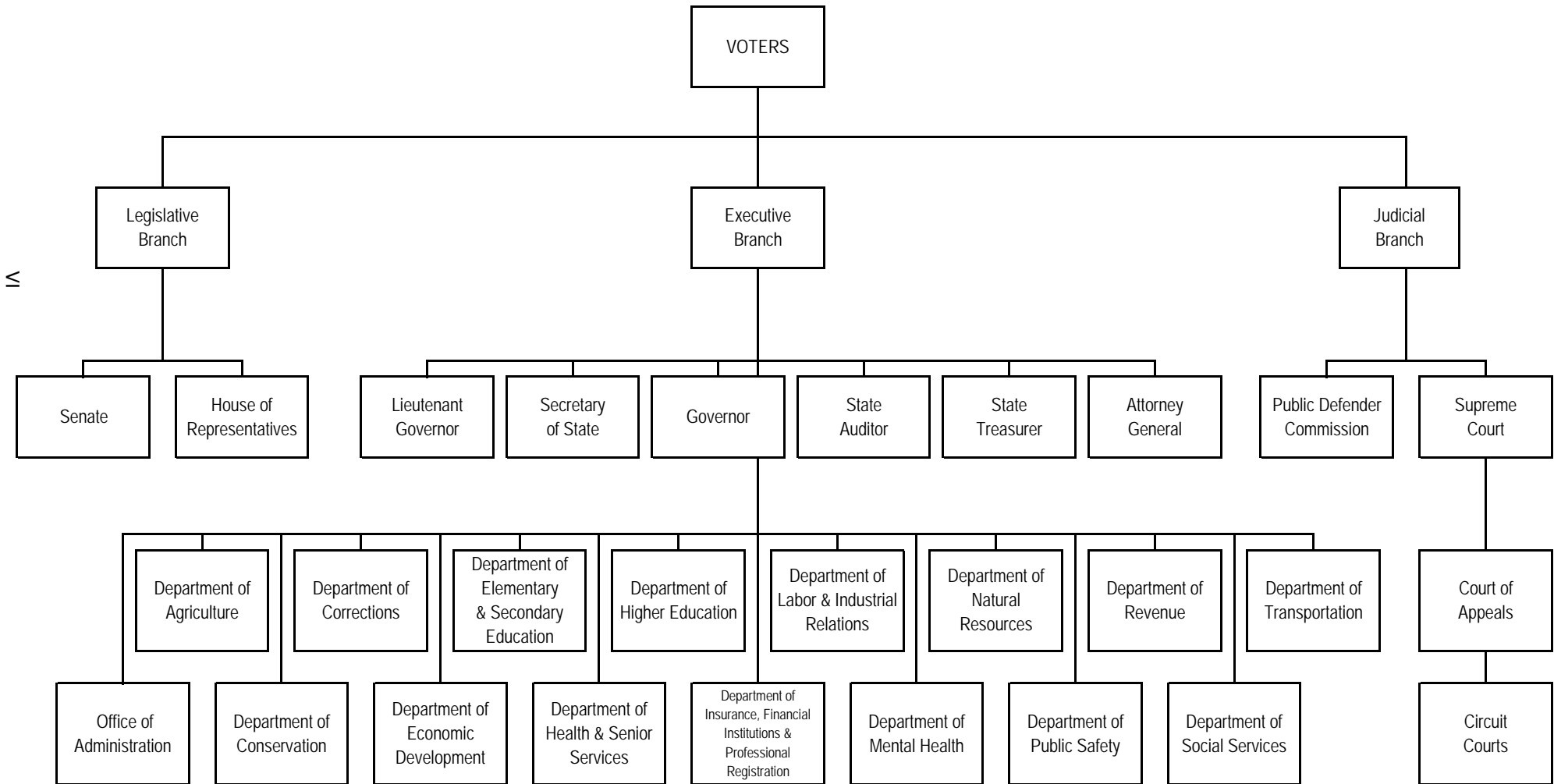


Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2015



**STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2015**

EXECUTIVE

Jeremiah W. (Jay) Nixon
Governor

Peter Kinder
Lieutenant Governor

Jason Kander
Secretary of State

Nicole Galloway, CPA
State Auditor

Clint Zweifel
State Treasurer

Chris Koster
Attorney General

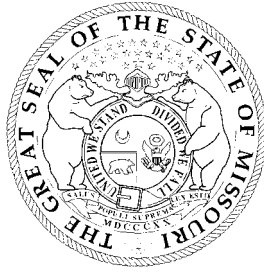
LEGISLATIVE

Tom Dempsey
President Pro Tem of the Senate

Todd Richardson
Speaker of the House of Representatives

JUDICIAL

Mary R. Russell
Chief Justice of the Supreme Court



The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Report on the Financial Statements

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 the state of Missouri, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the state'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 certain entities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 10 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 23 percent of the assets and 61 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund which represent 95 percent of the assets and 91 percent of the additions of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities and General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and the General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 29 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

For the fiscal year ended June 30, 2015, the state of Missouri implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. See Note 2 and Note 18 to the financial statements for further information. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, there was a change in accounting principle regarding the classification of cash and cash equivalents versus investments. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds; the Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Proportionate Share of the Net Pension Liability; and the Schedule of State Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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.

Supplementary and Other Information

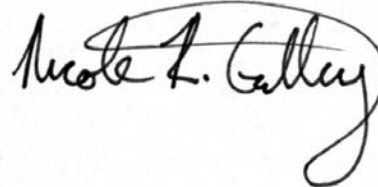
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit 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 reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

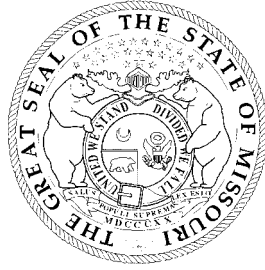
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 14, 2016, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of our 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. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

January 14, 2016



The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's financial activities for the fiscal year ended June 30, 2015. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government–Wide:

- *Net Position.* Assets of the State of Missouri exceeded liabilities at the close of fiscal year 2015 by \$28.3 billion. Of the \$28.3 billion, “unrestricted net position” is reported as a negative \$4.6 billion, offset by \$3.8 billion in “restricted net position” and \$29.1 billion net investment capital assets. Unrestricted net position declined considerably due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The total restatement due to the implementation was \$4.2 billion.
- *Changes in Net Position.* The State's total net position increased by \$1.3 billion in fiscal year 2015. Net position for governmental–type activities increased by \$1.1 billion.
- *Excess of Revenues over (under) Expenses.* During fiscal year 2015, the State's total revenues of \$26.1 billion were \$1.3 billion greater than total expenses of \$24.8 billion (excluding transfers). Of these expenses, \$14.3 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$11.8 billion.

Fund–Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2015, the State's governmental fund assets exceeded liabilities by \$4.9 billion, an increase of \$187.7 million or 4.0% from the prior year. The increase was primarily due to the net effect of an increase in total tax revenue of \$753.2 million, an increase in education expenditures of \$254.1 million, and an increase in Human Services of \$316.1 million.
- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of \$1.3 billion.

Additional information regarding individual funds begins on Page 9.

Debt Issued and Outstanding:

- The primary government's total long–term obligations related to bonds payable decreased \$134.4 million or 3.7% over the prior year. The outstanding bonds payable represents 40.4% of financial assets (cash, receivables, and investments) and 8.5% of total assets. The net decrease in bonds payable resulted from a decrease of \$264,180,000 due to bond payments, \$108,605,000 due to bond refunding, and an increase of \$238,395,000 due to issuances of Board of Public Buildings Bonds and Missouri Development Finance Board Fulton State Hospital Project Bonds. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2015, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

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

The *Statement of Net Position* presents information on all of the State's assets and liabilities, with the difference between the two reported as *net position*. Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will 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 report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, and Missouri Wine and Grape Board.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, a reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri Road Fund, non-major special revenue, debt service, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased \$1.3 billion or 4.8% during fiscal year 2015. This increase resulted primarily from an increase in cash and cash equivalents and investments of \$339.3 million, an increase in accounts receivable of \$481.9 million, and an increase in capital assets of \$306.7 million. Cash and cash equivalents, investments, and accounts receivable increased mainly due to an increase in tax collections of \$1.1 billion or 10.3% from fiscal year 2014. Net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by \$565.0 million or 1.8%. The net investment in capital assets and restricted net position, components of net position, increase was primarily due to the increase in capital assets of \$306.7 million, and a decrease in related outstanding bond obligation of \$217.0 million.

Net investment in capital assets, which includes capital assets, bonds payable, or capital lease obligations, is the largest component of the State's net position at \$29.1 billion or 102.8%. These assets include land, infrastructure, buildings, and equipment which are not easily converted to cash or readily available to pay state debts as they come due.

Restricted net position of the primary government totaled \$3.8 billion or 13.5% of total net position vs. 14.0% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION						
(In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
ASSETS:						
Current and Other Assets	\$ 8,047,154	\$ 7,591,979	\$ 696,313	\$ 469,122	\$ 8,743,467	\$ 8,061,101
Capital Assets, Net	32,309,612	32,002,447	52,668	53,116	32,362,280	32,055,563
<i>Total Assets</i>	40,356,766	39,594,426	748,981	522,238	41,105,747	40,116,664
DEFERRED OUTFLOWS:	630,237	600,750	10,268	9,860	640,505	610,610
LIABILITIES:						
Other Liabilities	1,630,080	1,740,416	21,551	27,153	1,651,631	1,767,569
Long-Term Liabilities	10,808,104	11,676,784	238,901	263,450	11,047,005	11,940,234
<i>Total Liabilities</i>	12,438,184	13,417,200	260,452	290,603	12,698,636	13,707,803
DEFERRED INFLOWS:	724,484	3,672	20,952	---	745,436	3,672
NET POSITION:						
Net Investment in Capital						
Assets	29,032,232	28,485,327	52,191	52,901	29,084,423	28,538,228
Restricted	3,809,229	3,790,165	4,588	4,889	3,813,817	3,795,054
Unrestricted	(5,017,126)	(5,501,188)	421,066	183,705	(4,596,060)	(5,317,483)
<i>Total Net Position</i>	<u>\$ 27,824,335</u>	<u>\$ 26,774,304</u>	<u>\$ 477,845</u>	<u>\$ 241,495</u>	<u>\$ 28,302,180</u>	<u>\$ 27,015,799</u>
*Fiscal year 2014 amounts have been restated.						

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of \$14.3 billion and general revenues of \$11.8 billion for total revenues of \$26.1 billion during fiscal year 2015. Expenses for the State during fiscal year 2015 were \$24.8 billion. Total net position, net of contributions and transfers, increased by \$1.3 billion.

The following table displays the current and prior year government-wide condensed Statement of Activities.

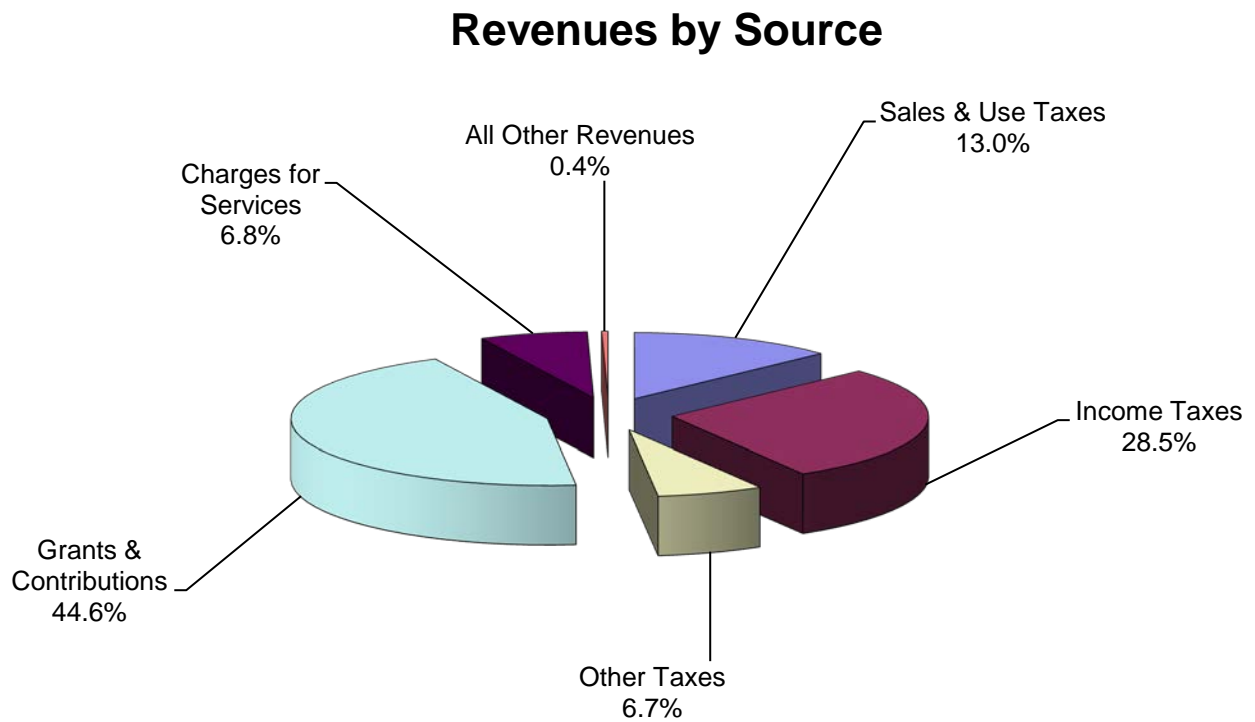
STATEMENT OF ACTIVITIES						
(In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
REVENUES:						
Program Revenues:						
Charges for Services	\$ 1,653,386	\$ 1,610,944	\$ 1,203,803	\$ 1,229,416	\$ 2,857,189	\$ 2,840,360
Operating Grants and Contributions	9,965,353	9,649,655	693,657	999,516	10,659,010	10,649,171
Capital Grants and Contributions	838,724	933,814	---	---	838,724	933,814
General Revenues:						
Sales and Use Taxes	3,142,387	2,925,867	---	---	3,142,387	2,925,867
Income Taxes	6,908,510	6,146,121	---	---	6,908,510	6,146,121
Other Taxes	1,610,759	1,500,171	---	---	1,610,759	1,500,171
Other Revenues	101,030	108,677	3,591	2,029	104,621	110,706
<i>Total Revenues</i>	<u>24,220,149</u>	<u>22,875,249</u>	<u>1,901,051</u>	<u>2,230,961</u>	<u>26,121,200</u>	<u>25,106,210</u>
EXPENSES:						
General Government	1,064,930	1,030,327	---	---	1,064,930	1,030,327
Education	6,680,549	6,430,861	---	---	6,680,549	6,430,861
Natural and Economic Resources	897,534	874,033	---	---	897,534	874,033
Transportation and Law Enforcement	1,861,025	1,823,578	---	---	1,861,025	1,823,578
Human Services	12,802,965	12,623,617	---	---	12,802,965	12,623,617
State Lottery	---	---	873,476	894,137	873,476	894,137
Unemployment Compensation	---	---	391,508	568,787	391,508	568,787
Petroleum Storage Tank Insurance	---	---	14,704	13,244	14,704	13,244
State Fair Fees	---	---	4,381	4,419	4,381	4,419
State Parks and DNR	---	---	8,241	9,417	8,241	9,417
Historic Preservation	---	---	741	334	741	334
Veterans' Homes	---	---	92,476	97,674	92,476	97,674
Surplus Property	---	---	3,164	2,528	3,164	2,528
Revenue Information	---	---	13	---	13	---
All Other Expenses	139,112	157,707	---	---	139,112	157,707
<i>Total Expenses</i>	<u>23,446,115</u>	<u>22,940,123</u>	<u>1,388,704</u>	<u>1,590,540</u>	<u>24,834,819</u>	<u>24,530,663</u>
Increase (Decrease) in Net Position before Transfers and Extraordinary Items	774,034	(64,874)	512,347	640,421	1,286,381	575,547
<i>Adjustments to Claims Reserve</i>	---	---	---	17,223	---	17,223
<i>Transfers and Extraordinary Items</i>	275,997	291,289	(275,997)	(291,421)	---	(132)
Change in Net Position	1,050,031	226,415	236,350	366,223	1,286,381	592,638
<i>Net Position - July 1</i>	<u>26,774,304</u>	<u>26,547,889</u>	<u>241,495</u>	<u>(124,728)</u>	<u>27,015,799</u>	<u>26,423,161</u>
<i>Net Position - June 30</i>	<u>\$ 27,824,335</u>	<u>\$ 26,774,304</u>	<u>\$ 477,845</u>	<u>\$ 241,495</u>	<u>\$ 28,302,180</u>	<u>\$ 27,015,799</u>

*Fiscal year 2014 amounts have been restated.

Governmental Activities

The net position of governmental activities increased \$1.1 billion in fiscal year 2015. General and program revenues of governmental activities increased by \$1.3 billion in fiscal year 2015.

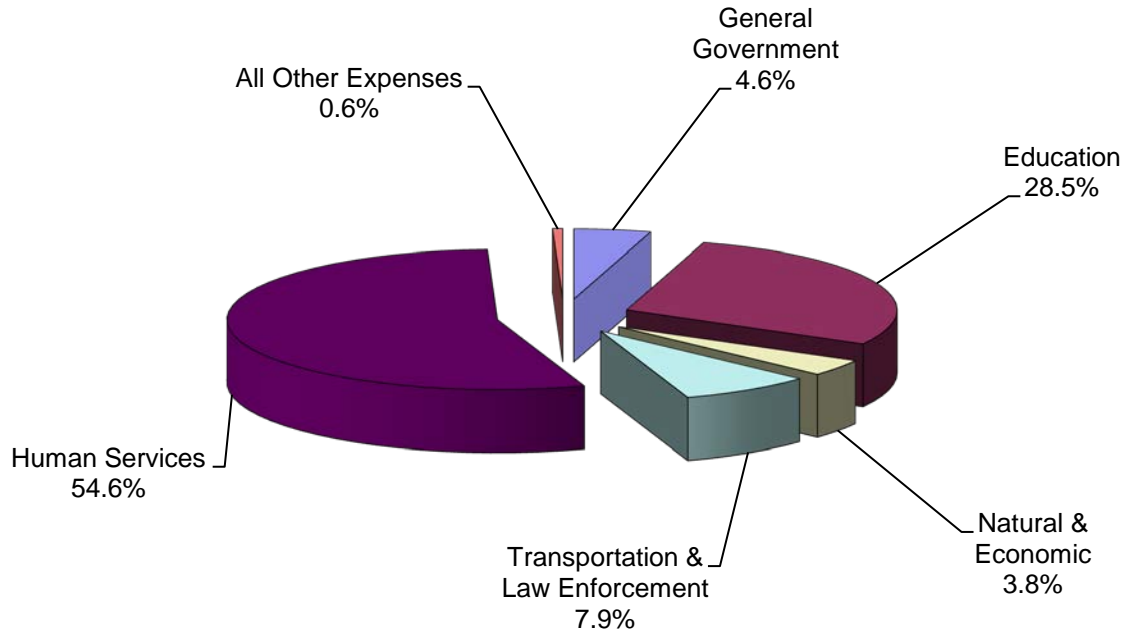
As shown in the Revenues by Source chart below, approximately 48.2% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 44.6% of total revenue. Charges for services contributed 6.8% and various other revenues provided 0.4% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses increased \$506.0 million during fiscal year 2015. Education expenses increased \$249.7 million, General Government expenses increased \$34.6 million, Natural and Economic Resources expenses increased \$23.5 million, Transportation and Law Enforcement expenses increased \$37.4 million, Human Services expenses increased \$179.3 million, and all Other Expenses decreased \$18.6 million. The increases in expenses are directly related to the government funding priorities of education and a higher demand for Social Services such as Medicaid.

As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion - 54.6% - of total governmental activities expenses.

Expenses by Function

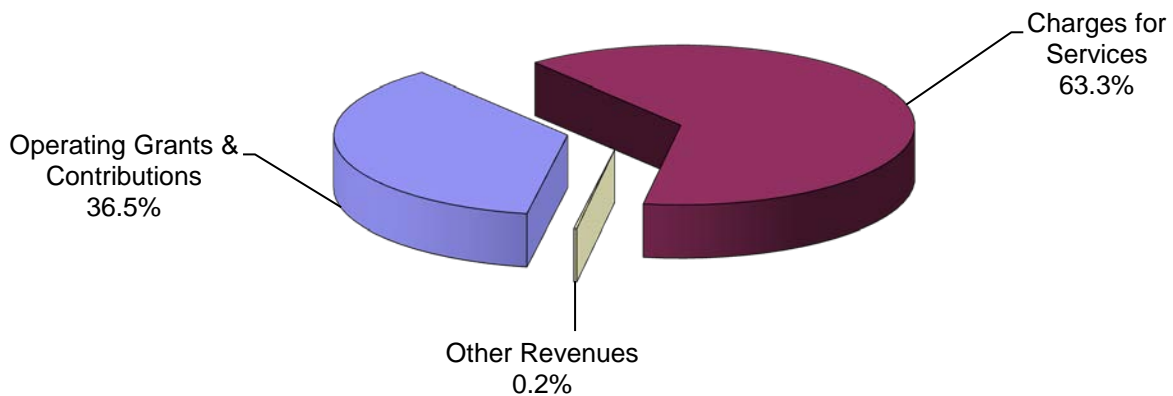


Business-Type Activities

Net position of the State's business-type activities increased \$236.4 million in fiscal year 2015, mainly due to an increase in cash in Unemployment Compensation. The increase was due to the payoff of the loan balance with the federal government in fiscal year 2014, which allowed excess cash to remain in the fund in 2015.

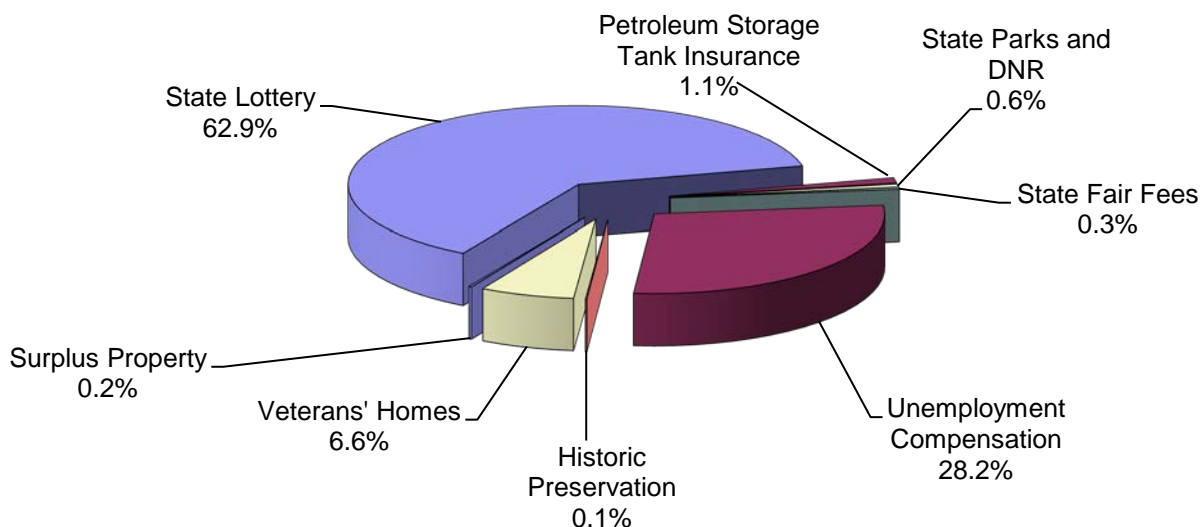
Revenues of business-type activities totaled \$1.9 billion. As shown in the Revenues by Source chart below, 63.3% of the revenues came from charges for services. Operating grants and contributions provided 36.5% of the total revenues and all other revenues provided 0.2%.

Revenues by Source



Expenses of business-type activities totaled \$1.4 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 62.9% of total business-type expenses. The Unemployment Compensation comes in second at 28.2%, followed by veterans' homes at 6.6%, petroleum storage tank insurance at 1.1%, state parks and DNR at 0.6%, state fair fees at 0.3%, surplus property at 0.2%, and historic preservation at 0.1%.

Expenses by Fund



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2015, the State's governmental funds reported combined ending fund balances of \$4.9 billion. Approximately 36.3% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	\$ 53,809	\$ 67	\$ 1,148,115	\$ 37,574	\$ 57,283	\$ 1,296,848
Restricted	292,758	199,155	149,128	756,589	404,962	1,802,592
Committed	545,765	16,943	331,634	---	28,808	923,150
Assigned	88,689	78,825	107,337	---	238,815	513,666
Unassigned	330,163	---	---	---	---	330,163
Total	\$ 1,311,184	\$ 294,990	\$ 1,736,214	\$ 794,163	\$ 729,868	\$ 4,866,419

The General Fund is the chief operating fund of the State. At the end of fiscal year 2015, the State's General Fund reported a total fund balance of \$1.3 billion, an increase of \$92.8 million from fiscal year 2014. Total revenue increased \$1.0 billion mainly due to an increase of \$642.8 million in taxes and an increase of \$317.3 in contributions and intergovernmental revenues. Net general revenue tax collections grew from \$8.0 billion last year to \$8.7 billion this year, an increase of 8.8%. The increase of \$317.3 in contributions and intergovernmental revenues is mainly related to an increase in Medicaid and Other Assistance Program grants. Total expenditures increased \$473.3 million from \$15.1 billion last year to \$15.5 billion this year. The increase is mainly due to an increase of \$264.4 million expenditures in human services, which is related to the increase in Medicaid and Other Assistance Program grant revenues.

The Public Education Fund provides general and special education services to the children of the State and other related functions such as library services and student loans. Total fund balance increased 3.4% from \$285.2 million to \$295.0 million in fiscal year 2015. Total revenues and total expenditures have both increased due to an increase in funding to school districts.

The Conservation and Environmental Protection Fund provides for the preservation of the State's wildlife and environment. In fiscal year 2015, the increase of \$98.6 million in fund balance is mainly due to an increase of \$62.4 million in loans receivable related to the State Revolving Loan Program. New loans under the program totaled \$115.5 million. However, the increase is offset by a reduction in reserves due to a policy change where the Department of Natural Resources is no longer funding reserves. Therefore, the balance of reserves has decreased approximately \$54.0 million as reserves are released as payments are made under existing leveraged loans.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Total revenues decreased \$128.8 million in fiscal year 2015. This was due to a decrease in federal grants including operating and capital grants. While other revenue sources declined, revenues derived from sales tax revenues increased more than 7.6% from fiscal year 2014.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net position decreased by \$837 thousand in fiscal year 2015. Overall Draw Game sales were down in fiscal year 2015 causing operating revenues to decrease by \$27.0 million. Operating expenses decreased by \$20.7 million with \$11.0 million of the decrease attributable to a reduction in prize payouts. The net impact of these results was a decrease of \$6.0 million in the actual cash transfer of profits for public education from \$277.9 million in fiscal year 2014 to \$271.8 million in fiscal year 2015. In addition, the Lottery returned \$755.4 million to players in cash and prizes and \$68.4 million to retailers in commissions and incentives for the fiscal year 2015.

The Unemployment Compensation Fund's net position increased by \$227.1 million due to an increase in cash in the fund of \$242.8 million. The increase in cash is due to the loan balance with the federal government being paid off in fiscal year 2014 allowing excess cash to remain in the fund in fiscal year 2015. Additionally, there was a near elimination of federal contract expenses and a decrease in unemployment benefits expense from \$567.3 million to \$391.2 million. Federal contracts decreased because federal emergency benefit programs have completely ended except for the Unemployment for Federal Employees and Ex-Military. Unemployment benefits expense decreased because of decreased claims and legislation that was passed in recent years that reduced the maximum weeks that an individual could claim benefits from 26 to 20.

The Petroleum Storage Tank Insurance Fund's net position decreased by \$344 thousand. Operating revenues and operating expenses were relatively stable versus fiscal year 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2015 from the General Fund were \$25.0 billion original budget and \$25.2 billion final budget. Actual spending was \$22.8 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year, but the expenditures may occur over several years.
- Capital improvement appropriations were restricted during the budget process.

Budgeted revenues/transfers in for fiscal year 2015 for the General Fund were \$24.4 billion original budget and \$24.1 billion final budget. Actual revenue/transfers in was \$22.8 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 112 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2015, was \$32.4 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	\$ 247,041	\$ 7,046	\$ 254,087
Software in Progress	18,334	---	18,334
Infrastructure in Progress	1,739,076	---	1,739,076
Land	3,082,815	10,997	3,093,812
Permanent Easements	3,405	---	3,405
Land Improvements	198,495	14,127	212,622
Temporary Easements	1,618	50	1,668
Buildings and Improvements	3,302,707	32,165	3,334,872
Equipment	1,272,106	49,754	1,321,860
Software	178,960	1,989	180,949
Trademarks	17	---	17
Infrastructure	48,860,568	---	48,860,568
<i>Subtotal</i>	58,905,142	116,128	59,021,270
Less Accumulated Depreciation/Amortization	(26,595,530)	(63,460)	(26,658,990)
Total Capital Assets, Net	\$ 32,309,612	\$ 52,668	\$ 32,362,280

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2015, the primary government had total general obligation and other bonded debt outstanding of \$3.5 billion. Of this amount, \$266.3 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired or refunded in fiscal year 2015 were \$57.1 million for general obligation bonds and \$315.7 million for other bonds.

The State of Missouri is proud to have maintained a Triple-A credit rating since 1989 from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

	Governmental Activities	Component Units	Total
General Obligation Bonds	\$ 266,275	\$ ---	\$ 266,275
Other Bonds	3,226,430	2,248,677	5,475,107
Total	\$ 3,492,705	\$ 2,248,677	\$ 5,741,382

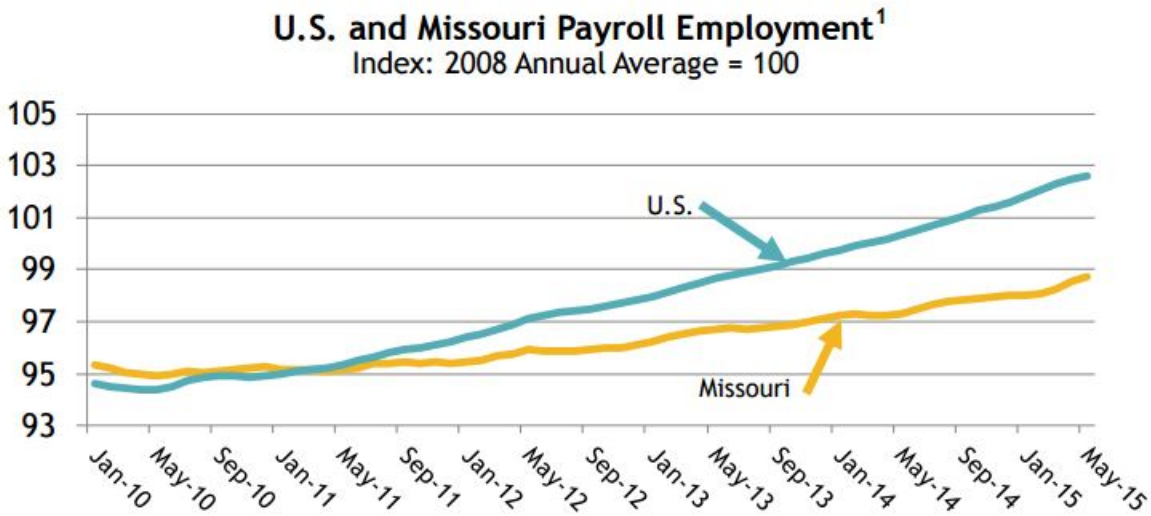
Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The State ended fiscal year 2015 with an increase in net general revenue collections of 8.8% over fiscal year 2014. While revenues came in far above the expected 4.6% growth, revenue growth of approximately 10% was needed to fully fund the fiscal year 2015 budget. The difference between the 10% growth needed to support the budget and the 8.8% actual increase was offset by budget restrictions. For fiscal year 2015, the Governor vetoed \$144.6 million and restricted \$641.6 million in general revenue expenditures. The legislature overrode \$35.5 million of the line-item vetoes; reducing the vetoed spending to \$109.1 million. Some restrictions were released and there were new ones added with the net effect of restrictions totaling \$66.9 million. The projection for fiscal year 2016 includes a modest 2% growth, which will fully fund the fiscal year 2016 anticipated expenses.

The State' economic outlook for fiscal year 2016 anticipates continued improvement in employment and wages, with continued growth in state revenue collections as a result. The consensus revenue forecast for fiscal year 2016 assumed a 3.6% revenue growth on top of the 4.6% estimated growth for fiscal year 2015. However, since fiscal year 2015 revenues actually grew at a faster rate of 8.8%, less growth in revenue will be needed to meet the budget expectations for fiscal year 2016. Revenues could decline by 0.4% and still meet the consensus revenue estimate. However, the legislature appropriated amounts above the Governor's original budget request and supplemental appropriations are expected.

Economic forecasts indicate moderate economic growth for fiscal year 2016 despite a slow first quarter for calendar year 2015. Equity markets have been volatile in the beginning of 2015 and while the number of jobs is steadily improving, it is at a slower pace than anticipated. The largest industry subsector to grow for the 12 months ending in May 2015 was manufacturing with an increase of 2% or 5,000 jobs. This subsector can often be an indicator of broader economic growth and trends to come. Job growth for the nation has surpassed the employment levels of 2008. While Missouri's employment is trending up towards the 2008 level, the State has not yet reached that level of employment. However, Missouri's employment numbers have grown progressively over the past year. Although growth in jobs has been slower than expected, Missouri added 25,500 jobs from May 2014 to May 2015, representing a 0.8% increase as can be seen in the following chart.



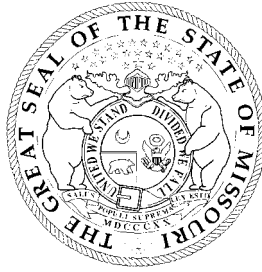
Source: MERIC 2015 Missouri Economic Report.

Missouri continues to show strong fiscal management even during tough economic times. Conservative management, including Missouri's constitutional provisions for the Governor to line item veto and restrict expenditures below appropriated levels, ensures the budget is balanced each fiscal year. In addition, Missouri has kept debt balances low providing for more flexibility with budgetary spending.

While the U.S. and Missouri economies have seen uneven growth over the past year, there have been positive signs of improvement. This includes growth in employment, personal income, and a reduction in the unemployment rate. The State expects to see an increase in sales taxes as consumers feel more secure about their income and believe that lower gas prices are not just a passing phenomenon.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2015
(In Thousands of Dollars)

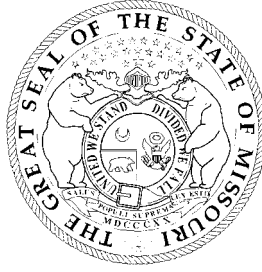
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents (Note 3)	\$ 1,493,832	\$ 344,798	\$ 1,838,630	\$ 436,199
Investments (Note 3)	2,410,702	93,609	2,504,311	2,212,468
Invested Securities Lending Collateral (Note 3)	3,588	---	3,588	43,902
Receivables, Net (Note 14)	3,958,084	233,651	4,191,735	701,763
Internal Balances	18,328	(18,328)	---	---
Inventories	85,354	1,074	86,428	55,653
Deposits and Prepaid Expenses	48	---	48	37,711
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	38,318	---	38,318	182,398
Investments (Note 3)	34,863	41,509	76,372	1,374,197
Receivables, Net	---	---	---	51,075
Other Assets	4,037	---	4,037	3,891
Capital Assets (Note 5):				
Non-Depreciable	5,090,671	18,043	5,108,714	491,518
Depreciable, Net	27,218,941	34,625	27,253,566	4,683,233
Total Assets	<u>40,356,766</u>	<u>748,981</u>	<u>41,105,747</u>	<u>10,274,008</u>
Deferred Outflows of Resources (Note 15)	<u>630,237</u>	<u>10,268</u>	<u>640,505</u>	<u>171,279</u>
Liabilities				
Bank Overdraft (Notes 3 and 10)	1	---	1	---
Payables (Note 14)	1,426,378	20,438	1,446,816	661,447
Securities Lending Obligation (Note 3)	3,588	---	3,588	43,902
Unearned Revenue (Note 1)	89,568	1,113	90,681	143,819
Escheat/Unclaimed Property	110,545	---	110,545	---
Long-Term Liabilities (Note 11):				
Due Within One Year	646,460	82,242	728,702	315,712
Due in More Than One Year	10,161,644	156,659	10,318,303	3,442,609
Total Liabilities	<u>12,438,184</u>	<u>260,452</u>	<u>12,698,636</u>	<u>4,607,489</u>
Deferred Inflows of Resources (Note 15)	<u>724,484</u>	<u>20,952</u>	<u>745,436</u>	<u>118,143</u>
Net Position				
Net Investment in Capital Assets	29,032,232	52,191	29,084,423	2,822,522
Restricted for:				
Budget Reserve	542,447	---	542,447	---
Debt Service	397,780	---	397,780	---
Grants	289,795	---	289,795	---
Enabling Legislation (Note 1)	459,820	---	459,820	---
Loans Receivable	1,179,695	---	1,179,695	---
Permanent Trusts:				
Expendable	102	---	102	556,993
Non-Expendable	49,837	---	49,837	1,052,487
External Parties	889,753	4,588	894,341	92,795
Unrestricted	(5,017,126)	421,066	(4,596,060)	1,194,858
Total Net Position	<u>\$ 27,824,335</u>	<u>\$ 477,845</u>	<u>\$ 28,302,180</u>	<u>\$ 5,719,655</u>

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

**STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	\$ 1,064,930	\$ 602,201	\$ 81,723	\$ 51	\$ (380,955)	\$ ---	\$ (380,955)	\$ ---
Education	6,680,549	52,426	1,165,203	---	(5,462,920)	---	(5,462,920)	---
Natural and Economic Resources	897,534	262,000	311,577	2	(323,955)	---	(323,955)	---
Transportation and Law Enforcement	1,861,025	226,740	351,780	838,630	(443,875)	---	(443,875)	---
Human Services	12,802,965	499,601	8,055,070	41	(4,248,253)	---	(4,248,253)	---
Interest on Debt (Excluding Direct Expense)	139,112	10,418	---	---	(128,694)	---	(128,694)	---
Total Governmental Activities	<u>23,446,115</u>	<u>1,653,386</u>	<u>9,965,353</u>	<u>838,724</u>	<u>(10,988,652)</u>	<u>---</u>	<u>(10,988,652)</u>	<u>---</u>
Business-Type Activities:								
State Lottery	873,476	1,144,604	---	---	---	271,128	271,128	---
Unemployment Compensation	391,508	---	623,893	---	---	232,385	232,385	---
Petroleum Storage Tank Insurance	14,704	13,967	---	---	---	(737)	(737)	---
State Fair Fees	4,381	4,644	666	---	---	929	929	---
State Parks and DNR	8,241	9,699	3,086	---	---	4,544	4,544	---
Historic Preservation	741	---	---	---	---	(741)	(741)	---
Missouri Veterans' Homes	92,476	27,147	66,012	---	---	683	683	---
Surplus Property	3,164	2,447	---	---	---	(717)	(717)	---
Revenue Information	13	1,295	---	---	---	1,282	1,282	---
Total Business-Type Activities	<u>1,388,704</u>	<u>1,203,803</u>	<u>693,657</u>	<u>---</u>	<u>---</u>	<u>508,756</u>	<u>508,756</u>	<u>---</u>
Total Primary Government	<u>\$ 24,834,819</u>	<u>\$ 2,857,189</u>	<u>\$ 10,659,010</u>	<u>\$ 838,724</u>	<u>(10,988,652)</u>	<u>508,756</u>	<u>(10,479,896)</u>	<u>---</u>
Component Units:								
College and Universities	\$ 4,128,943	\$ 2,753,887	\$ 1,455,982	\$ 46,032	---	---	---	126,958
Non-Major Component Units	8,415	7,765	---	---	---	---	---	(650)
Total Component Units	<u>\$ 4,137,358</u>	<u>\$ 2,761,652</u>	<u>\$ 1,455,982</u>	<u>\$ 46,032</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>126,308</u>
General Revenues:								
Taxes:								
Sales and Use					3,142,387	---	3,142,387	---
Individual Income					6,418,379	---	6,418,379	---
Corporate Income					490,131	---	490,131	---
County Foreign Insurance					222,828	---	222,828	---
Alcoholic Beverage					32,101	---	32,101	---
Corporate Franchise					29,982	---	29,982	---
Fuel					656,893	---	656,893	---
Miscellaneous Taxes					668,955	---	668,955	---
Grants and Contributions not Restricted to Specific Programs					76,309	---	76,309	2,264
Unrestricted Investment Earnings					24,721	3,591	28,312	47,887
Transfers					275,997	(275,997)	---	---
Total General Revenues and Transfers					<u>12,038,683</u>	<u>(272,406)</u>	<u>11,766,277</u>	<u>50,151</u>
Change in Net Position					1,050,031	236,350	1,286,381	176,459
Net Position - Beginning					26,774,304	241,495	27,015,799	5,543,196
Net Position - Ending					<u>\$ 27,824,335</u>	<u>\$ 477,845</u>	<u>\$ 28,302,180</u>	<u>\$ 5,719,655</u>

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



The Governmental Funds focus on current financial resources.

Governmental Fund Financial Statements

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education – Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund – Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

**STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015
(In Thousands of Dollars)**

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2015
ASSETS						
Cash and Cash Equivalents (Note 3)	\$ 473,057	\$ 67,297	\$ 167,156	\$ 366,359	\$ 226,525	\$ 1,300,394
Investments (Note 3)	899,005	119,104	395,666	346,997	460,254	2,221,026
Invested Securities Lending Collateral (Note 3)	---	---	2,204	---	1,384	3,588
Accounts Receivable, Net	2,222,147	135,556	50,640	105,923	170,830	2,685,096
Interest Receivable	2,147	420	2,352	1,193	751	6,863
Due from Other Funds (Note 16)	---	14,840	---	---	1,006	15,846
Due from Component Units (Note 16)	---	---	687	---	---	687
Inventories	24,336	67	435	37,574	4,904	67,316
Advance to Component Units (Note 16)	---	---	1,732	---	---	1,732
Loans Receivable	29,473	---	1,147,680	---	2,542	1,179,695
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	---	---	---	36,492	4	36,496
Investments (Note 3)	---	---	---	34,563	---	34,563
Total Assets	<u>\$ 3,650,165</u>	<u>\$ 337,284</u>	<u>\$ 1,768,552</u>	<u>\$ 929,101</u>	<u>\$ 868,200</u>	<u>\$ 7,553,302</u>
LIABILITIES						
Accounts Payable	\$ 1,062,577	\$ 3,385	\$ 3,815	\$ 82,548	\$ 115,948	\$ 1,268,273
Accrued Payroll	59,013	239	4,954	16,307	11,747	92,260
Due to Other Funds (Note 16)	5,213	16	277	260	858	6,624
Securities Lending Obligation (Note 3)	---	---	2,204	---	1,384	3,588
Unearned Revenue (Note 1)	51,998	---	161	9,750	---	61,909
Escheat/Unclaimed Property	110,545	---	---	---	---	110,545
Total Liabilities	<u>1,289,346</u>	<u>3,640</u>	<u>11,411</u>	<u>108,865</u>	<u>129,937</u>	<u>1,543,199</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>1,049,635</u>	<u>38,654</u>	<u>20,927</u>	<u>26,073</u>	<u>8,395</u>	<u>1,143,684</u>
FUND BALANCES (Note 4)						
Nonspendable	53,809	67	1,148,115	37,574	57,283	1,296,848
Restricted	292,758	199,155	149,128	756,589	404,962	1,802,592
Committed	545,765	16,943	331,634	---	28,808	923,150
Assigned	88,689	78,825	107,337	---	238,815	513,666
Unassigned	330,163	---	---	---	---	330,163
Total Fund Balances	<u>1,311,184</u>	<u>294,990</u>	<u>1,736,214</u>	<u>794,163</u>	<u>729,868</u>	<u>4,866,419</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,650,165</u>	<u>\$ 337,284</u>	<u>\$ 1,768,552</u>	<u>\$ 929,101</u>	<u>\$ 868,200</u>	<u>\$ 7,553,302</u>

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

**STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2015
(In Thousands of Dollars)**

Total Fund Balances – Governmental Funds \$ 4,866,419

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	246,692	
Software in Progress	18,209	
Infrastructure in Progress	1,739,076	
Land	3,075,093	
Permanent Easements	3,405	
Land Improvements	195,380	
Temporary Easements	1,618	
Buildings and Improvements	2,802,871	
Equipment	1,153,499	
Software	160,307	
Trademarks	17	
Infrastructure	48,860,568	
Accumulated Depreciation/Amortization	<u>(26,294,756)</u>	
		31,961,979

Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds. 1,143,684

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds. (81,957)

Some liabilities are not due and payable in the current period and therefore, not reported in the funds. Those liabilities consist of (Note 11):

Due to Other Entities	(7,712)	
General Obligation and Other Bonds Payable	(3,492,705)	
Unamortized Bond Premium	(275,998)	
Accrued Interest on Bonds	(33,402)	
Obligation under Lease Purchases	(91,568)	
Pollution Remediation	(33,239)	
Compensated Absences	(159,162)	
Claims Liability	(27,907)	
Contingent Liabilities	(1,704,653)	
Net Other Postemployment Benefit Obligation	(920,853)	
Net Pension Liability	<u>(3,859,430)</u>	
		(10,606,629)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position. 540,839

Net Position of Governmental Activities \$ 27,824,335

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

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

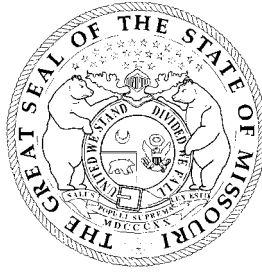
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2015
Revenues:							
Taxes	\$ 8,655,638	\$ 1,220,669	\$ 199,166	\$ 160,029	\$ 1,066,765	\$ ---	\$ 11,302,267
Licenses, Fees, and Permits	92,710	2,224	78,451	100,202	379,642	---	653,229
Sales	1,878	---	8,602	---	1,425	---	11,905
Leases and Rentals	38	---	118	---	341	---	497
Services	104,026	---	---	---	1,040	---	105,066
Contributions and Intergovernmental	9,650,495	49,355	74,145	765,093	337,371	---	10,876,459
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	877	146	950	(668)	701	---	2,006
Interest	10,882	1,089	6,798	8,349	2,793	---	29,911
Penalties and Unclaimed Properties	95,048	6,888	8,277	---	5,816	---	116,029
Cost Reimbursement/ Miscellaneous	330,001	98,707	2,825	35,897	62,964	---	530,394
Total Revenues	<u>18,941,593</u>	<u>1,379,078</u>	<u>379,332</u>	<u>1,068,902</u>	<u>1,858,858</u>	<u>---</u>	<u>23,627,763</u>
Expenditures:							
Current:							
General Government	628,905	211	1,901	---	238,249	---	869,266
Education	2,051,977	4,619,746	---	---	1,608	---	6,673,331
Natural and Economic Resources	302,832	6,436	273,756	---	250,417	---	833,441
Transportation and Law Enforcement	390,260	97	786	844,934	322,617	---	1,558,694
Human Services	12,075,740	14,132	718	---	673,213	---	12,763,803
Capital Outlay:							
Transportation and Law Enforcement	---	---	---	713,572	978	---	714,550
Human Services	---	---	---	---	1,354	---	1,354
Debt Service:							
Principal	57,577	376	---	75,326	152,348	---	285,627
Interest	24,172	1	---	58,352	84,147	---	166,672
Bond Issuance Costs	406	---	---	---	425	---	831
Underwriter's Discount	1,140	---	---	---	1,120	---	2,260
Total Expenditures	<u>15,533,009</u>	<u>4,640,999</u>	<u>277,161</u>	<u>1,692,184</u>	<u>1,726,476</u>	<u>---</u>	<u>23,869,829</u>
Excess Revenues (Expenditures)	<u>3,408,584</u>	<u>(3,261,921)</u>	<u>102,171</u>	<u>(623,282)</u>	<u>132,382</u>	<u>---</u>	<u>(242,066)</u>
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases	1,546	203	---	18	52	---	1,819
Proceeds From Bonds	---	---	---	---	129,465	---	129,465
Issuance of Refunding Bonds	108,930	---	---	---	---	---	108,930
Payments to Escrow Agent	(121,020)	---	---	---	---	---	(121,020)
Bond Premium (Note 11)	13,461	---	---	---	5,161	---	18,622
Proceeds from Sale of Capital Assets	314	---	61	4,790	5,972	---	11,137
Transfers In (Note 17)	39,685	3,295,034	23	467,577	366,554	(3,883,405)	285,468
Transfers Out (Note 17)	(3,363,707)	(23,510)	(3,713)	(35)	(501,987)	3,883,405	(9,547)
Total Other Financing Sources (Uses)	<u>(3,320,791)</u>	<u>3,271,727</u>	<u>(3,629)</u>	<u>472,350</u>	<u>5,217</u>	<u>---</u>	<u>424,874</u>
Net Change in Fund Balances	87,793	9,806	98,542	(150,932)	137,599	---	182,808
Fund Balances – Beginning (Note 18)	1,218,357	285,232	1,637,649	945,095	592,350	---	4,678,683
Increase (Decrease) in Reserve for Inventory	5,034	(48)	23	---	(81)	---	4,928
Fund Balances – Ending	<u>\$ 1,311,184</u>	<u>\$ 294,990</u>	<u>\$ 1,736,214</u>	<u>\$ 794,163</u>	<u>\$ 729,868</u>	<u>\$ ---</u>	<u>\$ 4,866,419</u>

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

**STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

Net Change in Fund Balances – Total Governmental Funds		\$ 182,808
Amounts reported for governmental activities in the Statement of Activities are different because:		
Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.	4,928	
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of \$933,066 exceeds depreciation/amortization of \$610,917 in the current period.	322,149	
The net effect of the donation of capital assets increased net position.	122	
Deferred inflows do not provide current financial resources and are not recognized as revenues until available in governmental funds.	377,425	
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension Contributions		485,753
Pension Expense		(349,774)
Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Position (Note 11):		
Bonds Issued	(238,395)	
Bond Premiums and Refunding Costs	(6,207)	
Bonds Retired	372,785	
Capital Leases Issued	(1,767)	
Capital Lease Payments	21,446	
		147,862
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, not reported as expenditures in governmental funds (Note 11):		
Amortization of Bond Premium and Refunding Costs	27,756	
Decrease in Accrued Interest	208	
Decrease in Due to Other Entities	15,641	
Increase in Pollution Remediation	(12,921)	
Increase in Compensated Absences	(1,803)	
Increase in Contingent Liabilities	(31,715)	
Increase in Claims Liability	(16,022)	
Increase in Net Other Postemployment Benefit Obligation	(98,403)	
		(117,259)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.		(3,983)
Change in Net Position of Governmental Activities		\$ 1,050,031

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



*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery – Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance – Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

**STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Business-Type Activities – Enterprise Funds					
	Major Funds				Totals June 30, 2015	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds		
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3)	\$ 14,689	\$ 289,809	\$ 22,037	\$ 18,263	\$ 344,798	\$ 193,438
Investments (Note 3)	16,000	---	42,129	35,480	93,609	67,742
Restricted:						
Investments (Note 3)	5,132	---	---	---	5,132	100
Accounts Receivable, Net	45,963	178,737	1,489	6,732	232,921	83,673
Interest Receivable	23	---	81	64	168	337
Due from Other Funds (Note 16)	---	---	---	249	249	6,783
Due from Component Units (Note 16)	---	---	---	---	---	1
Inventories	---	---	---	1,074	1,074	18,038
Prepaid Items	---	---	---	---	---	48
Loans Receivable	---	---	---	562	562	---
Total Current Assets	<u>81,807</u>	<u>468,546</u>	<u>65,736</u>	<u>62,424</u>	<u>678,513</u>	<u>370,160</u>
Non-Current Assets:						
Investments	---	---	---	---	---	121,934
Restricted:						
Cash and Cash Equivalents (Note 3)	---	---	---	---	---	1,822
Investments (Note 3)	36,377	---	---	---	36,377	200
Capital Assets (Note 5):						
Construction in Progress	---	---	---	7,046	7,046	349
Software in Progress	---	---	---	---	---	125
Land	353	---	---	10,644	10,997	7,722
Land Improvements	---	---	---	14,127	14,127	3,115
Temporary Easements	---	---	---	50	50	---
Buildings	5,221	---	---	26,944	32,165	499,836
Equipment	8,394	---	169	41,191	49,754	118,607
Software	1,873	---	---	116	1,989	18,653
Less Accumulated Depreciation/Amortization	(13,478)	---	(155)	(49,827)	(63,460)	(300,774)
Total Non-Current Assets	<u>38,740</u>	<u>---</u>	<u>14</u>	<u>50,291</u>	<u>89,045</u>	<u>471,589</u>
Total Assets	<u>120,547</u>	<u>468,546</u>	<u>65,750</u>	<u>112,715</u>	<u>767,558</u>	<u>841,749</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	<u>1,169</u>	<u>---</u>	<u>162</u>	<u>8,937</u>	<u>10,268</u>	<u>7,949</u>
LIABILITIES						
Current Liabilities:						
Bank Overdraft (Note 3 and 10)	---	---	---	---	---	1
Accounts Payable	3,211	11,623	972	2,000	17,806	30,587
Accrued Payroll	283	---	48	2,301	2,632	1,856
Due to Other Funds (Note 16)	14,877	1,006	1	58	15,942	312
Unearned Revenue (Note 1)	525	---	539	49	1,113	27,659
Claims Liability (Note 11)	---	---	14,750	---	14,750	69,883
Grand Prize Winner Liability (Note 11)	62,948	---	---	---	62,948	---
Obligations under Lease Purchase (Note 11)	---	---	---	173	173	7,306
Compensated Absences (Note 11)	581	---	64	3,726	4,371	3,802
Total Current Liabilities	<u>82,425</u>	<u>12,629</u>	<u>16,374</u>	<u>8,307</u>	<u>119,735</u>	<u>141,406</u>
Non-Current Liabilities:						
Claims Liability (Note 11)	---	---	73,804	---	73,804	61,208
Grand Prize Winner Liability (Note 11)	31,786	---	---	---	31,786	---
Obligations under Lease Purchase (Note 11)	---	---	---	304	304	35,736
Compensated Absences (Note 11)	93	---	54	49	196	852
Net Pension Liability (Note 11)	8,250	---	990	41,329	50,569	56,090
Total Non-Current Liabilities	<u>40,129</u>	<u>---</u>	<u>74,848</u>	<u>41,682</u>	<u>156,659</u>	<u>153,886</u>
Total Liabilities	<u>122,554</u>	<u>12,629</u>	<u>91,222</u>	<u>49,989</u>	<u>276,394</u>	<u>295,292</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>2,386</u>	<u>---</u>	<u>331</u>	<u>18,235</u>	<u>20,952</u>	<u>16,202</u>
NET POSITION						
Net Investment in Capital Assets	2,363	---	14	49,814	52,191	304,591
Restricted for:						
Capital	---	---	---	---	---	1,014
Other Purposes	4,588	---	---	---	4,588	1,108
Unrestricted	(10,175)	455,917	(25,655)	3,614	423,701	231,491
Total Net Position (Note 19)	<u>\$ (3,224)</u>	<u>\$ 455,917</u>	<u>\$ (25,641)</u>	<u>\$ 53,428</u>	<u>\$ 480,480</u>	<u>\$ 538,204</u>
					Total Net Position Reported Above	\$ 480,480
					Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds	(2,635)
					Net Position of Business-Type Activities	<u>\$ 477,845</u>

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

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

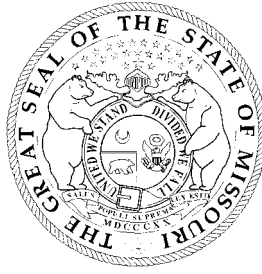
	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2015	
Operating Revenues:						
Employer Contributions	\$ ---	\$ 621,890	\$ ---	\$ ---	\$ 621,890	\$ 447,650
Employee Contributions	---	---	---	---	---	161,375
Federal Contracts	---	799	---	---	799	---
Medicare Part D Subsidy	---	---	---	---	---	4,855
Licenses, Fees, and Permits	---	---	12,666	9,237	21,903	15,922
Sales	1,144,144	---	---	5,017	1,149,161	27,442
Leases and Rentals	---	---	---	3,811	3,811	61,746
Charges for Services	---	---	---	26,881	26,881	127,023
Cost Reimbursement/Miscellaneous	460	1,204	1,301	299	3,264	6,020
Total Operating Revenues	<u>1,144,604</u>	<u>623,893</u>	<u>13,967</u>	<u>45,245</u>	<u>1,827,709</u>	<u>852,033</u>
Operating Expenses:						
Cost of Goods Sold	16,163	---	---	2,195	18,358	23,522
Personal Service	9,526	---	1,637	80,616	91,779	67,198
Operations	80,424	---	3,866	20,149	104,439	130,261
Prizes Expense	755,429	---	---	---	755,429	---
Specific Programs	---	---	9,196	1,544	10,740	13,611
Insurance Benefits	---	---	---	---	---	594,113
Unemployment Benefits	---	391,246	---	---	391,246	---
Depreciation/Amortization	1,115	---	5	4,534	5,654	26,446
Other Charges	10,822	---	---	369	11,191	1,806
Total Operating Expenses	<u>873,479</u>	<u>391,246</u>	<u>14,704</u>	<u>109,407</u>	<u>1,388,836</u>	<u>856,957</u>
Operating Income (Loss)	<u>271,125</u>	<u>232,647</u>	<u>(737)</u>	<u>(64,162)</u>	<u>438,873</u>	<u>(4,924)</u>
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	(41)	---	---	69,764	69,723	33
Interest Expense	---	(262)	---	(2)	(264)	(1,290)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(286)	---	69	38	(179)	(178)
Interest	85	3,129	324	232	3,770	3,026
Penalties and Unclaimed Properties	---	---	---	6	6	5
Disposal of Capital Assets	49	---	---	382	431	(108)
Total Non-Operating Revenues (Expenses)	<u>(193)</u>	<u>2,867</u>	<u>393</u>	<u>70,420</u>	<u>73,487</u>	<u>1,488</u>
Income (Loss) Before Transfers	270,932	235,514	(344)	6,258	512,360	(3,436)
Capital Contributions (Note 17)	---	---	---	---	---	23
Transfers In (Note 17)	42	3,897	---	5,458	9,397	255
Transfers Out (Note 17)	(271,811)	(12,304)	---	(1,279)	(285,394)	(838)
Change in Net Position	(837)	227,107	(344)	10,437	236,363	(3,996)
Total Net Position – Beginning (Note 18)	(2,387)	228,810	(25,297)	42,991	244,117	542,200
Total Net Position – Ending (Note 19)	<u>\$ (3,224)</u>	<u>\$ 455,917</u>	<u>\$ (25,641)</u>	<u>\$ 53,428</u>	<u>\$ 480,480</u>	<u>\$ 538,204</u>
Total Net Change in Net Assets Reported Above					\$ 236,363	
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds					(13)	
Change in Net Assets of Business-Type Activities					<u>\$ 236,350</u>	

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

**STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

	Business-Type Activities – Enterprise Funds					
	Major Funds				Totals June 30, 2015	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds		
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ ---	\$ 2,857	\$ ---	\$ 562	\$ 3,419	\$ 646,826
Receipts from External Customers and Users	1,144,937	637,113	12,557	44,174	1,838,781	196,719
Payments to Suppliers	(96,646)	---	(3,087)	(22,072)	(121,805)	(155,699)
Payments to Employees	(9,897)	---	(1,680)	(83,275)	(94,852)	(69,473)
Payments Made for Program Expense	(753,327)	(390,302)	(12,495)	(1,544)	(1,157,668)	(606,824)
Other Receipts	460	1,204	1,301	299	3,264	6,020
Other Payments	(10,822)	---	---	(369)	(11,191)	(1,806)
Net Cash Provided (Used) by Operating Activities	<u>274,705</u>	<u>250,872</u>	<u>(3,404)</u>	<u>(62,225)</u>	<u>459,948</u>	<u>15,763</u>
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	---	---	---	14	14	---
Due to/from Other Funds	1,118	(2,546)	---	(68)	(1,496)	(2,700)
Due to/from Component Units	---	---	---	---	---	(1)
Contributions and Intergovernmental	(41)	---	---	69,764	69,723	33
Transfers to/from Other Funds	(271,811)	(8,407)	---	4,169	(276,049)	(765)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(270,734)</u>	<u>(10,953)</u>	<u>---</u>	<u>73,879</u>	<u>(207,808)</u>	<u>(3,433)</u>
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	(262)	---	---	(262)	(1,290)
Purchases and Construction of Capital Assets	(577)	---	(2)	(3,865)	(4,444)	(10,659)
Capital Lease Downpayment/Obligations	---	---	---	(66)	(66)	(9,240)
Disposal of Capital Assets	49	---	---	---	49	---
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(528)</u>	<u>(262)</u>	<u>(2)</u>	<u>(3,931)</u>	<u>(4,723)</u>	<u>(21,189)</u>
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	933	---	11,472	3,081	15,486	1,205,105
Purchase of Investments	---	---	---	(1,915)	(1,915)	(1,216,204)
Interest and Dividends Received	77	3,129	326	217	3,749	3,004
Investment Fees	---	---	---	---	---	(36)
Penalties and Other Receipts	---	---	---	6	6	5
Net Cash Provided (Used) by Investing Activities	<u>1,010</u>	<u>3,129</u>	<u>11,798</u>	<u>1,389</u>	<u>17,326</u>	<u>(8,126)</u>
Net Increase (Decrease) in Cash	4,453	242,786	8,392	9,112	264,743	(16,985)
Cash and Cash Equivalents, Beginning of Year	10,236	47,023	13,645	9,151	80,055	212,244
Cash and Cash Equivalents, End of Year	<u>\$ 14,689</u>	<u>\$ 289,809</u>	<u>\$ 22,037</u>	<u>\$ 18,263</u>	<u>\$ 344,798</u>	<u>\$ 195,259</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 271,125	\$ 232,647	\$ (737)	\$ (64,162)	\$ 438,873	\$ (4,924)
Depreciation/Amortization Expense	1,115	---	5	4,534	5,654	26,446
Pension Deferrals	2,348	---	320	17,876	20,544	17,298
Changes in Assets and Liabilities:						
Accounts Receivable	710	17,281	(97)	(259)	17,635	(4,869)
Inventories	---	---	---	471	471	229
Prepaid Items	53	---	---	---	53	61
Accounts Payable	(112)	944	779	(199)	1,412	(2,206)
Accrued Payroll	(4)	---	(6)	7	(3)	50
Unearned Revenue	83	---	(12)	49	120	2,401
Grand Prize Winner Liability	2,102	---	---	---	2,102	---
Claims Liability	---	---	(3,299)	---	(3,299)	900
Compensated Absences	---	---	13	148	161	180
Net Pension Liability	(2,715)	---	(370)	(20,690)	(23,775)	(19,803)
Net Cash Provided (Used) by Operating Activities	<u>\$ 274,705</u>	<u>\$ 250,872</u>	<u>\$ (3,404)</u>	<u>\$ (62,225)</u>	<u>\$ 459,948</u>	<u>\$ 15,763</u>
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	\$ ---	\$ ---	\$ ---	\$ 328	\$ 328	\$ 584
Capital Asset Donations	42	---	---	670	712	230
Increase (Decrease) in Fair Value of Investments	(286)	---	69	38	(179)	(178)
Net Non-Cash Financing and Investing Activities	<u>\$ (244)</u>	<u>\$ ---</u>	<u>\$ 69</u>	<u>\$ 1,036</u>	<u>\$ 861</u>	<u>\$ 636</u>

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



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015
(In Thousands of Dollars)

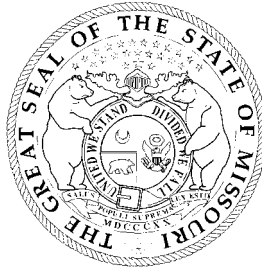
	Pension (and Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 2,242,894	\$ 14,360	\$ 135,137
Investments at Fair Value (Note 3):			
U.S. Government Securities	4,281,282	1,663	429,553
U.S. Agency Sponsored Securities	60,256	21,156	3,411
Repurchase Agreements	---	---	---
Stocks	910,852	74	18
Bonds	119,718	---	---
International Equities	858,320	---	---
Mutual and Index Funds	1,887,196	---	---
Venture Capital Limited Partnership	5,401,685	---	---
Other Investments	682,564	4,984	804
Invested Securities Lending Collateral (Note 3)	100,008	---	---
Receivables:			
Accounts Receivable	411,643	---	405,756
Interest Receivable	4,265	11	97
Inventories	---	2	---
Prepaid Expenses	33	---	---
Capital Assets:			
Land	351	---	---
Buildings	5,245	---	---
Equipment	1,571	43	---
Software	3,565	9	---
Accumulated Depreciation/Amortization	(5,108)	(49)	---
Total Capital Assets, Net	5,624	3	---
Total Assets	16,966,340	42,253	\$ 974,776
TOTAL DEFERRED OUTFLOWS OF RESOURCES (Note 15)	---	87	\$ ---
LIABILITIES			
Accounts Payable	26,957	860	31
Obligations under Repurchase Agreements	4,203,409	---	---
Accrued Payroll	---	22	---
Due to Other Entities	---	---	947,968
Due to Individuals	---	---	26,777
Securities Lending Obligation (Note 3)	103,624	---	---
Unearned Revenue (Note 1)	3,715	---	---
Claims Liability	7,781	---	---
Compensated Absences	---	35	---
Net Pension Liability	1,304	485	---
Total Liabilities	4,346,790	1,402	\$ 974,776
TOTAL DEFERRED INFLOWS OF RESOURCES (Note 15)	---	179	\$ ---
Net Position Restricted for Pension Benefits, OPEB, Deferred Compensation, and Other Purposes	\$ 12,619,550	\$ 40,759	

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

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 640,540	\$ ---
Plan Member	125,822	---
Other	65,426	---
Total Contributions	<u>831,788</u>	<u>---</u>
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	399,993	15
Interest and Dividends	168,649	48
SWAP (Loss)	(528,898)	---
Securities Lending Income	476	---
Total Investment Earnings	<u>40,220</u>	<u>63</u>
Less Investment Expenses:		
Investment Activity Expense	(146,912)	---
Securities Lending Expense	(152)	---
Total Investment Expense	<u>(147,064)</u>	<u>---</u>
Net Investment Earnings (Loss)	<u>(106,844)</u>	<u>63</u>
Unclaimed Property	---	55,587
Cost Reimbursement/Miscellaneous	2,565	14,779
Total Additions	<u>727,509</u>	<u>70,429</u>
Deductions:		
Benefits	1,155,746	---
Administrative Expenses	22,563	1,916
Program Distributions	74,187	54,017
Service Transfer Payments	1,793	---
Depreciation/Amortization	611	3
Total Deductions	<u>1,254,900</u>	<u>55,936</u>
Change in Net Position	(527,391)	14,493
Net Position – Beginning of Year (Note 18)	<u>13,146,941</u>	<u>26,266</u>
Net Position – End of Year	<u>\$ 12,619,550</u>	<u>\$ 40,759</u>

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



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

**STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2015
(In Thousands of Dollars)**

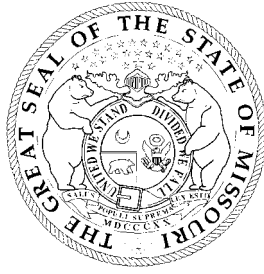
	College and Universities	Non-Major	Totals June 30, 2015
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 404,172	\$ 32,027	\$ 436,199
Investments	209,807	17,260	227,067
Invested Securities Lending Collateral	43,902	---	43,902
Receivables, Net	520,680	2,014	522,694
Inventories	55,652	1	55,653
Restricted Assets:			
Cash and Cash Equivalents	167,501	3,066	170,567
Investments	30,284	5,557	35,841
Receivables, Net	12,517	6,998	19,515
Deposits and Prepaid Expenses	36,542	1,169	37,711
Other Assets	615	---	615
Total Current Assets	<u>1,481,672</u>	<u>68,092</u>	<u>1,549,764</u>
Non-Current Assets:			
Investments	1,942,487	42,914	1,985,401
Receivables, Net	137,207	41,862	179,069
Restricted Assets:			
Cash and Cash Equivalents	3,968	7,863	11,831
Investments	1,325,186	13,170	1,338,356
Receivables, Net	1,010	30,550	31,560
Other Assets	3,257	19	3,276
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	<u>5,106,778</u>	<u>67,973</u>	<u>5,174,751</u>
Total Non-Current Assets	<u>8,519,893</u>	<u>204,351</u>	<u>8,724,244</u>
Total Assets	<u>10,001,565</u>	<u>272,443</u>	<u>10,274,008</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)			
	<u>170,754</u>	<u>525</u>	<u>171,279</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	511,338	292	511,630
Due to Primary Government (Note 16)	---	688	688
Securities Lending Obligation	43,902	---	43,902
Unearned Revenue (Note 1)	125,500	---	125,500
Deposits	78,803	---	78,803
Claims Liability (Note 21)	42,734	---	42,734
Compensated Absences	69,317	66	69,383
Other Postemployment Obligations, Net	382	---	382
Capital Lease Obligations (Note 6)	4,702	---	4,702
Bonds and Notes Payable (Note 12)	<u>198,316</u>	<u>195</u>	<u>198,511</u>
Total Current Liabilities	<u>1,074,994</u>	<u>1,241</u>	<u>1,076,235</u>
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	52,878	---	52,878
Advance from Primary Government (Note 16)	---	1,732	1,732
Unearned Revenue (Note 1)	16,522	1,797	18,319
Deposits and Reserves	382	15,334	15,716
Claims Liability (Note 21)	46,302	---	46,302
Compensated Absences	30,273	43	30,316
Other Postemployment Obligations, Net	215,834	---	215,834
Capital Lease Obligations (Note 6)	47,795	---	47,795
Bonds and Notes Payable (Note 12)	2,184,709	51,741	2,236,450
Net Pension Liability	<u>864,897</u>	<u>1,015</u>	<u>865,912</u>
Total Non-Current Liabilities	<u>3,459,592</u>	<u>71,662</u>	<u>3,531,254</u>
Total Liabilities	<u>4,534,586</u>	<u>72,903</u>	<u>4,607,489</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)			
	<u>117,847</u>	<u>296</u>	<u>118,143</u>
NET POSITION			
Net Investment in Capital Assets	2,806,485	16,037	2,822,522
Restricted for:			
Expendable	556,993	---	556,993
Non-Expendable	1,052,487	---	1,052,487
Other Purposes	---	92,795	92,795
Unrestricted	<u>1,103,921</u>	<u>90,937</u>	<u>1,194,858</u>
Total Net Position	<u>\$ 5,519,886</u>	<u>\$ 199,769</u>	<u>\$ 5,719,655</u>

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

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2015	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	\$ ---	\$ 1,624	\$ 1,624	\$ ---	\$ 1,624
Student Tuition and Fees (Net of Scholarship Allow.)	1,045,509	---	1,045,509	---	1,045,509
Sales and Services of Educational Departments	46,069	---	46,069	---	46,069
Auxiliary Enterprises	1,553,623	---	1,553,623	---	1,553,623
Leases and Rentals	---	5,409	5,409	---	5,409
Cost Reimbursement/Miscellaneous	91,640	732	92,372	17,046	109,418
Total Charges for Services					2,761,652
Federal Appropriations, Grants, and Contracts	186,205	---	186,205	215,958	402,163
State Grants and Contracts	76,775	---	76,775	771,434	848,209
Private Gifts, Grants, and Contracts	81,725	---	81,725	91,119	172,844
Additions to Endowments	1,271	---	1,271	31,495	32,766
Total Operating Grants and Contributions					1,455,982
Interest Revenue	---	2,130	2,130	(2,130)	
Total Operating Revenues	<u>3,082,817</u>	<u>9,895</u>	<u>3,092,712</u>	<u>1,124,922</u>	
Expenses:					
Operating Expenses:					
Personal Service	2,438,915	1,348	2,440,263	---	2,440,263
Operations	---	3,341	3,341	---	3,341
Specific Programs	---	850	850	---	850
Scholarships and Fellowships	142,764	---	142,764	---	142,764
Utilities	35,217	---	35,217	---	35,217
Supplies and Other Services	1,052,504	---	1,052,504	---	1,052,504
Contracted Services	29,577	---	29,577	---	29,577
Interest Expense	---	---	---	94,739	94,739
Depreciation/Amortization	292,025	1,929	293,954	---	293,954
Miscellaneous	38,979	152	39,131	5,018	44,149
Total Operating Expenses	<u>4,029,981</u>	<u>7,620</u>	<u>4,037,601</u>	<u>99,757</u>	4,137,358
Operating Income (Loss)	<u>(947,164)</u>	<u>2,275</u>	<u>(944,889)</u>	<u>1,025,165</u>	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	215,958	---	215,958	(215,958)	---
State Appropriations, Grants, and Contracts	771,434	---	771,434	(771,434)	---
Private Gifts, Grants, and Contracts	91,119	---	91,119	(91,119)	---
Contributions and Intergovernmental	---	2,264	2,264	---	2,264
Total Unrestricted Grants and Contributions					2,264
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	---	21	21	---	21
Investment and Endowment Income (Loss)	44,921	---	44,921	---	44,921
Interest	---	815	815	2,130	2,945
Interest and Bond Related Expenses	(93,988)	(751)	(94,739)	94,739	---
Gain (Loss) on Sale of Capital Assets	(4,974)	---	(4,974)	4,974	---
Miscellaneous Revenues (Expenses)	17,046	(44)	17,002	(17,002)	---
Total Unrestricted Investment Earnings					47,887
Total Non-Operating Revenues (Expenses)	<u>1,041,516</u>	<u>2,305</u>	<u>1,043,821</u>	<u>(993,670)</u>	
Income Before Other Revenues (Expenses) Or Gains (Losses)	94,352	4,580	98,932	31,495	
State Capital Appropriations	46,032	---	46,032	---	46,032
Total Capital Grants and Contributions					46,032
Additions to Endowments	31,495	---	31,495	(31,495)	---
Change in Net Position	<u>171,879</u>	<u>4,580</u>	<u>176,459</u>	<u>---</u>	<u>176,459</u>
Net Position – Beginning of Year (Note 18)	<u>5,348,007</u>	<u>195,189</u>	<u>5,543,196</u>	<u>---</u>	<u>5,543,196</u>
Net Position – End of Year	<u>\$ 5,519,886</u>	<u>\$ 199,769</u>	<u>\$ 5,719,655</u>	<u>\$ ---</u>	<u>\$ 5,719,655</u>

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



The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity*, for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units*, added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Governmental Funds:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. Separate financial statements are not required for the Board.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Board of Unemployment Fund Financing – The Board was created by state law to provide a method of providing funds for the payment of unemployment benefits and maintaining an adequate fund balance in the Unemployment Compensation Fund. The Board is comprised of the Governor, Lieutenant Governor, Attorney General, the Director of the Department of Labor and Industrial Relations, and the Commissioner of Administration. Separate financial statements are not required for the Board.

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children’s Services Commission. The Board’s purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri’s children from birth through age five. The 17 member Board is composed of representatives from the Governor’s Office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. Separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. Separate financial statements are not required for the Commission.

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds and pay the costs of operations.

Conservation Employees’ Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan’s financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. The MOSERS Board of Trustees oversees the State's Deferred Compensation Plan which is administered by a third party. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

MoDOT/MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, disability, and life insurance to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – The System provides retirement, death, and disability benefits to qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation) and both uniformed and non-uniformed members of the State Highway Patrol. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 1 – Significant Accounting Policies (cont.)

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25, \$30, or \$35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010 until further notice. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Major

College and Universities – The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

Lincoln University
207 Young Hall
820 Chestnut Street
Jefferson City, Missouri 65101

State Technical College of Missouri
1 Technology Drive
Linn, Missouri 65051

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Truman State University
McClain Hall, Room 105
100 East Normal
Kirksville, Missouri 63501

Missouri State University
901 South National Avenue, Room 119
Springfield, Missouri 65897

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Northwest Missouri State University
107 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Non-Major

Missouri Development Finance Board – The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101

Missouri Agricultural and Small Business Development Authority – The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. The Missouri Highways and Transportation Commission determines which applicants are extended loans from the Missouri Transportation Finance Corporation. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Central Office, Financial Services
105 West Capitol Avenue
Jefferson City, Missouri 65101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Missouri Health Insurance Pool – organized to provide health care coverage for residents who are unable to obtain individual health coverage.

Board of Trustees of the Missouri Mesothelioma Risk Management Fund – provides coverage of liabilities for participating employers relating to mesothelioma awards.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Gas Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary assets plus deferred outflows and liabilities plus deferred inflows with the difference reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

The difference between fund assets plus deferred outflows and liabilities plus deferred inflows is reported as “Net Position” on the government-wide, proprietary, and fiduciary fund statements and “Fund Balance” on the governmental fund financial statements.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes and licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of three months or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3*).

E. Investments

These are long-term investments with an original maturity greater than three months which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. All investments are reported at fair value (see *Note 3*).

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, and acquire capital assets. These receivables at June 30 are classified as “due from other funds” or “due from primary government/component units” on the Balance Sheet and Statement of Net Position. Payables are classified as “due to other funds” or “due to primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

G. Advances to/from Other Funds

Long-term interfund receivables are classified as “advances to other funds” or “advances to primary government/component units” on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as “advances from other funds” or “advances from primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – \$15,000, buildings and improvements – \$15,000, software and trademarks – \$5,000, and equipment – \$1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, temporary easements – term of easement, equipment – 2 to 5 years, software – 3 to 5 years, trademarks – 10 years, and infrastructure – 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State’s non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 to 15 years, and software – 3 to 5 years.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position may report a separate section for deferred outflows of resources. Deferred outflows of resources consist of the decrease of net position by the State that is applicable to a future reporting period and will not be recognized as outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position may report a separate section for deferred inflows of resources. Deferred inflows of resources consist of the increase of net position by the State that is applicable to a future reporting period and will not be recognized as inflow of resources (revenue) until then.

K. Unearned Revenues

Unearned revenues are amounts collected in advance of the year in which earned.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).
2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).
3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, the Missouri Development Finance Board, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).
4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6 and 11*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 22*).
7. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds, but are recorded as expenditures when paid (see *Note 11*).

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

8. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 21, and 23*).
9. The State provides postemployment health care and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT/MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer (see *Note 8*).
10. The State has two major retirement systems which cover substantially all State employees and a retirement plan for University of Missouri employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) is a cost-sharing, multi-employer defined benefit public employees' retirement plan administered by MOSERS. The Judicial Plan is a single-employer defined benefit public employees' retirement plans administered by MOSERS. MPERS is a single-employer defined benefit public employees' retirement plan. The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see *Note 7*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Position

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributed to acquisition, construction, or improvement of those assets.

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2015, net position restricted by enabling legislation equaled \$459,820,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

N. Interfund Transactions

During the fiscal year, the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.
2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.
3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 17*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the governmental activities are eliminated at the Government-Wide Statement of Activities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Significant Accounting Policies (cont.)

O. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

Property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 – Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2015:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which revises accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts and equivalent arrangements in which specific criteria are met. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. The implementation of this statement is reflected in *Note 7 – Retirement Systems* of the financial statements.
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, which provides accounting and financial reporting standards for government mergers, acquisitions, transfer of operations, and disposals of government operations. The implementation of this statement did not require modification of the financial statements.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which amends paragraph 137 of GASB Statement No. 68, to require that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The implementation of this statement is reflected in the financial statements.

There was a change in accounting principle regarding what constitutes cash and cash equivalents versus investments. The criteria for cash and cash equivalents pooled with the State Treasurer's Office changed from a 90 day maturity to a 92 day maturity.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments

The State Treasurer's Office maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2015.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer's Office to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% in excess of FDIC coverage with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Primary Government

At June 30, 2015, the bank balance of the primary government's deposits was \$1,097,607,000. Of the bank amount, \$9,988,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institutions, \$291,738,000 was held by the U.S. Treasury, and the remainder was not exposed to custodial risk.

Fiduciary

At June 30, 2015, the bank balance of the deposits of the fiduciary funds was \$142,441,000. None of these deposits were exposed to custodial credit risk.

Component Units

Information on the component units deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer's Office to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2015.

The State Treasurer's Office minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer's Office also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer’s Office minimizes custodial credit risk by requiring that all securities be held in the State’s name at the State’s custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer’s Office approved collateral custodians.

Primary Government

At June 30, 2015, the reported amount of the primary government’s investments was \$3,312,765,000. Of this amount, \$144,401,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State’s counterparty.

Fiduciary

At June 30, 2015, the reported amount of the fiduciary funds investments was \$16,921,059,000. Of this amount, \$44,914,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State’s counterparty.

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State’s investments. Statutes also authorize investment of funds not held by the State Treasurer’s Office. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer’s Office minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio’s total market value in securities with a maturity of 12 months or less.

	Maturities in Years					Total Fair Value
	Less than 1	1-5	6-10	More than 10	No Maturity	
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	\$ 20,538	\$ 232,160	\$ 13,043	\$ 9,920	\$ ---	\$ 275,661
U.S. Agency Securities	449,268	1,551,841	---	---	---	2,001,109
U.S. Government Guaranteed Mortgages	---	1,802	---	---	---	1,802
U.S. Agency-Sponsored Securities	2,337	118,892	8,927	---	---	130,156
Repurchase Agreements	892,430	---	---	---	---	892,430
Stocks	---	---	---	---	6,244	6,244
Bonds	---	442	---	---	---	442
Mutual Funds	---	---	---	---	2,452	2,452
Other	---	893	618	958	---	2,469
Subtotal	<u>1,364,573</u>	<u>1,906,030</u>	<u>22,588</u>	<u>10,878</u>	<u>8,696</u>	<u>3,312,765</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

	Maturities in Years					Total Fair Value
	Less than 1	1-5	6-10	More than 10	No Maturity	
Fiduciary Funds:						
U.S. Government Securities	43,002	---	16,015	12,705	---	71,722
U.S. Treasury Securities	659,842	3,836,366	597	---	---	4,496,805
U.S. Agency Securities	7,621	37,977	21,942	58,612	---	126,152
U.S. Government Mortgage-Backed Securities	---	2,938	3,843	53,474	---	60,255
U.S. Agency-Sponsored Securities	10,000	34,914	---	---	---	44,914
Repurchase Agreements	23,476	---	---	---	---	23,476
Stocks	---	---	---	---	910,943	910,943
Bonds	5,826	8,454	30,022	75,417	---	119,719
International Equities	47,663	---	---	---	810,657	858,320
Mortgages/Real Estate	---	16,530	---	88,702	199,379	304,611
Asset-Backed Securities	846	3,116	27,977	27,414	---	59,353
Short-Term Securities	2,298,899	---	---	---	---	2,298,899
Foreign Currencies	(3)	---	---	---	---	(3)
Mutual Funds	---	765,605	7,302	---	1,114,289	1,887,196
Venture Capital Limited Partnership	---	---	---	---	5,401,686	5,401,686
Absolute Return	---	---	---	---	235,476	235,476
Other	---	1,610	---	---	19,925	21,535
Subtotal	<u>3,097,172</u>	<u>4,707,510</u>	<u>107,698</u>	<u>316,324</u>	<u>8,692,355</u>	<u>16,921,059</u>
Total Investments	<u>\$ 4,461,745</u>	<u>\$ 6,613,540</u>	<u>\$ 130,286</u>	<u>\$ 327,202</u>	<u>\$ 8,701,051</u>	<u>\$ 20,233,824</u>

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer's Office from investing more than 10% of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5% of the total portfolio per issuer and no more than 15% of the total portfolio may be invested in repurchase agreements with a single counterparty. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2015, the State did not have any instances of noncompliance with these requirements and policies.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

The State Treasurer's Office requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments. The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	<u>Moody's</u>	<u>S & P</u>	<u>Fair Value</u>
Primary Government/Fiduciary:			
U.S. Government Securities	NR	Agency	\$ 23,691
	NR	NR	46,538
U.S. Treasury	Aaa	AA+	168,723
	Aaa	NR	384,371
	NR	NR	14,967
U.S. Agencies	Aaa	AA+	30,356
	NR	AA	68,823
	NR	NR	1,557
U.S. Government Mortgage- Backed Securities	Aaa	AA+	18,343
	NR	AAA	943
	NR	Agency	8,609
	NR	NR	50,704
Bonds	Aaa	NR	223
	Aa3	NR	110
	A1	NR	110
	A2	A	10,923
	NR	AAA	20,964
	NR	AA	105,745
	NR	A	3,088
	NR	BBB	849
	NR	NR	20,049
Repurchase Agreements	NR	NR	891,799
U.S. Agency-Sponsored Securities	Aaa	AA+	1,896,735
	Aaa	AAA	73,186
	Aaa	AA	24,853
	Aaa	NR	3,335
	NR	NR	189,791

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

	<u>Moody's</u>	<u>S & P</u>	<u>Fair Value</u>
Asset-Backed Securities	NR	AAA	42,638
	NR	AA	11,889
	NR	CC	846
	NR	NR	6,090
Mutual Funds	NR	AA+	762,050
	NR	AAA	6,313
	NR	A	3,891
	NR	BBB	653
	NR	3-STAR	22,604
Pooled Investments	NR	AAA	256,671
	NR	NR	11,684
Implicit U.S. Agencies	NR	AA	607,964
U.S. Agency Securities	Aaa	AA+	490
Other	Aaa	AA+	14,471
	Aaa	NR	322
	Aa1	NR	483
	Aa2	NR	110
	A1	NR	297
	A2	A	1,610
	A3	NR	147
	NR	AAA	4,752
	NR	AA	2,192
	NR	A	40,363
	NR	BBB	34,814
	NR	BB	5,005
	NR	B	11,384
	NR	CCC	8,297
	NR	CC	283
	NR	D	9,611
		NR	
Total Rated Investments			<u>\$ 5,971,253</u>

NR = Not Rated.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates that will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Currency	Investment Type					Total
	Cash	Equities	Fixed Income	Alternatives	Real Estate	
Australian Dollar	\$ (146)	\$ 1,090	\$ ---	\$ ---	\$ ---	\$ 944
Brazilian Real	35	17,533	6,287	---	---	23,855
British Pound Sterling	---	128,410	---	---	8,811	137,221
Canadian Dollar	(121)	(193)	(45)	---	---	(359)
Chilean Peso	22	2,499	62	---	---	2,583
Colombian Peso	31	1,205	3,723	---	---	4,959
Czech Koruna	7	468	---	---	---	475
Danish Krone	---	14,892	---	---	---	14,892
Egyptian Pound	---	513	---	---	---	513
Euro	12,274	170,898	(1,709)	76,151	15,461	273,075
Hong Kong Dollar	(48)	127,691	---	---	---	127,643
Hungarian Forint	13	532	---	---	---	545
Indian Rupee	191	19,034	---	---	---	19,225
Indonesian Rupiah	4	6,567	5,723	---	---	12,294
Japanese Yen	1,641	255,766	21	---	---	257,428
Malaysian Ringgit	11	12,369	4,897	---	---	17,277
Mexican Peso	1,317	13,284	5,947	---	---	20,548
Moroccan Dirham	1	---	---	---	---	1
Philippine Peso	30	3,476	---	---	---	3,506
Polish Zloty	9	3,763	3,138	---	---	6,910
Qatari Riyal	19	2,393	---	---	---	2,412
Romanian New Leu	---	---	264	---	---	264
Russian Ruble	---	373	3,747	---	---	4,120
Singapore Dollar	---	26,976	---	---	---	26,976
South African Rand	(269)	20,128	5,632	---	---	25,491
South Korean Won	(1,424)	49,237	1,635	---	---	49,448
Swedish Krona	---	3,143	---	---	---	3,143
Swiss Franc	---	99,736	---	---	---	99,736
Taiwan Dollar	131	40,062	---	---	---	40,193
Thai Baht	---	25,577	1,037	---	---	26,614
Turkish Lira	29	8,878	5,446	---	---	14,353
United Arab Emirates Dirham	13	1,656	---	---	---	1,669
United Kingdom Pound Sterling	70	---	(105)	---	---	(35)
Venezuelan Bolivar	18	---	---	---	---	18
Total	\$ 13,858	\$ 1,057,956	\$ 45,700	\$ 76,151	\$ 24,272	\$ 1,217,937

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

C. Securities Lending Program

State Treasurer's Office:

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.7, RSMo. Citibank, National Association, acts as securities lending agent and Wells Fargo acts as the State Treasurer's Office custodial bank.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102% of the then market value of the loaned securities and accrued interest, if any. The maximum duration gap between loans and investments shall be 15 days. The maximum life of term loans shall be 90 days. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

At June 30, 2015, the State Treasurer's Office had an aggregate fair value of securities lent of \$3,588,000 and an aggregate fair value of collateral received of \$3,588,000.

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default. On June 30, 2015, MOSERS had no credit risk exposure to borrowers because the collateral amounts received exceeded amounts out on loan.

Deutsche Bank AG, New York Branch served as the agent for the fixed income, domestic equity, and international equity securities lending programs. MOSERS reduces credit risk by allowing Deutsche Bank to lend these securities to a diverse group of dealers on behalf of MOSERS. Deutsche Bank provides indemnification against dealer default.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. The majority of the security loans are open loans and can be terminated on demand by either MOSERS or the borrower. Cash collateral is invested in short-term investment funds, managed by Deutsche Bank. On June 30, 2015, the cash collateral fund had a market value of \$19,228,000 and a weighted average maturity of 1 day. At June 30, 2015 and June 30, 2014, MOSERS had earned \$116,000 and \$531,000, respectively, on the securities lending program.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (the System), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. The System's custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

The System may lend securities and receive cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. The System cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers were required to deliver collateral for each loan equal to: 1) in the case of loaned securities denominated in dollars or whose primary trading market was located in the United States, 102% of the market value of the loaned securities plus any accrued interest; and 2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities plus any accrued interest.

The System did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

The System and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2015, the cash collateral fund had a market value of \$80,780,000.

At June 30, 2015 and June 30, 2014, the System had earned \$208,000 and \$265,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

D. Derivatives

Missouri State Employees' Retirement System:

While the Board has no formal policy specific to derivatives, Missouri State Employees' Retirement System (MOSERS), through its external investment managers, holds investments in futures contracts, swap contracts, and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. For the year ended June 30, 2015, the change in fair value of the foreign exchange contracts resulted in \$19.2 million of investment income. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2015, MOSERS Foreign Currency Forward Contracts had a pending receivable of \$20,670,000 and a pending payable of \$20,686,000 resulting in a final liability of \$16,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2015. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$ 2,690,295	\$ 9,862

Swaps:

<u>Notional Amount</u>	<u>Counterparty Exposure</u>
\$ 2,195,238	\$ (9,693)

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Deposits and Investments (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

Missouri Department of Transportation and Highway Patrol Employees' Retirement System has an investment policy which holds investments in future contracts, options contracts, and forward foreign currency exchange. Derivative financial instruments involve credit risk and market risk. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the change in market value of these instruments is incorporated in performance. The notional/market value for future contracts as of June 30, 2015, was \$81,189,900 with a change in fair value of \$81,189,900. The notional/market value for swap contracts as of June 30, 2015, was \$(788,115) with a change in fair value of \$(788,115). The notional/market value for rights/warrants as of June 30, 2015, was \$12,020 with a change in fair value of \$0. The total notional/market value of \$80,413,805 for the various contracts in the Missouri Department of Transportation and Highway Patrol Employees' Retirement Systems' portfolio as of June 30, 2015, is recorded in investments on the Statement of Fiduciary Net Position. The total change in fair value of \$80,401,785 for the year ended June 30, 2015, is recorded in investment income on the Statement of Changes in Fiduciary Net Position.

Through the use of derivatives, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System is exposed to risk that the counterparties involved in the contracts are unable to meet the term of their obligation. Missouri Department of Transportation and Highway Patrol Employees' Retirement System investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. Missouri Department of Transportation and Highway Patrol Employees' Retirement System anticipates the counterparties will be able to satisfy their obligations under the contracts. The associated counterparty's credit rating is an A-.

Component Units:

Information on the component units derivatives is available within their individual financial statements.

Note 4 – Governmental Fund Balance

A. Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the restraints.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed. The constraint for assigned fund balance is established by the Revised Statutes of the State of Missouri.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 4 – Governmental Fund Balance (cont.)

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	\$ 24,336	\$ ---	\$ ---	\$ ---
Loans Receivable	29,473	---	---	---
Consumer Protection	---	---	---	19,413
Budget Reserve	---	---	542,447	---
Education	---	2,119	---	23,669
Energy Programs	---	---	---	23,044
Forfeited Financial Instruments	---	---	---	1,566
Federal Government	---	289,795	---	---
Taxes	---	---	---	4,407
Other	---	844	3,318	16,590
Total	<u>\$ 53,809</u>	<u>\$ 292,758</u>	<u>\$ 545,765</u>	<u>\$ 88,689</u>
Public Education				
Inventories	\$ 67	\$ ---	\$ ---	\$ ---
Education	---	199,155	16,943	78,825
Total	<u>\$ 67</u>	<u>\$ 199,155</u>	<u>\$ 16,943</u>	<u>\$ 78,825</u>
Conservation and Environmental Protection				
Inventories	\$ 435	\$ ---	\$ ---	\$ ---
Loans Receivable	1,147,680	---	---	---
Conservation Commission	---	75,312	---	---
Environmental Conservation	---	48,870	331,634	106,219
State Parks	---	24,946	---	---
Forfeited Financial Instruments	---	---	---	1,118
Total	<u>\$ 1,148,115</u>	<u>\$ 149,128</u>	<u>\$ 331,634</u>	<u>\$ 107,337</u>
Missouri Road Fund				
Inventories	\$ 37,574	\$ ---	\$ ---	\$ ---
Highways and Transportation	---	756,589	---	---
Total	<u>\$ 37,574</u>	<u>\$ 756,589</u>	<u>\$ ---</u>	<u>\$ ---</u>
Non-Major Special Revenue Funds				
Inventories	\$ 4,879	\$ ---	\$ ---	\$ ---
Loans Receivable	2,542	---	---	---
Professional Boards and Licensure	---	---	15,658	41,686
Legal Assistance	---	28,249	352	4,227
Agriculture	---	3,928	781	6,558
Medical and Other Assistance	---	1,724	3,795	1,512
Transportation	---	19,090	---	161,509
Highway Patrol and Water Patrol	---	5,707	1,208	10,801
Workers' Compensation and Unemployment Compensation	---	27,282	---	---
Other	---	11,623	7,014	12,420
Total	<u>\$ 7,421</u>	<u>\$ 97,603</u>	<u>\$ 28,808</u>	<u>\$ 238,713</u>

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 4 – Governmental Fund Balance (cont.)

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Non-Major Debt Service Funds				
General Obligation Bonds	\$ ---	\$ 68,372	\$ ---	\$ ---
Fulton State Hospital	---	12,717	---	---
Missouri Road Bond	---	55,858	---	---
	<u>---</u>	<u>136,947</u>	<u>---</u>	<u>---</u>
Total	<u>\$ ---</u>	<u>\$ 136,947</u>	<u>\$ ---</u>	<u>\$ ---</u>
Non-Major Capital Projects Funds				
Inventories	\$ 25	\$ ---	\$ ---	\$ ---
Missouri Veterans' Homes	---	39,236	---	---
Board of Public Buildings	---	37,386	---	---
Fulton State Hospital	---	93,790	---	---
	<u>25</u>	<u>170,412</u>	<u>---</u>	<u>---</u>
Total	<u>\$ 25</u>	<u>\$ 170,412</u>	<u>\$ ---</u>	<u>\$ ---</u>
Non-Major Permanent Funds				
Trust Principal	\$ 49,837	\$ ---	\$ ---	\$ ---
Confederate Memorial Park	---	---	---	101
Smith Memorial Endowment Trust	---	---	---	1
	<u>49,837</u>	<u>---</u>	<u>---</u>	<u>102</u>
Total	<u>\$ 49,837</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 102</u>

B. Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

C. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the Governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the Governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each house. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2015, was \$542,447,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows (in thousands of dollars):

	*Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress.....	\$ 299,443	\$ 124,996	\$ (177,398)	\$ 247,041
Software in Progress	25,040	16,088	(22,794)	18,334
Infrastructure in Progress	2,252,354	665,496	(1,178,774)	1,739,076
Land	2,929,262	162,585	(9,032)	3,082,815
Permanent Easements	2,795	661	(51)	3,405
Total Capital Assets not being				
Depreciated/Amortized.....	5,508,894	969,826	(1,388,049)	5,090,671
Capital Assets being Depreciated/Amortized:				
Land Improvements	192,155	6,482	(142)	198,495
Temporary Easements.....	2,160	303	(845)	1,618
Buildings and Improvements.....	3,262,883	46,343	(6,519)	3,302,707
Equipment.....	1,241,821	114,527	(84,242)	1,272,106
Software	146,131	33,423	(594)	178,960
Trademarks	17	---	---	17
Infrastructure	47,728,370	1,178,774	(46,576)	48,860,568
Total Capital Assets being				
Depreciated/Amortized.....	52,573,537	1,379,852	(138,918)	53,814,471
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(105,227)	(4,746)	132	(109,841)
Temporary Easements.....	(829)	(720)	845	(704)
Buildings and Improvements.....	(1,566,044)	(100,630)	5,080	(1,661,594)
Equipment.....	(900,575)	(89,329)	78,834	(911,070)
Software	(77,806)	(25,038)	115	(102,729)
Trademarks	(7)	(2)	---	(9)
Infrastructure	(23,429,496)	(416,898)	36,811	(23,809,583)
Total Accumulated Depreciation/Amortization ...	(26,079,984)	(637,363)	121,817	(26,595,530)
Total Capital Assets being				
Depreciated/Amortized, Net	26,493,553	742,489	(17,101)	27,218,941
Governmental Activities Capital Assets, Net.....	\$ 32,002,447	\$ 1,712,315	\$ (1,405,150)	\$ 32,309,612
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress.....	\$ 7,634	\$ 1,197	\$ (1,785)	\$ 7,046
Land	10,869	128	---	10,997
Total Capital Assets not being				
Depreciated/Amortized.....	18,503	1,325	(1,785)	18,043
Capital Assets being Depreciated/Amortized:				
Land Improvements	12,305	1,822	---	14,127
Temporary Easements.....	50	---	---	50
Buildings and Improvements.....	31,381	784	---	32,165
Equipment.....	52,142	3,016	(5,404)	49,754
Software	1,894	110	(15)	1,989
Total Capital Assets being Depreciated/Amortized	97,772	5,732	(5,419)	98,085
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(6,197)	(542)	---	(6,739)
Temporary Easements.....	(18)	(2)	---	(20)
Buildings and Improvements.....	(18,878)	(1,195)	---	(20,073)
Equipment.....	(36,315)	(3,850)	5,338	(34,827)
Software	(1,751)	(65)	15	(1,801)
Total Accumulated Depreciation/Amortization ...	(63,159)	(5,654)	5,353	(63,460)
Total Capital Assets being				
Depreciated/Amortized, Net	34,613	78	(66)	34,625
Business-Type Activities Capital Assets, Net.....	\$ 53,116	\$ 1,403	\$ (1,851)	\$ 52,668

*Beginning balances as of July 1, 2014 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 5 – Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	\$ 51,878
Education	3,670
Natural and Economic Resources	27,301
Transportation and Law Enforcement	491,632
Human Services	<u>62,882</u>
Total	<u>\$ 637,363</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress.....	\$ 295,490	\$ ---	\$ 295,490
Land.....	161,834	7,220	169,054
Other Non-Depreciable/Amortizable Assets.....	<u>26,974</u>	<u>---</u>	<u>26,974</u>
Total Capital Assets not being Depreciated/Amortized....	<u>484,298</u>	<u>7,220</u>	<u>491,518</u>
Capital Assets being Depreciated/Amortized:			
Land Improvements	33,316	---	33,316
Buildings and Improvements	6,049,651	75,692	6,125,343
Equipment, Fixtures, and Books	1,370,813	359	1,371,172
Software	127,869	24	127,893
Infrastructure	<u>734,710</u>	<u>---</u>	<u>734,710</u>
Total Capital Assets being Depreciated/Amortized.....	<u>8,316,359</u>	<u>76,075</u>	<u>8,392,434</u>
Less Total Accumulated Depreciation/Amortization	<u>(3,693,879)</u>	<u>(15,322)</u>	<u>(3,709,201)</u>
Total Capital Assets being Depreciated/Amortized, Net...	<u>4,622,480</u>	<u>60,753</u>	<u>4,683,233</u>
Discretely Presented Component Units -			
Capital Assets, Net	<u>\$ 5,106,778</u>	<u>\$ 67,973</u>	<u>\$ 5,174,751</u>

Capital Asset Impairment

Two application development projects were stopped during the fiscal year. The first project was stopped due to limited resources which resulted in an impairment of \$6,000. The second project was stopped due to new technology development which resulted in an impairment of \$62,000. These would be reported as a program expense in the government-wide financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 6 – Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease liability).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Enterprise Funds</u>	<u>College and Universities</u>
2016	\$ 8,051	\$ 6,037	\$ 180	\$ 6,794
2017	7,507	4,885	180	7,287
2018	6,393	1,967	129	7,279
2019	5,757	199	---	7,279
2020	4,864	---	---	6,050
2021–2025	9,527	---	---	23,764
2026–2030	---	---	---	4,204
2031	---	---	---	157
Total Minimum Lease Payments	<u>42,099</u>	<u>13,088</u>	<u>489</u>	<u>62,814</u>
Less Amount Representing Interest	<u>(3,091)</u>	<u>(216)</u>	<u>(12)</u>	<u>(10,317)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 39,008</u>	<u>\$ 12,872</u>	<u>\$ 477</u>	<u>\$ 52,497</u>

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under the lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued \$28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued \$21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and \$7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding \$20,805,000 of Leasehold Revenue Bonds Series 2005 and \$7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 6 – Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Internal Service</u> <u>Funds</u>
2016	\$ 2,427
2017	2,418
2018	2,418
2019	2,416
2020	2,412
2021–2025	12,052
2026–2030	12,037
2031	2,402
Total Minimum Lease Payments	<u>38,582</u>
Less Amount Representing Interest	<u>(8,412)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 30,170</u>

Series A 2005 Refunding Certificates of Participation dated March 1, 2005, in the amount of \$120,490,000 refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State issued Refunding Certificates of Participation Series A 2011 dated June 7, 2011, in the amount of \$76,910,000. The Refunding Certificates of Participation refunded \$76,065,000 of Series A 2005 Refunding Certificates of Participation.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate and are subject to annual appropriation by the State legislature.

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Governmental</u> <u>Funds</u>
2016	\$ 13,666
2017	13,666
2018	13,665
2019	13,668
Total Minimum Lease Payments	<u>54,665</u>
Less Amount Representing Interest	<u>(2,105)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 52,560</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 6 – Leases (cont.)

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2015 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
Buildings	\$ 215,069	\$ 41,735	\$ ---	\$ 55,234
Equipment	6,756	26,990	655	21,427
	<u>\$ 221,825</u>	<u>\$ 68,725</u>	<u>\$ 655</u>	<u>\$ 76,661</u>

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating, because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2015, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2016	\$ 40,743	\$ 305	\$ 11,468
2017	111	307	8,728
2018	60	307	5,826
2019	46	298	4,556
2020	46	107	3,182
2021–2025	---	---	10,808
Total Minimum Commitments	<u>\$ 41,006</u>	<u>\$ 1,324</u>	<u>\$ 44,568</u>

Expenditures for rent under operating leases for the years ended June 30, 2015 and June 30, 2014 were \$28,900,000 and \$38,848,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 6 – Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities and land is \$93.5 million less accumulated depreciation of \$18.9 million for component units. The Department of Natural Resources (DNR) has \$40,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. New contracts will be negotiated with new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2015, were as follows (in thousands of dollars):

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Component</u> <u>Units</u>
2016	\$ 4,156
2017	4,013
2018	3,994
2019	3,780
2020	3,416
2021–2025	16,781
2026–2030	16,636
2031–2035	16,826
2036–2040	16,845
2041–2045	9,693
2046–2050	4,510
2051–2055	1,787
2056–2060	1,787
2061–2065	939
2066–2070	500
2071–2075	500
2076–2080	500
2081–2085	500
2086–2090	500
2091–2095	<u>250</u>
Total Minimum Receivables	<u>\$ 107,913</u>

Note 7 – Retirement Systems

The State has two major retirement systems which cover substantially all State employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). MOSERS is comprised of the Missouri State Employees' Plan (MSEP), a multi-employer defined benefit public employee retirement plan and the Judicial Plan, a single-employer public employee retirement plan. MPERS is comprised of a single-employer defined benefit public employees' retirement system.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) is a multi-employer defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 104.010 and 104.312–104.1215, RSMo.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 1, 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan is a single-employer public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 476.445 to 476.690, RSMo. The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. Employees covered by the MSEP and the MSEP 2000 plans are fully vested after 5 years of creditable service (4 years for elected officials and either 4 or 6 years for legislators). Employees covered by the MSEP 2011 plan are fully vested after 10 years of creditable service. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The retirement eligibility requirements are as follows:

MSEP

Age 65 and active with 4 years of service

Age 65 with 5 years of service

Age 60 with 15 years of service

Age 48 with age and service equaling 80 or more (Rule of 80)

Employees may retire early at age 55 with at least 10 years of service with reduced benefits.

The base benefit in the general employee plan is equal to 1.6% multiplied by the final average pay multiplied by years of credited service.

MSEP 2000

Age 62 with 5 years of service

Age 48 with age and service equaling 80 or more (Rule of 80)

Employees may retire early at age 57 with at least 5 years of service with reduced benefits.

The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

MSEP 2011

Age 67 with 10 years of service

Age 55 with age and service equaling 90 or more (Rule of 90)

Employees may retire early at age 62 with at least 10 years of service with reduced benefits.

The base benefit in the general revenue plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

Judicial Plan

Age 62 with 12 years of service

Age 60 with 15 years of service

Age 55 with 20 years of service

Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.

The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

Judicial Plan 2011

Age 67 with 12 years of service

Age 62 with 20 years of service

Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.

The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 7 – Retirement Systems (cont.)

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than \$10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer defined benefit public employees' retirement system administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS is considered a single-employer plan because its membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 1, 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 10 years of creditable service.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:

Age 65 and active with 4 or more years of service

Age 65 with 5 or more years of service

Age 60 with 15 or more years of service

Age 48 with sum of age and service equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 55 and active with 4 or more years of service

Age 55 with 5 or more years of service

Age 48 with sum of age and service

equaling 80 or more (Rule of 80)
Mandatory retirement at age 60

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

The base benefit in the Closed Plan is equal to 1.6% multiplied by the final average pay multiplied by years of creditable service. For members of the uniformed patrol, the base benefit is calculated by applying the same formula, then multiplying the product by 1.33%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:

Age 62 with 5 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 48 with sum of age and service
equaling 80 or more (Rule of 80)
Mandatory retirement at age 60 with
5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service.

The base benefit in the Year 2000 Plan is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80, and uniform patrol members retiring at the mandatory retirement age (currently 60) with 5 years of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Year 2000 Plan–2011 Tier

MoDOT and non-uniformed patrol members:

Age 67 with 10 or more years of service
Age 55 with sum of age and service
equaling 90 or more (Rule of 90)

Uniformed patrol members:

Age 55 and active with 10 or more years
of service
Mandatory retirement at age 60 with no
minimum service amount

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 10 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 10 or more years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

The base benefit in the 2011 Tier is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90, and uniform patrol members retiring at the mandatory retirement age (currently 60) or at age 55 with 10 years of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 7 – Retirement Systems (cont.)

Single-Employer Plans:

Employees Covered by Benefit Terms – Single-Employers Only

As of June 30, 2014 valuation, membership consisted of the following:

	<u>Judicial Plan</u>	<u>MPERS</u>
Retirees, beneficiaries, and disabilities currently receiving benefits	511	8,401
Terminated employees entitled to, but not yet receiving benefits	25	2,212
Active		
Vested	405	6,010
Nonvested	---	1,380
Total Membership	<u>941</u>	<u>18,003</u>

Contributions

Per Chapter 104.436, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.00% of the annual pay. The State's required contribution rate for the year ended June 30, 2015 was 16.97% of annual payroll. The contribution rates for the MSEP and the Judicial Plan for the year ended June 30, 2014 were 16.68% and 59.02%, respectively. Contributions to the pension plan from the MSEP Plan and the Judicial Plan were \$269,106,000 and \$29,265,000, respectively, for the year ended June 30, 2014.

Per Chapter 104.070, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MPERS Board of Trustees. Beginning January 1, 2011, employee contributions of 4.00% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Employer contributions are determined through annual actuarial valuations. Administrative expenses are financed through contributions from participating employers and investment earnings. The contribution rate for the MPERS plan year ended June 30, 2014, was 54.44%. Contributions to the pension plan from the MPERS plan were \$183,354,000.

For the portion of the MSEP Plan relating to the State's component units, the contribution rates for the year ended June 30, 2014 range from 9.32% to 18.03%. Contributions to the pension plan were \$56,087,000 for the year ended June 30, 2014.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, a liability was reported for the proportionate share of the net pension liability for each retirement plan. The net pension liability and proportionate share were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on contributions to the pension plan relative to the contributions of all participating reporting units, actuarially determined. The net pension liability and the pension expense for the current year were as follows (in thousands of dollars):

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

Multi-Employer Plan:

	<u>MSEP</u>	<u>MSEP-CU</u>
Pension Expense	\$ 182,757	\$ 38,090
Proportionate share: 2015	82.45%	17.19%
Net Pension Liability	\$ 1,944,098	\$ 405,189

Single-Employer Plans:

Changes in net pension liability (in thousands of dollars):

	<u>Judicial Plan</u>			<u>MPERS</u>		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 435,378	\$ 111,204	\$ 324,174	\$ 3,583,975	\$ 1,685,733	\$ 1,898,242
Changes for the year:						
Service Cost	8,990	---	8,990	44,740	---	44,740
Interest	34,014	---	34,014	270,526	---	270,526
Differences between expected and actual experience	13,361	---	13,361	(17,614)	---	(17,614)
Contributions - Employer	---	29,265	(29,265)	---	183,354	(183,354)
Contributions - Employee	---	295	(295)	---	2,260	(2,260)
Net Income Investment	---	17,200	(17,200)	---	319,446	(319,446)
Benefit payments, including refunds of employee contributions	(29,407)	(29,407)	---	(227,977)	(227,977)	---
Disability Premiums	---	---	---	(1,532)	(1,532)	---
Administrative Expense	---	(106)	106	---	(3,736)	3,736
Net Transfers to Other Retirement Systems	---	---	---	(1,876)	(92)	(1,784)
Other Changes	---	4,195	(4,195)	---	---	---
Net Changes	<u>26,958</u>	<u>21,442</u>	<u>5,516</u>	<u>66,267</u>	<u>271,723</u>	<u>(205,456)</u>
Balances at June 30, 2015	<u>\$ 462,336</u>	<u>\$ 132,646</u>	<u>\$ 329,690</u>	<u>\$ 3,650,242</u>	<u>\$ 1,957,456</u>	<u>\$ 1,692,786</u>

For the year ended June 30, 2015, the Judicial Plan and MPERS recognized pension expense of \$35,059,000 and \$143,998,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU	MSEP	Judicial	MPERS	MSEP-CU
Difference between expected and actual experience	\$ 7,575	\$ 9,718	\$ ---	\$ 1,579	\$ ---	\$ ---	\$ 13,581	\$ ---
Changes of assumptions	---	---	---	---	---	---	---	---
Net difference between projected and actual earnings on pension plan investments	---	---	---	---	566,851	9,997	152,520	118,143
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	---	---	---	---	---	---	---	---
Contributions subsequent to the measurement date	270,220	32,700	200,639	57,021	---	---	---	---
Total	\$ 277,795	\$ 42,418	\$ 200,639	\$ 58,600	\$ 566,851	\$ 9,997	\$ 166,101	\$ 118,143

Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU
2016	\$ (139,083)	\$ 1,143	\$ (42,164)	\$ (28,987)
2017	(139,084)	1,142	(42,164)	(28,988)
2018	(139,396)	(65)	(42,163)	(29,053)
2019	(141,713)	(2,499)	(39,610)	(29,536)
Totals	\$ (559,276)	\$ (279)	\$ (166,101)	\$ (116,564)

Actuarial Assumptions

The total pension liability at June 30, 2015, is based upon the June 30, 2014, actuarial valuation for MOSERS and MPERS using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation are the following:

	MSEP and MSEP-CU	Judicial	MPERS
Inflation	2.5%	2.5%	3.0%
Salary Increases	3.2% – 5.9%	3.0% – 5.2%	3.5% – 11.0%
Investment rate of return	8.0%	8.0%	7.75%

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 7 – Retirement Systems (cont.)

Mortality rates, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the R-P 2000 Combined Healthy Mortality Tables projected 16 years and set back one year for males and females for MPERS. MOSERS pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 80% of the post-retirements mortality rates for females. MPERS pre-retirement mortality rates used was 70% for males and 50% for females of the post-retirement tables set back one year for males and set back one year for females.

Amounts reported in the June 30, 2015, actuarial are assumptions reflecting adjustments to expected rates of withdrawal, disability, normal and early retirement, mortality, and merit and seniority pay for MPERS. The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2011 for MOSERS and July 1, 2007 through June 30, 2012 for MPERS. The adjustments were made to more closely reflect actual experience.

The long-term (30 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for the MSEP and Judicial Plan and arithmetic real rates of return for MPERS for each major asset class included in the target allocation are summarized in the table below:

Asset Class	MSEP and MSEP-CU		Judicial		MPERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity					30%	5.05%
Private Equity					15%	6.75%
Fixed Income					25%	0.59%
Real Assets					5%	4.75%
Real Estate					10%	2.75%
Hedge Funds					15%	3.25%
Beta-balanced portfolio	76.6%	5.7%	76.6%	5.7%		
Illiquids portfolio	19.2%	7.3%	19.2%	7.3%		
Old portfolio	4.2%	6.0%	4.2%	6.0%		
	<u>100.0%</u>		<u>100.0%</u>		<u>100%</u>	

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

Discount Rate

A single discount rate based on the expected rate of return on pension investments of 8.00%, 8.00%, and 7.75% was used to measure the total pension liability for MSEP, Judicial Plan, and MPERS, respectively. 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 the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate for MPERS. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made using the actuarially determined rates based on the board's funding policy for MOSERS. Based on these 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 Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
MSEP Net Pension Liability	7.00% \$ 3,015,372	8.00% \$ 1,944,098	9.00% \$ 1,040,492
Judicial Plan Net Pension Liability	7.00% 373,545	8.00% 329,690	9.00% 291,802
MPERS Net Pension Liability	6.75% 2,127,509	7.75% 1,692,786	8.75% 1,330,274
MSEP-CU Net Pension Liability	7.00% \$ 628,464	8.00% \$ 405,189	9.00% \$ 216,859

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial reports issued by MOSERS and MPERS:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer, defined benefit plan for all qualified employees. As authorized by Section 172.300, revised statute of Missouri, the University's Board of Curators establishes the Retirement Plan and establishes its terms.

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. At retirement, up to 30% of the retirement annuity can be taken in a lump sum payment; also the standard annuity can be exchanged for an actuarially-equivalent annuity.

As of June 30, 2015, membership consisted of the following:

Vested members	18,407
Inactive vested members	4,305
Pensioners and beneficiaries	<u>8,320</u>
Total Membership	<u><u>31,032</u></u>

Contributions

The University's contributions to the Retirement Plan are equal to the actuarially determined employer contribution requirement (ARC). The ARC for those employees hired before October 1, 2012, averaged 10.0% of covered payroll for the year ending June 30, 2015. The ARC for those employees hired after September 30, 2012, averaged 6.1% of covered payroll for the year ended June 30, 2015. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1 at the beginning of the University's fiscal year, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year.

Employees hired after September 30, 2012, participate in a single employer, defined contribution plan. Each year the University contributes 2% of employee's eligible salary to a 401(a) plan. The University will match up to 3% of 457(b) plan with those going into the 401(a) plan. Employees are immediately 100% vested in their contributions. The defined contribution plan recognized \$8,621,000 of pension expense and \$582,000 of forfeitures for the year ended June 30, 2015.

Net Pension Liability

The Retirement Plan's net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014. Roll-forward procedures were used to measure the Retirement Plan's net pension liability as of June 30, 2015. For the year ended June 30, 2015, fiduciary net position as a percentage of the total pension liability amounted to 87.76%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

Changes in net pension liability (in thousands of dollars):

	<u>Total Pension Liability (TBL)</u>	<u>Fiduciary Net Pension (FNP)</u>	<u>Net Pension Liability (NPL)</u>
Balances at June 30, 2014	\$ 3,586,499	\$ 3,332,695	\$ 253,804
Changes for the year:			
Service Cost	70,574	---	70,574
Interest	275,762	---	275,762
Differences between expected and actual experience	13,226	---	13,226
Contributions – Employer	---	103,895	(103,895)
Contributions – Employee	---	14,486	(14,486)
Net Income Investment	---	36,412	(36,412)
Benefit payments, including refunds of employee contributions	(182,488)	(182,488)	---
Other Changes	---	(2,150)	2,150
Balances at June 30, 2015	<u>\$ 3,763,573</u>	<u>\$ 3,302,850</u>	<u>\$ 460,723</u>

Pension Expense

Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five year period.

For the year ended June 30, 2015, the Retirement Plan recognized pension expense of \$76,000. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,099	\$ ---
Changes in assumptions	---	---
Changes in benefit terms	---	---
Net difference between projected and actual earnings on pension plan investments	<u>37,363</u>	<u>---</u>
Total	<u>\$ 48,462</u>	<u>\$ ---</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University’s employees. The following table summarizes the future recognition of these items:

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources Recognition
2016	\$ (149)
2017	(149)
2018	(149)
2019	46,316
2020	2,127
Thereafter	466
Totals	<u>\$ 48,462</u>

Actuarial Assumptions

The October 1, 2014, actuarial valuation utilized the entry age actuarial cost method. Actuarial assumptions included:

Inflation	2.75%
Salary Increases	4.1% – 4.9%
Investment rate of return	7.75%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a five-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 29 years from the October 1, 2014 valuation date. Mortality rates were based on the RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB.

The actuarial assumptions used in the October 1, 2014, valuation were based on the results the most recent quinquennial study of the University’s own experience covering 2008 to 2012.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the years ended June 30, 2015 was 0.7%. The following table provides long-term expected rates of real return on a geometric basis:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic large cap equity	18%	6.5%
Domestic small cap equity	2%	6.5%
Domestic fixed income	3%	1.7%
International equity	19%	6.7%
Emerging markets equity	6%	9.3%
International fixed income	4%	1.8%
Real estate	6%	4.3%
Private equity	10%	11.6%
Absolute return strategies	8%	4.1%
High yield fixed income	10%	4.1%
Emerging markets fixed income	6%	4.5%
Treasury inflation protection	2%	1.7%
Floating rate bank loans	4%	2.6%
Global inflation-linked bonds	2%	1.7%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2014 actuarial valuation, a 7.75% discount rate was used.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MU Net Pension Liability	\$ 922,713	\$ 460,723	\$ 69,412

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 7 – Retirement Systems (cont.)

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2015 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Note 8 – Other Postemployment Benefits

In addition to the retirement benefits described in *Note 7*, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). The eligible number of retirees/long-term disability claimants for MCHCP, MHPML, and CEIP for health care benefits are approximately 20,135, 6,289, and 832, respectively. The eligible number of retirees/long-term disability claimants for MOSERS, MHPML, and CEIP for life insurance benefits are 24,607, 3,856, and 473, respectively. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. MOSERS employer contribution rates are set by the Standard Insurance Company. MHPML and CEIP life insurance benefits are funded through employee contributions. MHPML and CEIP employer contribution rates are set by the Plans Board of Trustees and approved by their respective Commission. Employer contribution rates for MCHCP are set in accordance with Section 103.100, RSMo. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier.

For fiscal year 2015, the State's contributions were 52.78% of the total (employer/employee) contributions made for other postemployment benefits.

During fiscal year 2015, the State contributed the following amounts (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	\$ 62,586	\$ ---
MOSERS	---	1,902
MHPML	18,356	---
CEIP	2,895	---
Total	\$ 83,837	\$ 1,902

During fiscal year 2015, the expenditures recognized by the State for (employer/employee) other postemployment benefits were as follows (in thousands of dollars):

	Health Care	Life Insurance
MCHCP	\$ 118,668	\$ ---
MOSERS	---	1,902
MHPML	43,759	---
CEIP	5,556	---
Total	\$ 167,983	\$ 1,902

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 8 – Other Postemployment Benefits (cont.)

Funding Policy

The contribution requirements of MCHCP, MHPML, and CEIP are established and may be amended by the State legislature, Missouri Highways and Transportation Commission, and the Conservation Department Board of Trustees, respectively. The required contribution for MHPML and CEIP is based on an actuarial study and is financed on a pay-as-you-go basis. For fiscal year 2015, MCHCP, MHPML, and CEIP contributed \$62.6, \$27.5, and \$4.3 million, respectively.

Annual OPEB Cost and Net OPEB Obligation

The MCHCP, MHPML, and CEIP annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Fiscal Reporting by Employers for Postemployment Benefits Other Than Pensions*. 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of MCHCP, MHPML, and CEIP annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation (in thousands of dollars):

	<u>MCHCP</u>	<u>MHPML</u>	<u>CEIP</u>
Annual required contribution	\$ 103,675	\$ 79,471	\$ 11,933
Interest on net OPEB contribution	16,540	22,476	1,774
Adjustments to annual required contribution	<u>(11,949)</u>	<u>(29,346)</u>	<u>(1,802)</u>
Annual OPEB cost	108,266	72,601	11,905
Contributions made	<u>(62,586)</u>	<u>(27,492)</u>	<u>(4,291)</u>
Increase in net OPEB obligations	45,680	45,109	7,614
Net OPEB obligation, beginning of year	<u>275,663</u>	<u>499,473</u>	<u>47,314</u>
Net OPEB obligation, end of year	<u>\$ 321,343</u>	<u>\$ 544,582</u>	<u>\$ 54,928</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2015 are as follows (in thousands of dollars):

	<u>MCHCP</u>			<u>MHPML</u>		
	<u>Fiscal Year Ending</u>			<u>Fiscal Year Ending</u>		
	<u>06/30/15</u>	<u>06/30/14</u>	<u>06/30/13</u>	<u>06/30/15</u>	<u>06/30/14</u>	<u>06/30/13</u>
Annual OPEB Cost (AOC)	\$ 108,266	\$ 103,941	\$ 96,892	\$ 72,601	\$ 73,230	\$ 104,782
Percentage of AOC Contributed	57.81%	54.18%	55.74%	37.87%	37.54%	27.27%
Net OPEB Obligation	\$ 321,343	\$ 275,663	\$ 228,036	\$ 544,582	\$ 499,473	\$ 453,735

	<u>CEIP</u>		
	<u>Fiscal Year Ending</u>		
	<u>06/30/15</u>	<u>06/30/14</u>	<u>06/30/13</u>
Annual OPEB Cost (AOC)	\$ 11,905	\$ 11,745	\$ 12,917
Percentage of AOC Contributed	36.04%	34.50%	41.58%
Net OPEB Obligation	\$ 54,928	\$ 47,314	\$ 39,621

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 8 – Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2015, are as follows (in thousands of dollars):

	<u>MCHCP</u>	<u>MHPML</u>	<u>CEIP</u>
Actuarial Accrued Liability (AAL)	\$ 1,813,500	\$ 842,793	\$ 181,587
Less Actuarial Value of Plan Assets	<u>106,900</u>	<u>---</u>	<u>---</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,706,600</u>	<u>\$ 842,793</u>	<u>\$ 181,587</u>
Funded Ratio	5.89%	0.00%	0.00%
Covered Payroll	\$ 1,583,700	\$ 342,265	\$ 63,370
UAAL as a Percentage of Covered Payroll	107.76%	246.24%	286.55%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 plan members to that point. 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 actuarial valuation for fiscal year ending June 30, 2015, MCHCP used the entry-age method while MHPML and CEIP used the projected unit credit cost method. The actuarial assumptions for MCHCP, MHPML, and CEIP include a 6.0%, 4.5%, and 3.8% discount rate, respectively. The projected annual health care cost trend rate for non-Medicare health care is 6.8% initially, then decreasing by 0.3% per year to an ultimate rate of 5.0%. The projected annual health care cost trend rate for Medicare health care is 7.0% initially, then decreasing by 0.4% per year to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, over a 30-year period.

College and Universities:

University of Missouri System

In addition to the retirement benefits described in *Note 7*, the University provides postemployment medical care, dental care, and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits. Currently, 7,552 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2015, the University's contributions were 61.33% of the total (employer/employee) contributions made for other postemployment benefits.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 8 – Other Postemployment Benefits (cont.)

Currently, the number of retirees/long-term disability claimants participating in medical care, dental care, and life insurance are 5,675, 5,984, and 3,240, respectively. During fiscal year 2015, the University and its employees contributed \$41,921,000 for other postemployment benefits. The expenditures recognized by the University for (employer/employee) other postemployment benefits were \$41,921,000.

Funding Policy

Contribution requirements of the employees and the University are established and may be amended by the University's Board of Curators. The University has no obligation to make contributions in advance of when insurance premiums or claims are due for payment. It currently funds postemployment benefits at a level no less than the pay-as-you-go basis. In fiscal year 2015 and 2014, the University contributed \$25,709,000 and \$25,094,000, or 44.0% and 41.9%, of the annual required contribution (ARC), respectively.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the ARC of the employer, 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation for fiscal year 2015 (in thousands of dollars):

	University of Missouri System
Annual required contribution	\$ 58,512
Interest on net OPEB obligation	7,082
Adjustment to annual OPEB obligation	(7,132)
Annual OPEB cost	58,462
Contributions made	(25,709)
Increase in net OPEB obligation	32,753
Net OPEB obligation (asset), beginning of year	177,040
Net OPEB obligation, end of year	\$ 209,793

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2015 was as follows (in thousands of dollars):

	University of Missouri System		
	Fiscal Year Ending		
	06/30/15	06/30/14	06/30/13
Annual OPEB Cost (AOC)	\$ 58,462	\$ 59,925	\$ 51,890
Percentage of AOC Contributed	43.98%	41.88%	36.96%
Net OPEB Obligation	\$ 209,793	\$ 177,040	\$ 142,209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 8 – Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2015, was as follows (in thousands of dollars):

	<u>University of Missouri System</u>
Actuarial Accrued Liability (AAL)	\$ 650,307
Less Actuarial Value of Plan Assets	49,285
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 601,022</u>
Funded Ratio	7.58%
Covered Payroll	\$ 1,103,558
UAAL as a Percentage of Covered Payroll	54.46%

Actuarial Methods and Assumptions

July 1, 2013 was the date of the last valuation. The University of Missouri used the projected unit credit actuarial cost method of valuation. The actuarial assumptions for University of Missouri System included a 4.0% rate of return, net of administrative expenses. The projected annual health care cost trend rate is 5.0% to 8.0% initially, reduced by 0.5% decrements to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, level percent of pay, over a 30-year period.

Note 9 – Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

Note 9 – Deferred Compensation (cont.)

Missouri State Public Employees’ Deferred Compensation Incentive Plan:

The Plan was established by the Missouri State Public Employees’ Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees’ Deferred Compensation Plan. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employees as well as rollovers from other qualified plans. During fiscal year 2015, rollover contributions to ICMA-RC were \$58,991,000.

Copies of the Plan’s financial statements may be requested from:

Plan Administrator
 c/o MOSERS
 P.O. Box 209
 907 Wildwood Drive
 Jefferson City, Missouri 65102-0209

Note 10 – Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2015 (in thousands of dollars):

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Bank Overdraft	\$ 2	\$ 1,183,354	\$ (1,183,355)	\$ 1

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 11 – Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015 (in thousands of dollars):

	*Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
Due to Other Entities	\$ 23,353	\$ 3,671	\$ (19,312)	\$ 7,712	\$ 6,585
General Obligation Bonds Payable	323,395	---	(57,120)	266,275	57,395
Other Bonds Payable	3,303,700	238,395	(315,665)	3,226,430	208,700
Unamortized Bond Premium	306,669	16,796	(47,467)	275,998	---
Obligations under Lease Purchase	162,945	2,351	(30,686)	134,610	27,303
Pollution Remediation	20,318	13,362	(441)	33,239	394
Compensated Absences	161,833	185,365	(183,382)	163,816	162,737
Claims Liability	142,076	437,997	(421,075)	158,998	92,468
Contingent Liabilities	19,756	12,106	(11,941)	19,921	2,051
2 nd Injury Fund					
Contingent Liabilities	1,653,182	120,377	(88,827)	1,684,732	88,827
Net Other Postemployment Benefit Obligation	822,450	192,772	(94,369)	920,853	---
Net Pension Liability	4,737,107	1,187,092	(2,008,679)	3,915,520	---
Total Governmental Activities	<u>\$ 11,676,784</u>	<u>\$ 2,410,284</u>	<u>\$ (3,278,964)</u>	<u>\$ 10,808,104</u>	<u>\$ 646,460</u>
Business-Type Activities:					
Obligations under Lease Purchase	\$ 215	\$ 328	\$ (66)	\$ 477	\$ 173
Claims Liability	91,853	12,900	(16,199)	88,554	14,750
Grand Prize Winner Liability	92,632	62,058	(59,956)	94,734	62,948
Compensated Absences	4,406	4,532	(4,371)	4,567	4,371
Net Pension Liability	74,344	34,352	(58,127)	50,569	---
Total Business-Type Activities	<u>\$ 263,450</u>	<u>\$ 114,170</u>	<u>\$ (138,719)</u>	<u>\$ 238,901</u>	<u>\$ 82,242</u>

*Beginning balances as of July 1, 2014 have been restated (see *Note 18*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>
Water Pollution Control Bonds:				
Series A 2003-Refunding	10/29/03	\$ 74,655	B 1993-Refunding	\$ 76,540
Series A 2005-Refunding	6/29/05	95,100	A 1996	2,160
			A 1998	28,680
			A 1999	17,595
			A 2003-Refunding	51,535
Series A 2010-Refunding	7/27/10	81,450	A 2001	15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080
Fourth State Building Bonds:				
Series A 2005-Refunding	6/29/05	45,330	A 1996	7,715
			A 1998	40,970
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2005-Refunding	6/29/05	17,175	A 1999	17,595
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable (cont.)

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2015, \$594,494,240 of the Water Pollution Control Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$130,505,760 and for Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

General obligation bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2003–Refunding	3.25 – 6.0%	2/1; 8/1	10/03	8/1/16	\$ 74,655	\$ 4,760
Series A 2005–Refunding	5.0%	10/1; 4/1	6/05	10/1/16	95,100	18,305
Series A 2007	4.0 – 5.0%	6/1; 12/1	11/07	12/1/21	50,000	12,195
Series A 2010–Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	81,450	63,245
Series A 2012–Refunding	3.0 – 4.0%	10/1; 4/1	9/12	10/1/19	62,460	37,475
Fourth State Building Bonds:						
Series A 2005–Refunding	5.0%	10/1; 4/1	6/05	10/1/16	45,330	22,850
Series A 2010–Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	9,060	7,035
Series A 2012–Refunding	2.0 – 4.0%	10/1; 4/1	9/12	10/1/21	100,395	84,840
Stormwater Control Bonds:						
Series A 2002	3.0 – 5.25%	2/1; 8/1	8/02	8/1/15	15,000	560
Series A 2005–Refunding	5.0%	10/1; 4/1	6/05	10/1/15	17,175	3,250
Series A 2010–Refunding	4.0 – 5.0%	12/1; 6/1	7/10	12/1/22	15,150	11,760
Total General Obligation Bonds					<u>\$ 565,775</u>	<u>\$ 266,275</u>
Less: Amount in Sinking Fund for payment of Principal						<u>(68,372)</u>
						<u>\$ 197,903</u>

As of June 30, 2015, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2016	\$ 57,395	\$ 10,417	\$ 67,812
2017	54,050	7,879	61,929
2018	50,135	5,592	55,727
2019	38,575	3,712	42,287
2020	21,590	2,445	24,035
2021–2023	44,530	2,932	47,462
Totals	<u>\$ 266,275</u>	<u>\$ 32,977</u>	<u>\$ 299,252</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable (cont.)

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals \$1,545,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 2011–Refunding	09/27/11	\$ 143,020	A 2001 A 2003 A 2006	\$ 126,850 12,620 3,175
Series A 2012–Refunding	08/23/12	278,835	A 2003	285,340
Series A 2013–Refunding	10/11/13	29,370	A 2003	30,195
Series A 2014–Refunding	08/19/14	88,680	A 2006	87,225
Series A 2015–Refunding	04/01/15	20,250	A 2011–Refunding	21,380

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2015, the Board of Public Buildings Bonds had issued \$908,010,000 of the bond authorization. The remaining authorization is \$636,990,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2006	4.0 – 5.0%	4/1; 10/1	10/06	10/1/31	\$ 120,000	\$ 7,775
Series A 2011–Refunding	1.0 – 5.0%	4/1; 10/1	9/11	10/1/28	143,020	106,890
Series A 2012–Refunding	2.0 – 5.0%	4/1; 10/1	8/12	10/1/28	278,835	264,785
Series A 2013–Refunding	2.0 – 5.0%	4/1; 10/1	10/13	10/1/28	29,370	27,865
Series A 2014–Refunding	1.0 – 5.0%	4/1; 10/1	8/14	10/1/30	88,680	86,775
Series A 2015	3.0 – 5.0%	4/1; 10/1	4/15	10/1/24	20,250	20,250
Series A 2015–Refunding	5.0%	4/1; 10/1	4/15	10/1/39	36,805	36,805
Total Board of Public Buildings Bonds					\$ 716,960	\$ 551,145

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 12 – Bonds Payable (cont.)

As of June 30, 2015, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2016	\$ 28,925	\$ 20,087	\$ 49,012
2017	29,960	18,840	48,800
2018	31,275	17,457	48,732
2019	32,695	15,950	48,645
2020	34,125	14,367	48,492
2021–2025	192,170	48,258	240,428
2026–2030	178,325	14,507	192,832
2031–2035	13,425	2,574	15,999
2036–2040	10,245	920	11,165
Totals	\$ 551,145	\$ 152,960	\$ 704,105

The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri–Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri–Columbia campus. The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded \$22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount for principal and interest each year.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2011–Refunding	2.0 – 5.0%	4/1; 10/1	11/11	10/1/21	\$ 20,125	\$ 14,950

As of June 30, 2015, the debt service requirement of the State for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2016	\$ 1,860	\$ 672	\$ 2,532
2017	1,930	597	2,527
2018	2,015	507	2,522
2019	2,115	404	2,519
2020	2,225	296	2,521
2021–2022	4,805	244	5,049
Totals	\$ 14,950	\$ 2,720	\$ 17,670

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 12 – Bonds Payable (cont.)

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. On August 1, 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$2,845,000 for the Series A 1991 bonds and \$113,170,000 for the Series A 1993 refunding bonds. On August 20, 2013, the Authority issued \$65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The principal amount refunded was \$64,385,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Convention and Sports Facility Project Bonds:						
Series A 2013-Refunding	2.0 – 5.0%	2/15; 8/15	8/13	8/15/21	\$ 65,195	\$ 58,055

As of June 30, 2015, the debt service requirements for these bonds are as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 7,240	\$ 2,610	\$ 9,850
2017	7,530	2,315	9,845
2018	7,835	1,968	9,803
2019	8,225	1,567	9,792
2020	8,635	1,145	9,780
2021-2022	18,590	941	19,531
Totals	\$ 58,055	\$ 10,546	\$ 68,601

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable (cont.)

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment are as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2016	\$ 10,000
2017	10,000
2018	10,000
2019	10,000
2020	10,000
2021–2022	15,000
Total	\$ 65,000

The Missouri Development Finance Board (MDFB) issued \$92,660,000 of Series 2014 Bonds dated December 1, 2014, to fund the replacement of the Fulton State Hospital. These bonds are limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount for principal and interest each year.

The MDFB Bonds issued and outstanding as of June 30, 2015, were as follows (In thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Fulton State Hospital Project Bonds: Series 2014	2.25 – 5.0%	4/1; 10/1	12/14	10/1/39	\$ 92,660	\$ 92,660

As of June 30, 2015, the debt service requirement of the State for principal and interest in future years for the Fulton State Hospital Bonds (based on the financing agreement between the State and the Board) are as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2016	\$ 2,205	\$ 3,454	\$ 5,659
2017	2,320	3,341	5,661
2018	2,435	3,222	5,657
2019	2,565	3,097	5,662
2020	2,695	2,965	5,660
2021–2025	15,495	12,800	28,295
2026–2030	18,090	10,212	28,302
2031–2035	21,205	7,091	28,296
2036–2040	25,650	2,647	28,297
Totals	\$ 92,660	\$ 48,829	\$ 141,489

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable (cont.)

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29–34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2015, the Missouri Highways and Transportation Commission had issued \$3,812,195,000.

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>
Senior Lien State Road Bonds:				
Series 2006–Refunding	12/13/06	\$ 394,870	A 2000 A 2001 A 2002 A 2003	\$ 135,980 105,075 109,165 57,390
Series C 2010–Refunding	11/10/10	130,390	A 2001 A 2002 A 2003	11,135 18,405 111,760
Series A 2014–Refunding	6/3/14	589,015	A 2006 B 2006	149,150 503,330
Series B 2014–Refunding	6/3/14	311,975	2007	325,290

The State Road Bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series A 2006–First Lien	3.75 – 5.00%	5/1; 11/1	8/06	5/1/21	\$ 296,670	\$ 22,520
Series 2006–Refunding	4.00 – 5.00%	2/1; 8/1	12/06	2/1/22	394,870	291,045
Series 2007–Second Lien	4.00 – 5.25%	5/1; 11/1	9/07	5/1/27	526,800	143,175
Series A 2008–Second Lien	3.00 – 5.00%	5/1; 11/1	12/08	5/1/25	142,735	104,805
Series A 2009	2.00 – 5.00%	5/1; 11/1	9/09	5/1/21	195,625	117,365
Series B 2009	4.802 – 5.252%	5/1; 11/1	9/09	5/1/33	404,375	404,375
Series C 2009–Third Lien	4.313 – 5.213%	5/1; 11/1	11/09	5/1/29	300,000	300,000
Series A 2010	1.50 – 5.00%	5/1; 11/1	3/10	5/1/22	128,865	77,460
Series B 2010	4.720 – 5.020%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010–Refunding	3.00 – 5.00%	2/1; 8/1	11/10	2/1/23	130,390	91,750
Series A 2014–Refunding	2.00 – 5.00%	5/1; 11/1	6/14	5/1/26	589,015	589,015
Series B 2014–Refunding	3.00 – 5.00%	5/1; 11/1	6/14	5/1/25	311,975	311,975
Total Missouri Highways and Transportation Commission					<u>\$ 3,477,455</u>	<u>\$ 2,509,620</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 12 – Bonds Payable (cont.)

As of June 30, 2015, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 168,470	\$ 124,630	\$ 293,100
2017	190,770	116,789	307,559
2018	200,185	107,955	308,140
2019	209,355	98,352	307,707
2020	218,270	88,318	306,588
2021–2025	980,165	287,128	1,267,293
2026–2030	417,055	86,969	504,024
2031–2033	<u>125,350</u>	<u>13,809</u>	<u>139,159</u>
Totals	<u>\$ 2,509,620</u>	<u>\$ 923,950</u>	<u>\$ 3,433,570</u>

Component Units' Long-Term Debt – The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2015, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 57,663	\$ 98,653	\$ 156,316
2017	74,754	96,561	171,315
2018	72,910	94,012	166,922
2019	68,713	91,351	160,064
2020	176,456	86,341	262,797
2021–2025	358,311	378,864	737,175
2026–2030	367,014	299,271	666,285
2031–2035	286,764	231,423	518,187
2036–2040	280,002	166,889	446,891
2041–2045	333,995	68,275	402,270
2046–2050	---	31,778	31,778
2051–2055	<u>150,000</u>	<u>28,600</u>	<u>178,600</u>
Totals ⁽¹⁾	<u>\$ 2,226,582</u>	<u>\$ 1,672,018</u>	<u>\$ 3,898,600</u>

⁽¹⁾ The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 12 – Bonds Payable (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued \$6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and \$14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued \$9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2015, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	\$ 6,500	\$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	9,740
Series 2010A	Variable	monthly	04/10	05/1/40	<u>9,000</u>	<u>8,445</u>
Total Missouri Development Finance Board Revenue Bonds					<u>\$ 30,100</u>	<u>\$ 22,095</u>

As of June 30, 2015, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 195	\$ 134	\$ 329
2017	204	131	335
2018	214	128	342
2019	223	125	348
2020	232	122	354
2021–2025	14,970	501	15,471
2026–2030	1,635	381	2,016
2031–2035	2,018	249	2,267
2036–2040	<u>2,404</u>	<u>89</u>	<u>2,493</u>
Totals ⁽¹⁾	<u>\$ 22,095</u>	<u>\$ 1,860</u>	<u>\$ 23,955</u>

⁽¹⁾ The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 12 – Bonds Payable (cont.)

The annual debt service schedule assumes an interest rate of 0.098%, representing the interest rate at June 30, 2015, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2015, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate of 4.25% annually.

Bond Transactions of the State of Missouri – The following schedule is a summary of bond activity for the fiscal year ended June 30, 2015 (in thousands of dollars):

	<u>Governmental Funds</u>		<u>Component Units</u>	
	General Obligation Bonds	Other Bonds	Revenue Bonds	Totals
	Bonds	Bonds	Revenue Bonds	Totals
Bonds Payable at July 1, 2014	\$ 323,395	\$ 3,303,700	\$ ---	\$ 3,627,095
Bond Issuance	---	238,395	---	238,395
Bonds Retired	<u>(57,120)</u>	<u>(315,665)</u>	---	<u>(372,785)</u>
Subtotal	266,275	3,226,430	---	3,492,705
College and Universities ⁽¹⁾	---	---	2,226,582	2,226,582
Missouri Development Finance Board	---	---	22,095	22,095
Bonds Payable at June 30, 2015	<u>\$ 266,275</u>	<u>\$ 3,226,430</u>	<u>\$ 2,248,677</u>	<u>\$ 5,741,382</u>

⁽¹⁾ Detailed information for college and universities are not shown.

Note 13 – Defeased Debt

A. Current Year Debt Defeasance

On August 19, 2014, the Board of Public Buildings of the State of Missouri issued \$88,680,000 in Board of Public Buildings Special Obligation Refunding Bonds, Series A 2014, with an interest rate ranging from 1.00% to 5.00%, to refund \$87,225,000 of outstanding Board of Public Buildings, Series A 2006, with interest rates ranging 4.38% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the Board reduced its total debt service payments by \$11,212,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$6,904,000.

On April 1, 2015, the Board of Public Buildings of the State of Missouri issued \$57,055,000 in Board of Public Buildings Special Obligation Refunding Bonds, Series A 2015 with \$20,250,000 of the issuance being used to refund old debt. Interest rates in the Series A 2015 bonds, ranged from 3.00% to 5.00% and was used to refund \$21,380,000 of outstanding Board of Public Buildings, Series A 2011, with interest rates of 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the Board reduced its total debt service payments by \$1,639,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$1,377,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 13 – Defeased Debt (cont.)

On April 23, 2015, the Missouri State University issued \$48,900,000 in Auxiliary Enterprise System Revenue Bonds, Series 2015A, with an interest rate ranging from 2.00% to 5.00%, to refund \$46,985,000 of outstanding Auxiliary Enterprise System Revenue Bonds, Series 2007A, with interest rates ranging from 4.00% to 5.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$3,605,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$2,875,000.

On May 28, 2015, Truman University issued \$12,595,000 in Student Housing System Revenue Bonds, Series 2015, with an interest rate ranging from 3.00% to 4.00%, to refund \$13,735,000 of outstanding Student Housing System Revenue Bonds, Series 2006, with interest rates ranging from 4.00% to 6.00%. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$2,182,000 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$1,672,000.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by creating separate irrevocable trust funds.

Either new debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds or sufficient funds have been deposited in an irrevocable escrow to pay principal and interest as they become due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities – As of June 30, 2015, bonds outstanding of \$1,086,375,000 are defeased.

College and Universities – As of June 30, 2015, bonds outstanding of \$354,220,000 are defeased.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 14 – Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2015, is shown below (in thousands of dollars):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Balance June 30, 2015</u>
Accounts Payable:			
Taxpayers	\$ 111,830	\$ 972	\$ 112,802
Other Governments	71,971	---	71,971
Vendors	1,050,510	16,272	1,066,782
Employees	112,377	3,179	115,556
Other	<u>79,690</u>	<u>15</u>	<u>79,705</u>
Total Accounts Payable	<u>\$ 1,426,378</u>	<u>\$ 20,438</u>	<u>\$ 1,446,816</u>
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	\$ 2,153,898	\$ 1,489	\$ 2,155,387
Other Governments	594,898	6,500	601,398
Vendors	170,200	---	170,200
Customers	138,335	224,914	363,249
Other	<u>1,210,100</u>	<u>767</u>	<u>1,210,867</u>
	4,267,431	233,670	4,501,101
Accounts Receivable with expected date of receipt greater than one year:			
Vendors	12,358	---	12,358
Customers	146,102	30	146,132
Other	<u>17,770</u>	<u>---</u>	<u>17,770</u>
	176,230	30	176,260
Accounts Receivable	4,443,661	233,700	4,677,361
Amounts not expected to be collected	<u>(485,577)</u>	<u>(49)</u>	<u>(485,626)</u>
Accounts Receivable, net	<u>\$ 3,958,084</u>	<u>\$ 233,651</u>	<u>\$ 4,191,735</u>

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 15 – Deferred Inflows and Outflows

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of June 30, 2015 are as follows (in thousands):

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Deferred Outflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 17,011	\$ 280	\$ 17,291	\$ 1,579
Pension Contributions Subsequent to the Measurement Date	493,486	9,988	503,474	57,021
Deferred for Refunding Bonds	119,740	---	119,740	42,878
Cash Flow Hedge	---	---	---	20,971
Accumulated Decrease in Fair Value of Hedging Derivatives	---	---	---	48,830
Total Deferred Outflows of Resources	<u>\$ 630,237</u>	<u>\$ 10,268</u>	<u>\$ 640,505</u>	<u>\$ 171,279</u>
Deferred Inflows of Resources				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 721,818	\$ 20,952	\$ 742,770	\$ 118,143
Deferred for Refunding Bonds	2,666	---	2,666	---
Total Deferred Inflows of Resources	<u>\$ 724,484</u>	<u>\$ 20,952</u>	<u>\$ 745,436</u>	<u>\$ 118,143</u>

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2015 are unavailable revenues. Unavailable revenues are those for which asset recognition criteria has not been met for governmental funds, which uses the modified accrual basis of accounting (in thousands):

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds	Total
Deferred Inflows of Resources						
Unavailable Revenue	<u>\$ 1,049,635</u>	<u>\$ 38,654</u>	<u>\$ 20,927</u>	<u>\$ 26,073</u>	<u>\$ 8,395</u>	<u>\$ 1,143,684</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 15 – Deferred Inflows and Outflows (cont.)

Deferred inflows and outflows of resources balances are as follows (in thousands):

<u>Proprietary</u>	State Lottery	Petroleum Storage Tank Insurance	Non-Major Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 32	\$ 4	\$ 244	\$ 280	\$ 216
Pension Contributions Subsequent to the Measurement Date	<u>1,137</u>	<u>158</u>	<u>8,693</u>	<u>9,988</u>	<u>7,733</u>
Total Deferred Outflows of Resources	<u>\$ 1,169</u>	<u>\$ 162</u>	<u>\$ 8,937</u>	<u>\$ 10,268</u>	<u>\$ 7,949</u>
Deferred Inflows of Resources					
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 2,386	\$ 331	\$ 18,235	\$ 20,952	\$ 16,202
Total Deferred Inflows of Resources	<u>\$ 2,386</u>	<u>\$ 331</u>	<u>\$ 18,235</u>	<u>\$ 20,952</u>	<u>\$ 16,202</u>
<u>Fiduciary</u>	<u>Private- Purpose Trust Funds</u>				
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 2				
Pension Contributions Subsequent to the Measurement Date	<u>85</u>				
Total Deferred Outflows of Resources	<u>\$ 87</u>				
Deferred Inflows of Resources					
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 179				
Total Deferred Inflows of Resources	<u>\$ 179</u>				
<u>Component Units</u>	<u>College and Universities</u>	<u>Non-Major</u>			
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 1,575	\$ 4			
Pension Contributions Subsequent to the Measurement Date	56,868	153			
Deferred for Refunding Bonds	42,878	---			
Cash Flow Hedge	20,971	---			
Accumulated Decrease in Fair Value of Hedging Derivatives	<u>48,462</u>	<u>368</u>			
Total Deferred Outflows of Resources	<u>\$ 170,754</u>	<u>\$ 525</u>			
Deferred Inflows of Resources					
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 117,847	\$ 296			
Total Deferred Inflows of Resources	<u>\$ 117,847</u>	<u>\$ 296</u>			

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 16 – Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2015, is shown below (in thousands of dollars):

	<u>Due From Other Funds, Component Units, and Primary Government</u>					<u>Totals</u>
	<u>Public Education</u>	<u>Conservation and Environmental Protection</u>	<u>Non-Major Governmental Funds</u>	<u>Non-Major Enterprise Funds</u>	<u>Internal Service Funds</u>	
Due to Other Funds, Component Units, and Primary Government						
General Fund	\$ ---	\$ ---	\$ ---	\$ 34	\$ 5,179	\$ 5,213
Public Education	---	---	---	---	16	16
Conservation and Environmental Protection	---	---	---	211	66	277
Missouri Road Fund	---	---	---	---	260	260
Non-Major Governmental Funds	---	---	---	---	858	858
State Lottery	14,840	---	---	---	37	14,877
Unemployment Compensation	---	---	1,006	---	---	1,006
Petroleum Storage Tank Insurance	---	---	---	---	1	1
Non-Major Enterprise Funds	---	---	---	---	58	58
Internal Service Funds	---	---	---	4	308	312
Non-Major Component Units	---	687	---	---	1	688
Totals	<u>\$ 14,840</u>	<u>\$ 687</u>	<u>\$ 1,006</u>	<u>\$ 249</u>	<u>\$ 6,784</u>	<u>\$ 23,566</u>

	<u>Advance From Component Units and Primary Government</u>
	<u>Non-Major Component Units</u>
Advance To Component Units and Primary Government	
Conservation and Environmental Protection	<u>\$ 1,732</u>

The loans from the component units were for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated in governmental activities in the amount of \$6,687,000.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 17 – Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2015, were as follows (in thousands of dollars):

	Transfers In:				
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:					
General Fund	\$ ---	\$ 3,018,173	\$ 23	\$ 21,167	\$ 319,547
Public Education	23,510	---	---	---	---
Conservation and Environmental Protection	672	---	---	---	3,041
Missouri Road Fund	---	---	---	---	35
Non-Major Governmental Funds	15,059	5,050	---	446,410	30,718
State Lottery	---	271,811	---	---	---
Unemployment Compensation	365	---	---	---	11,939
Non-Major Enterprise Funds	30	---	---	---	1,249
Internal Service Funds	49	---	---	---	25
Totals	\$ 39,685	\$ 3,295,034	\$ 23	\$ 467,577	\$ 366,554

Continues Below

	State Lottery	Unemployment Compensation	Non-Major Enterprise Funds	Internal Service Funds	Totals
	Transfers Out:				
General Fund	\$ ---	\$ 3,897	\$ 698	\$ 202	\$ 3,363,707
Public Education	---	---	---	---	23,510
Conservation and Environmental Protection	---	---	---	---	3,713
Missouri Road Fund	---	---	---	---	35
Non-Major Governmental Funds	---	---	4,750	---	501,987
State Lottery	---	---	---	---	271,811
Unemployment Compensation	---	---	---	---	12,304
Non-Major Enterprise Funds	---	---	---	---	1,279
Internal Service Funds	42	---	10	53	179
Totals	\$ 42	\$ 3,897	\$ 5,458	\$ 255	\$ 4,178,525

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

During fiscal year 2015, there were transfers of \$659,000 from internal service funds to the General Fund and non-major governmental funds. These were transfers of capital assets and are therefore not reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances or on the reconciliation above. This is because governmental funds use the modified accrual basis of accounting and therefore do not report capital assets on their financial statements. There were also transfers of capital assets for \$23,000 from the General Fund to the internal service funds. These are reported as capital contributions in the internal service funds and excluded from the General Fund; therefore these transfers are also not included in this reconciliation.

**STATE OF MISSOURI
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June 30, 2015**

Note 18 – Restatements

During fiscal year 2015, additional information became available which required the restatement of fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2014 Fund Balance/ Net Position Previously Reported	Prior Period Adjustments	June 30, 2014 Fund Balance/ Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	\$ 1,209,473	\$ 8,884	\$ 1,218,357
Public Education	285,306	(74)	285,232
Conservation and Environmental Protection	1,637,186	463	1,637,649
Non-Major Governmental Funds			
Special Revenue	396,308	(2,295)	394,013
Capital Projects	29,941	244	30,185
Total Governmental Funds	\$ 3,558,214	\$ 7,222	\$ 3,565,436
PROPRIETARY FUNDS			
Major Enterprise Funds			
State Lottery	\$ 7,448	\$ (9,835)	\$ (2,387)
Petroleum Storage Tank Insurance	(24,088)	(1,209)	(25,297)
Non-Major Proprietary Funds			
Enterprise	97,201	(54,210)	42,991
Internal Service	616,950	(74,750)	542,200
Total Proprietary Funds	\$ 697,511	\$ (140,004)	\$ 557,507
FIDUCIARY FUNDS			
Private-Purpose Trust	\$ 26,870	\$ (604)	\$ 26,266
Total Fiduciary Funds	\$ 26,870	\$ (604)	\$ 26,266
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	\$ 5,830,458	\$ (482,451)	\$ 5,348,007
Non-Major	196,398	(1,209)	195,189
Total Component Units	\$ 6,026,856	\$ (483,660)	\$ 5,543,196

Breakdown of restatements by type:

- General Fund, the restatement was due to a decrease in accounts receivable of \$187,000, a decrease in accounts payable of \$2,635,000, and a decrease in due to other funds of \$6,436,000.
- Public Education, the restatement was due to a decrease in accounts receivable of \$117,000, a decrease in accounts payable of \$22,000, and a decrease in due to other funds of \$21,000.
- Conservation and Environmental Protection, the restatement was due to a decrease in accounts receivable of \$1,000, a decrease in accounts payable of \$192,000, and a decrease in due to other funds of \$272,000.
- Non-major special revenue funds, the restatement was due to a decrease in accounts receivable of \$3,552,000, a decrease in accounts payable of \$827,000, and a decrease in due to other funds of \$430,000.
- Non-major capital projects funds, the restatement was due to a decrease in accounts payable of \$10,000 and a decrease in due to other funds of \$234,000.
- State Lottery, the restatement was due to an increase in accounts payable of \$14,000 and a decrease in due to other funds of \$13,000. The restatement due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, decreased net position of \$9,834,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 18– Restatements (cont.)

- Petroleum Storage Tank Insurance, the restatement was due to a decrease in net position of \$1,209,000 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- Non-major enterprise funds, the restatement was due to a decrease in due from other funds of \$25,000, a decrease in capital assets (net of accumulated depreciation/amortization) of \$856,000, a decrease in accounts payable of \$41,000, and a decrease in due to other funds of \$71,000. The restatements due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, decreased net position of \$53,441,000.
- Non-major internal service funds, the restatement was due to an increase in accounts receivable of \$1,323,000, a decrease in due from other funds of \$7,550,000, a decrease in due from component units of \$1,000, a decrease in inventories of \$16,000, an increase in capital assets of \$732,000 (net of accumulated depreciation/amortization), an increase in accounts payable of \$94,000, a decrease in due to other funds of \$80,000, and an increase in obligations under lease purchase of \$2,376,000. The restatements due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, decreased net position of \$66,848,000.
- Fiduciary funds – private purpose trust, the restatement was due to a decrease in net position of \$604,000 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- Discretely presented component units – college and universities, the restatement was due to a decrease in net position of \$482,451,000 due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- Discretely presented component units – non-major, the restatement was due to an increase in capital assets (net of accumulated depreciation/amortization) of \$4,000. The restatements due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, decreased net position of \$1,213,000.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, capital assets (net of accumulated depreciation/amortization) decreased by \$51,848,000, deferred outflows of resources for refunding increased by \$13,123,000, obligations under lease purchase increased by \$364,000, unamortized bond premium increased by \$7,382,000, deferred inflows of resources for refunding increased by \$3,657,000, and internal balance decreased by \$21,000. The restatement due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, decreased net position by \$4,075,388,000.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by an increase in the internal balance of \$21,000.

STATE OF MISSOURI
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June 30, 2015

Note 19 – Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2015, this fund had a net position deficit of \$25,641,000. The deficit at June 30, 2014 was \$25,297,000 after restatement. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Under Section 319.132, RSMo, the Board of Trustees has authority to increase the transport load fee to a maximum of \$60 per 8,000 gallons. In addition, under Section 319.133, RSMo, the Board can increase annual participation fees to a maximum of \$500 per tank per year. These facts, along with the knowledge that the Petroleum Storage Tank Insurance Fund's claim reserves are set using very conservative assumptions, assure that adequate revenues will be available to meet its liabilities. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Funds – State Lottery, Missouri Veterans' Homes, Internal Service Funds – Natural Resources Cost Allocation, Economic Development Administrative, and Professional Registration Fees – At June 30, 2015, these funds had a net position deficit of \$3,224,000, \$37,321,000, \$5,671,000, \$1,276,000, and \$2,300,000, respectively. Prior to restatement, these funds did not have deficit balances at June 30, 2014. The primary reason these deficits occurred is the implementation of GASB 68 and the posting of net pension liabilities. It is expected that these liabilities will be paid over time.

Note 20 – Commitments

Contracts

The Department of Conservation had contracts outstanding of \$3,384,000 for construction and \$640,000 for land acquisition contracts at June 30, 2015. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Transportation had long-term contracts of \$590,273,000 outstanding at June 30, 2015. These contracts are paid from capital projects funds with approximately 83% federal reimbursement expected.

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2015 of \$74,815,000. Approximately 22% will be paid from the General Fund, 13% from special revenue funds, 31% from the capital projects funds, and 34% from enterprise funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2015 was \$364,000. This payment was made in arrears as it was part of a fiscal year 2015 expenditure restriction plan. Payment of principal and interest must be completed by March 2038.

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June 30, 2015

Note 20 – Commitments (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) has \$330,297,000 unfunded commitments in alternative investments.

As of June 30, 2015, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling \$88,200,000. The payments are as follows:

2016	\$	18,583,000
2017		19,140,000
2018		19,714,000
2019		20,306,000
2020		10,457,000

Truman State University had approximately \$20,865,000 in outstanding commitments for various construction contracts at June 30, 2015.

Southeast Missouri State University had outstanding commitments of approximately \$14,700,000 related to construction contracts at June 30, 2015.

Missouri State University had approximately \$17,253,000 in outstanding commitments for various construction contracts at June 30, 2015.

University of Central Missouri had approximately \$6,454,000 in outstanding commitments related to construction contracts at June 30, 2015.

Northwest Missouri State University had approximately \$1,470,000 in outstanding commitments related to various construction contracts at June 30, 2015.

Note 21 – Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to State statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. IBNR (incurred but not reported) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for 3% of the total value of the State's property with the remainder uninsured. The buildings that are insured are mainly the buildings backed with bonded debt through the Board of Public Buildings.

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June 30, 2015

Note 21 – Risk Management and Insurance (cont.)

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 1.0% and 3.8% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 21 – Risk Management and Insurance (cont.)

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2014	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2015
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 9,035	\$ 46,995	\$ (31,476)	\$ 24,554
OA Legal Expense Fund	Liability	2,850	7,210	(6,707)	3,353
Transportation Self-Insurance Plan	Workers Comp. and Liability	83,150	20,360	(19,257)	84,253
MCHCP	Health Care	34,966	232,177	(233,765)	33,378
MHPML	Health Care	10,000	114,012	(113,012)	11,000
CEIP	Health Care	2,075	17,243	(16,858)	2,460
Total Governmental Activities		<u>\$ 142,076</u>	<u>\$ 437,997</u>	<u>\$ (421,075)</u>	<u>\$ 158,998</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 91,853</u>	<u>\$ 12,900</u>	<u>\$ (16,199)</u>	<u>\$ 88,554</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 77,944	\$ 234,966	\$ (225,164)	\$ 87,746
Missouri State University	Health Care, Workers Comp. and Liability	1,290	16,063	(16,063)	1,290
Total Component Units		<u>\$ 79,234</u>	<u>\$ 251,029</u>	<u>\$ (241,227)</u>	<u>\$ 89,036</u>
	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2013	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2014
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 14,022	\$ 21,703	\$ (26,690)	\$ 9,035
OA Legal Expense Fund	Liability	4,292	4,070	(5,512)	2,850
Transportation Self-Insurance Plan	Workers Comp. and Liability	85,262	18,840	(20,952)	83,150
MCHCP	Health Care	33,444	248,345	(246,823)	34,966
MHPML	Health Care	10,100	104,909	(105,009)	10,000
CEIP	Health Care	2,340	14,494	(14,759)	2,075
Total Governmental Activities		<u>\$ 149,460</u>	<u>\$ 412,361</u>	<u>\$ (419,745)</u>	<u>\$ 142,076</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 110,394</u>	<u>\$ (10,456)</u>	<u>\$ (8,085)</u>	<u>\$ 91,853</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 80,665	\$ 231,121	\$ (233,842)	\$ 77,944
Missouri State University	Health Care, Workers Comp. and Liability	1,385	14,711	(14,806)	1,290
Total Component Units		<u>\$ 82,050</u>	<u>\$ 245,832</u>	<u>\$ (248,648)</u>	<u>\$ 79,234</u>

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 21 – Risk Management and Insurance (cont.)

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

Note 22– Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2015, the State was participating in the cleanup of fourteen Superfund sites. Total pollution remediation obligation for these sites totaled approximately \$33.2 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Office of Administration (OA), Division of Facilities Management, Design and Construction, performed mold remediation, hazardous material removal, and abatement in five State sites during fiscal year 2015. At the end of the fiscal year, total remaining obligation for mold remediation was \$21,000. These costs were based on contractual pricing estimates and are subject to change if the pollution remediation requires more time or material than was estimated.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The site is listed on the National Priorities List (NPL) and is governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). At this time, it cannot be determined the Department of Public Safety's portion of the costs for the cleanup.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

<u>Governmental Activities</u>	<u>Type of Pollution Remediation</u>	<u>Fiscal Year Remediation Liability 6/30/2014</u>	<u>Current Year Assessments and Estimated Changes</u>	<u>Payments</u>	<u>Fiscal Year Remediation Liability 6/30/2015</u>	<u>Due Within One Year</u>
Hazardous Waste Fund	Superfund Sites	\$ 20,257	\$ 13,062	\$ (101)	\$ 33,218	\$ 373
Facilities Maintenance Reserve Fund	Mold Remediation and Asbestos Abatement	61	300	(340)	21	21
Total Governmental Activities		<u>\$ 20,318</u>	<u>\$ 13,362</u>	<u>\$ (441)</u>	<u>\$ 33,239</u>	<u>\$ 394</u>

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 22– Pollution Remediation and Landfill Closure and Postclosure (cont.)

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2015, the Missouri Department of Natural Resources, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be \$331,932,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

At June 30, 2015, eleven MSWLFs and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with Missouri Department of Natural Resources Solid Waste Management Law and Regulations. At June 30, 2015, it is expected that \$1,566,000 will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

The University of Missouri System has been working with the Voluntary Cleanup Program of the Missouri Department of Natural Resources (MDNR) to characterize subsurface contamination at University owned property. The University is awaiting a cost estimate to perform the additional evaluation requested by MDNR. Long term costs will depend on the results of the two year sampling process that began in 2013. As a result, the University is unable to estimate future costs on cleanup of the site at this time.

Note 23– Contingencies

Contingent claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

At June 30, 2015, the amount of the contingent liabilities was \$19.9 million. Changes in the reported liability since June 30, 2014, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2014-2015	\$ 19,756	\$ 12,106	\$ (11,941)	\$ 19,921
2013-2014	25,135	3,120	(8,499)	19,756
2012-2013	29,732	(1,438)	(3,159)	25,135

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 23– Contingencies (cont.)

Section 287.220.8, RSMo, requires that an actuarial study of the Second Injury Fund be made every year to determine the solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2014 actuarial study. At June 30, 2015, the amount of liabilities for the Second Injury Fund was \$1.7 billion. Changes in the reported liability since June 30, 2014, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2014–2015	\$ 1,653,182	\$ 120,377	\$ (88,827)	\$ 1,684,732
2013–2014	1,637,937	66,084	(50,839)	1,653,182
2012–2013	1,576,079	104,352	(42,494)	1,637,937

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements to the grantor agency for expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial in the next fiscal year.

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. At this time, no current liability remains as of June 30, 2015. Refund claims related to these cases that were filed by other companies that are still pending verification and exclusive of interest (which could be substantial) could negatively affect the State by \$6.2 million, of which \$3.3 million is related to the General Fund.

The State is also involved in tax litigation not included in the fiscal year 2015 liability amount, where it is reasonably possible that an adverse court decision may incur an estimated loss of \$9.2 million.

The Attorney General, on behalf of other state agencies, is involved in litigation for tort claims including wrongful death, motor vehicle accidents, medical malpractice, assault and battery, and deliberate indifference as well as employment discrimination claims that are not included in the 2015 liability amount, where it is reasonably possible that an adverse court decision may incur an estimated loss of \$41.0 million.

Tobacco Master Settlement Agreement:

The amount of money received by the State from participating tobacco manufacturers under the 1998 Master Settlement Agreement (MSA) is subject to a downward adjustment if the State fails to diligently enforce legislation required by the MSA. In 2006, tobacco manufacturers instituted binding arbitration for the year 2003, alleging the State of Missouri and 45 other states had failed to diligently enforce their MSA statutes that year. The initial arbitration decision determined that Missouri had failed to diligently enforce MSA statutes in 2003, and Missouri's share of the downward adjustment as a result was \$70 million. Missouri typically receives between \$130 and \$150 million in MSA settlement funds from the tobacco companies each year. The arbitration award reduced the fiscal year 2014 receipts to approximately \$60 million.

**STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

Note 23– Contingencies (cont.)

The State appealed the arbitration panel’s decision. In June 2014, the St. Louis City Circuit Court found in favor of the State, ruling that the arbitration panel had exceeded its authority in computing Missouri’s share of the downward adjustment. The Court ordered an independent auditor to recalculate Missouri’s adjustment, which the auditor determined to be approximately \$20 million saving the State \$50 million. The tobacco companies are appealing the ruling that reduced the State’s downward share adjustment from \$70 million to \$20 million. The decision was overturned; however, the State is seeking a Supreme Court Review. The ultimate resolution of the current arbitration appeal cannot be predicted.

Natural Resource Settlements:

The Department of Natural Resources works jointly with the United States Fish and Wildlife Service and the United States Forest Service to recover damages from parties responsible for causing injuries to natural resources. Funds from these settlements are typically held in the federal treasury in a joint account administered by the United States Department of Interior. Expenditures of these funds may only be by mutual agreement of the Missouri Trustee Council (the Department of Natural Resources, the United States Fish and Wildlife Service and, at times, the United States Forest Service) and such funds may only be used to restore, replace, or acquire natural resources similar to those that were injured. As of June 30, 2015, the balance of Missouri-related joint settlement funds in the Department of Interior restoration fund is approximately \$64 million.

Note 24– Nonexchange Financial Guarantees

The following nonexchange financial guarantees are extended by the Missouri Agricultural and Small Business Development Authority. The exchange financial guarantees are not recognized as a liability, which indicates that the State will most likely not be required to make a payment related to the nonexchange financial guarantees. As of June 30, 2015, the State extends the following financial guarantees:

<u>Programs</u>	<u>Maximum Guarantee Period</u>	<u>Total Number of Loans Outstanding</u>	<u>Total Dollar Amount of Loans Outstanding (in thousands)</u>	<u>Total Dollar Amount Guaranteed by the State (in thousands)</u>
Missouri Value-Added Loan Guarantee Program	10 Years	33	\$ 726	\$ 362
Single-Purpose Animal Facilities Loan Guarantee Program	10 Years	11	958	479
Crop and Livestock Loan Guarantee Program	2 Years	25	73	35

Missouri Value-Added Loan Guarantee Program

The Missouri Value-Added Loan Guarantee Program provides up to a 50% first-loss guarantee on loans not to exceed \$250,000 for up to 10 years that lenders make for the purpose of an agricultural business development loan. The program is intended to create new economic activity by creating or retaining jobs. Loans guaranteed by the value-added loan guarantee program can be used to finance agricultural property, which includes land, buildings, structures, improvements, and equipment used for the purpose of processing, manufacturing, marketing, exporting, or adding value to an agricultural product. Loans may also be guaranteed to buy stock in a new generation processing entity that processes an agricultural product. In the event of a default, the Missouri Agricultural and Small Business Development Authority will work with the Attorney General’s Office or the loan recipient’s bank to try to collect. There were no loan defaults under this program in fiscal year 2015.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 24– Nonexchange Financial Guarantees (cont.)

Single–Purpose Animal Facilities Loan Guarantee Program

The Single–Purpose Animal Facilities Loan Guarantee Program is designed to provide banks and other lenders with a 50% first–loss guarantee on loans of up to \$250,000 for up to 10 years. Independent livestock producers may use the loans to finance, refinance or restructure breeding or feeder livestock, earthworms, land, buildings, facilities, equipment, machinery and animal waste systems for producing poultry, swine, beef and dairy cattle, or other livestock. In the event of a default, the Missouri Agricultural and Small Business Development Authority will work with the Attorney General’s Office or the loan recipient’s bank to try to collect. There were no loan defaults under this program in fiscal year 2015.

Crop and Livestock Loan Guarantee Program

The Crop and Livestock Loan Guarantee Program is a 50% guarantee on a loan made to a 4–H and Future Farmers of America (FFA) member who borrows money to purchase livestock, input, etc., for their Supervised Agriculture Education (SAE) project. Loans eligible for the program are limited to the purchase of livestock, feed, seed, fertilizer, and other miscellaneous out–of–pocket expenses directly related to the project. In the event of a default, the Missouri Agricultural and Small Business Development Authority will work with the Attorney General’s Office or the loan recipient’s bank to try to collect. As of now, there are five loans that the Attorney General’s Office is doing collections on. The judgment amounts on these five loans total \$10,000. They have recovered \$4,000 on these loans.

Note 25– Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B), and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund \$2,845,000 and \$113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued \$49,585,000 in Series C 2007 refunding bonds to refund \$61,285,000 of original principal of the Series C 1997 refunding bonds. In August 2013, the Authority issued \$65,195,000 in Series A 2013 refunding bonds to refund \$65,385,000 of Series A 2003 bonds and issued \$32,560,000 in Series B 2013 refunding bonds to refund \$32,180,000 of Series B 2003 bonds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 25- Joint Ventures (cont.)

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. In addition, the sponsors provide annual appropriations intended to keep the facility in good repair and competitive with the top 25% of NFL facilities. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2014, is presented below (in thousands of dollars):

Total Assets	\$ 218,408
Total Deferred Outflows of Resources	1,864
Total Assets and Deferred Outflows of Resources	<u>\$ 220,272</u>
Total Liabilities	\$ 130,682
Total Net Position	89,590
Total Liabilities and Net Position	<u>\$ 220,272</u>
Total Revenues	\$ 24,705
Total Expenses	17,980
Net Increase in Net Position	<u>\$ 6,725</u>

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

Note 26- Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation of the endowments available for expenditure is \$25,988,000, and of this amount, \$24,511,000 is reported as restricted non-expendable net position, \$1,324,000 is reported as restricted expendable net position, and \$153,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/amortization of restricted non-expendable net position in the amount of \$8,790,000, which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, review the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.035, RSMo. These policies are entity specific and vary with each institution.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 27 – Conduit Debt

As of June 30, 2015, the Missouri Development Finance Board issued \$1,580,743,000 in Private Activity Bonds and \$2,391,439,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2015, were approximately \$539,847,000 and \$1,069,344,000, respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

The State Environmental Improvement and Energy Resources Authority, a related organization of the State of Missouri, issues Water Pollution Control and Drinking Water Revenue Bonds on behalf of the Department of Natural Resources. The outstanding balance on these bonds as of June 30, 2015, is \$942,092,000.

The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of the State Environmental Improvement and Energy Resources Authority.

Note 28 – Subsequent Events

Bonds:

On September 3, 2015, the Board of Public Buildings of the State of Missouri issued \$60,000,000 of Special Obligation Bonds Series B 2015. These bonds will bear interest from 3.00% to 5.00%, due in semi-annual installments beginning April 1, 2016.

University of Missouri:

In July of 2015, MU Health Care and Cerner extended the IT Works agreement through 2025. The contracted commitment, based on the extended agreement, totaled \$232,212,000 and will be paid in the following amounts: \$19,888,000 in 2016, \$20,564,000 in 2017, \$21,264,000 in 2018, \$21,986,000 in 2019, \$22,733,000 in 2020 and \$125,777,000 between 2021 and 2025.

On November 1, 2015, the University redeemed \$108,685,000 of outstanding principal on the Series 2006A System Facilities Revenue Bond. The bonds were called pursuant to the optional redemption provisions.

University of Central Missouri:

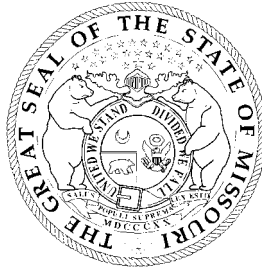
A promissory note was signed on July 30, 2015, between the University and the Foundation. The Foundation financed a loan of \$2,389,552 at 4% interest with a 15-year maturity for capital projects. All payments on account shall be applied first to accrued and unpaid interest and the remainder, if any, to the principal. The University shall have the privilege of prepaying all or any portion of the principal balance at any time before the maturity date without penalty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Note 28 – Subsequent Events (cont.)

Tobacco Master Settlement Agreement:

The tobacco companies appealed the Circuit Court's ruling that reduced the State's downward share adjustment from \$70 million to \$20 million in the Tobacco Master Settlement Agreement, and in September 2015, the Missouri Court of Appeals overturned the downward adjustment of \$70 million to \$20 million. The State will seek review by the Missouri Supreme Court. The timing of the resolution of the current arbitration appeal cannot be predicted.



Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	General Fund				Public Education				Conservation and Environmental Protection			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,310,490	\$ 1,310,490	\$ 1,310,490	\$ ---	\$ 170,093	\$ 170,093	\$ 170,093	\$ ---	\$ 519,985	\$ 519,985	\$ 519,985	\$ ---
Resources (Inflows):												
Taxes:												
Sales and Use	2,117,143	2,059,897	2,014,782	(45,115)	832,813	832,813	829,931	(2,882)	214,323	214,323	198,725	(15,598)
Individual Income	7,239,790	7,044,032	6,889,756	(154,276)	5,812	5,812	5,792	(20)	---	---	---	---
Corporate Income	553,311	538,350	526,559	(11,791)	---	---	---	---	---	---	---	---
County Foreign Insurance	251,352	244,556	239,200	(5,356)	---	---	---	---	---	---	---	---
Beer	8,100	7,881	7,709	(172)	---	---	---	---	---	---	---	---
Liquor	23,618	22,979	22,476	(503)	---	---	---	---	---	---	---	---
Cigarette	---	---	---	---	62,728	62,728	62,511	(217)	---	---	---	---
Corporation Franchise	33,848	32,933	32,211	(722)	---	---	---	---	---	---	---	---
Reimbursement/Miscellaneous	134,230	130,625	127,720	(2,905)	322,363	322,363	321,247	(1,116)	87	87	80	(7)
Total Taxes	10,361,392	10,081,253	9,860,413	(220,840)	1,223,716	1,223,716	1,219,481	(4,235)	214,410	214,410	198,805	(15,605)
Licenses, Fees, and Permits	99,396	96,724	94,577	(2,147)	2,238	2,238	2,230	(8)	84,960	84,960	78,777	(6,183)
Sales	2,064	2,011	1,962	(49)	---	---	---	---	9,344	9,344	8,664	(680)
Leases and Rentals	40	39	38	(1)	---	---	---	---	104	104	97	(7)
Services	348,398	348,228	323,995	(24,233)	---	---	---	---	---	---	---	---
Contributions and Intergovernmental	9,200,055	9,155,454	8,588,447	(567,007)	85,787	85,787	85,491	(296)	92,527	92,527	85,793	(6,734)
Interest	11,086	10,789	10,546	(243)	952	952	948	(4)	15,243	15,243	14,134	(1,109)
Penalties and Unclaimed Property	43,146	42,121	40,945	(1,176)	6,794	6,794	6,771	(23)	8,927	8,927	8,277	(650)
Cost Reimbursement/Miscellaneous	966,602	961,860	902,390	(59,470)	104,079	104,079	103,718	(361)	121,690	121,690	112,834	(8,856)
Transfers In	3,335,344	3,357,151	3,005,313	(351,838)	3,730,190	3,728,676	3,673,586	(55,090)	728	467	84	(383)
Total Resources (Inflows)	24,367,523	24,055,630	22,828,626	(1,227,004)	5,153,756	5,152,242	5,092,225	(60,017)	547,933	547,672	507,465	(40,207)
Amount Available for Appropriation	25,678,013	25,366,120	24,139,116	(1,227,004)	5,323,849	5,322,335	5,262,318	(60,017)	1,067,918	1,067,657	1,027,450	(40,207)
Charges to Appropriations (Outflows):												
Current:												
General Government	2,153,821	2,085,673	1,815,417	270,256	1,100	1,098	679	419	3,092	3,092	2,475	617
Education	2,389,039	2,329,103	2,020,670	308,433	4,801,710	4,806,529	4,646,996	159,533	---	---	---	---
Natural and Economic Resources	507,927	496,644	250,765	245,879	16,180	16,180	6,436	9,744	1,006,174	985,064	411,986	573,078
Transportation and Law Enforcement	519,800	623,179	393,174	230,005	317	325	97	228	994	994	747	247
Human Services	12,137,187	12,414,463	11,422,903	991,560	17,212	16,537	16,087	450	751	751	637	114
Debt Service	94,647	91,452	81,079	10,373	8	387	377	10	---	---	---	---
Transfers Out	7,207,642	7,185,081	6,798,595	386,486	435,590	434,494	406,155	28,339	53,283	53,496	49,269	4,227
Total Charges to Appropriations	25,010,063	25,225,595	22,782,603	2,442,992	5,272,117	5,275,550	5,076,827	198,723	1,064,294	1,043,397	465,114	578,283
Ending Budgetary Fund Balance	\$ 667,950	\$ 140,525	\$ 1,356,513	\$ 1,215,988	\$ 51,732	\$ 46,785	\$ 185,491	\$ 138,706	\$ 3,624	\$ 24,260	\$ 562,336	\$ 538,076
Reconciling Items:												
Reclassifying Cash Equivalents as Investments			(883,456)				(118,194)				(395,180)	
Investments at Fair Value			899,005				119,104				395,666	
Invested Securities Lending Collateral			---				---				2,204	
Receivables, Net			2,253,767				135,976				1,200,672	
Due from Other Funds			---				14,840				---	
Due from Component Units			---				---				687	
Inventories			24,336				67				435	
Advance to Component Units			---				---				1,732	
Accounts Payable			(1,062,577)				(3,385)				(3,815)	
Accrued Payroll			(59,013)				(239)				(4,954)	
Due to Other Funds			(5,213)				(16)				(277)	
Securities Lending Obligation			---				---				(2,204)	
Unearned Revenue			(51,998)				---				(161)	
Escheat/Unclaimed Property			(110,545)				---				---	
Deferred Inflows of Resources			(1,049,635)				(38,654)				(20,927)	
Fund Balance – GAAP Basis			\$ 1,311,184				\$ 294,990				\$ 1,736,214	

**STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2015**

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2015, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports>. The "original budget" expenditures and transfers are for what was originally appropriated for each fund. The "final budget" expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration–Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the "final budget" column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between "budgeted" and "actual" expenditures on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2015, is shown below (in thousands):

	<u>Final Budget Transfer</u>		<u>Actual Transfer</u>	
	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>
GENERAL FUND	\$ 2,960,605	\$ (2,960,605)	\$ 2,685,713	\$ (2,685,713)
SPECIAL REVENUE FUNDS				
Public Education	<u>406,453</u>	<u>(406,453)</u>	<u>379,663</u>	<u>(379,663)</u>
TOTAL	<u>\$ 3,367,058</u>	<u>\$ (3,367,058)</u>	<u>\$ 3,065,376</u>	<u>\$ (3,065,376)</u>

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEAR 2015
(In Thousands of Dollars)

	Judicial Plan	Missouri Department of Transportation and Highway Patrol Employees' Retirement System
	2015**	2015**
Total Pension Liability		
Service Cost	\$ 8,990	\$ 44,740
Interest on the Total Pension Liability	34,014	270,526
Benefit Changes	---	---
Difference between Expected and Actual Experience	13,361	(17,614)
Assumption Changes	---	---
Benefit Payments	(29,407)	(227,958)
Refunds	---	(19)
Disability Premiums	---	(1,532)
Administrative Expense	---	---
Transfers to Other Retirement Systems	---	(1,876)
Net Change in Total Pension Liability	<u>26,958</u>	<u>66,267</u>
Total Pension Liability – Beginning	<u>435,378</u>	<u>3,583,975</u>
Total Pension Liability – Ending (a)	<u>462,336</u>	<u>3,650,242</u>
Plan Fiduciary Net Position		
Contributions – Employer	29,265	183,354
Contributions – Member	295	2,260
Pension Plan Net Investment Income	17,200	319,446
Benefit Payments	(29,407)	(227,958)
Refunds	---	(19)
Disability Premiums	---	(1,532)
Pension Plan Administrative Expense	(106)	(3,736)
Net Transfers	---	(92)
Other	4,195	---
Net Change in Plan Fiduciary Net Position	<u>21,442</u>	<u>271,723</u>
Plan Fiduciary Net Position – Beginning*	<u>111,204</u>	<u>1,685,733</u>
Plan Fiduciary Net Position – Ending (b)	<u>132,646</u>	<u>1,957,456</u>
Net Pension Liability – Ending (a) – (b)	<u>\$ 329,690</u>	<u>\$ 1,692,786</u>
Plan Fiduciary Net Position as a Percentage of		
Total Pension Liability	28.69%	53.63%
Covered Employee Payroll	49,588	336,591
Net Pension Liability as a Percentage of		
Covered Employee Payroll	664.86%	502.92%

*After post-valuation adjustments.

**Based on a measurement date of June 30, 2014.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FISCAL YEAR 2015
(In Thousands of Dollars)

	2015*
<u>Missouri State Employees' Plan</u>	
State's proportion of the net pension liability	82.45%
State's proportionate share of the net pension liability	\$ 1,944,098
State's covered-employee payroll	1,613,263
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	120.51%
Plan fiduciary net position as a percentage of the total pension liability	79.49%
<u>Judicial Plan</u>	
State's proportion of the net pension liability	100.00%
State's proportionate share of the net pension liability	\$ 329,690
State's covered-employee payroll	49,588
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	664.86%
Plan fiduciary net position as a percentage of the total pension liability	28.69%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>	
State's proportion of the net pension liability	100.00%
State's proportionate share of the net pension liability	\$ 1,692,786
State's covered-employee payroll	336,591
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	502.92%
Plan fiduciary net position as a percentage of the total pension liability	53.63%
<u>Missouri State Employees' Plan – Component Units</u>	
Component Unit's proportion of the net pension liability	17.19%
Component Unit's proportionate share of the net pension liability	\$ 405,189
Component Unit's covered-employee payroll	325,490
Component Unit's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124.49%
Plan fiduciary net position as a percentage of the total pension liability	79.49%
<u>University of Missouri Retirement System</u>	
University's proportion of the net pension liability	100.00%
University's proportionate share of the net pension liability	\$ 460,723
University's covered-employee payroll	1,109,431
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.53%
Plan fiduciary net position as a percentage of the total pension liability	87.76%

*Based on a measurement date of June 30, 2014, except University of Missouri Retirement System which is based on a measurement date of October 1, 2014.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF STATE CONTRIBUTIONS
FISCAL YEAR 2015
(In Thousands of Dollars)

	2015*
<u>Missouri State Employees' Plan</u>	
Required Contributions	\$ 269,106
Contributions in relation to the required contribution	269,106
Contribution deficiency (excess)	---
State's covered-employee payroll	1,613,263
Contributions as a percentage of covered-employee payroll	16.68%
<u>Judicial Plan</u>	
Required Contributions	\$ 29,265
Contributions in relation to the required contribution	29,265
Contribution deficiency (excess)	---
State's covered-employee payroll	49,588
Contributions as a percentage of covered-employee payroll	59.02%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>	
Required Contributions	\$ 183,354
Contributions in relation to the required contribution	183,354
Contribution deficiency (excess)	---
State's covered-employee payroll	336,591
Contributions as a percentage of covered-employee payroll	54.44%
<u>Missouri State Employees' Plan – Component Units</u>	
Required Contributions	\$ 56,087
Contributions in relation to the required contribution	56,087
Contribution deficiency (excess)	---
Component Unit's covered-employee payroll	325,490
Contributions as a percentage of covered-employee payroll	17.23%
<u>University of Missouri Retirement System</u>	
Required Contributions	\$ 103,895
Contributions in relation to the required contribution	103,895
Contribution deficiency (excess)	---
University's covered-employee payroll	1,109,431
Contributions as a percentage of covered-employee payroll	9.36%

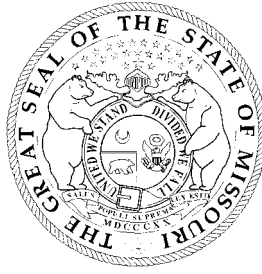
*Based on a measurement date of June 30, 2014, except University of Missouri Retirement System which is based on a measurement date of October 1, 2014.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedule:

Changes of benefit terms. There were no changes to benefit terms in the plans for the year June 30, 2014.

Changes of assumptions. There were no changes to assumptions in valuation reports for the year ended June 30, 2014.

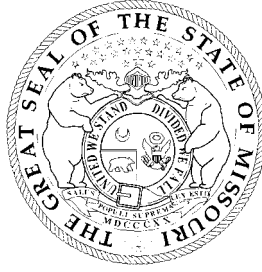


Supplementary Information includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.

**STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

	Missouri Road Fund*			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Beginning Budgetary Fund Balance	\$ 939,721	\$ 939,721	\$ 939,721	\$ ---
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	147,991	147,991	158,599	10,608
Fuel	153	153	129	(24)
Total Taxes	<u>148,144</u>	<u>148,144</u>	<u>158,728</u>	<u>10,584</u>
Licenses, Fees, and Permits	86,557	86,557	102,218	15,661
Contributions and Intergovernmental	831,409	832,009	760,238	(71,771)
Interest	5,968	5,968	5,169	(799)
Cost Reimbursement/Miscellaneous	132,914	132,914	75,617	(57,297)
Transfers In	<u>478,466</u>	<u>474,889</u>	<u>467,577</u>	<u>(7,312)</u>
Total Resources (Inflows)	<u>1,683,458</u>	<u>1,680,481</u>	<u>1,569,547</u>	<u>(110,934)</u>
Amount Available for Appropriation	<u>2,623,179</u>	<u>2,620,202</u>	<u>2,509,268</u>	<u>(110,934)</u>
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	893,833	950,790	800,249	150,541
Capital Outlay Transportation and Law Enforcement	888,202	944,800	795,208	149,592
Debt Service	<u>144,927</u>	<u>154,162</u>	<u>129,753</u>	<u>24,409</u>
Total Charges to Appropriations	<u>1,926,962</u>	<u>2,049,752</u>	<u>1,725,210</u>	<u>324,542</u>
Ending Budgetary Fund Balance	<u>\$ 696,217</u>	<u>\$ 570,450</u>	<u>\$ 784,058</u>	<u>\$ 213,608</u>
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(381,207)	
Investments at Fair Value			381,560	
Receivables, Net			107,116	
Inventories			37,574	
Accounts Payable			(82,548)	
Accrued Payroll			(16,307)	
Due to Other Funds			(260)	
Unearned Revenue			(9,750)	
Deferred Inflows of Resources			<u>(26,073)</u>	
Fund Balance – GAAP Basis			<u>\$ 794,163</u>	

* Beginning balance was restated due to past year blended component units that have since dissolved.



The Combining and Individual Fund Statements and Schedules

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the “major fund” classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

**STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2015
(In Thousands of Dollars)**

	General Fund		Totals
	General	Federal	June 30, 2015
ASSETS			
Cash and Cash Equivalents	\$ 390,826	\$ 82,231	\$ 473,057
Investments	742,024	156,981	899,005
Accounts Receivable, Net	1,510,655	711,492	2,222,147
Interest Receivable	2,116	31	2,147
Inventories	23,455	881	24,336
Loans Receivable	29,473	---	29,473
Total Assets	\$ 2,698,549	\$ 951,616	\$ 3,650,165
LIABILITIES			
Accounts Payable	\$ 507,615	\$ 554,962	\$ 1,062,577
Accrued Payroll	43,024	15,989	59,013
Due to Other Funds	2,571	2,642	5,213
Unearned Revenue	625	51,373	51,998
Escheat/Unclaimed Property	110,545	---	110,545
Total Liabilities	664,380	624,966	1,289,346
DEFERRED INFLOWS OF RESOURCES	1,013,661	35,974	1,049,635
FUND BALANCES			
Nonspendable	52,928	881	53,809
Restricted	2,963	289,795	292,758
Committed	545,765	---	545,765
Assigned	88,689	---	88,689
Unassigned	330,163	---	330,163
Total Fund Balances	1,020,508	290,676	1,311,184
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,698,549	\$ 951,616	\$ 3,650,165

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

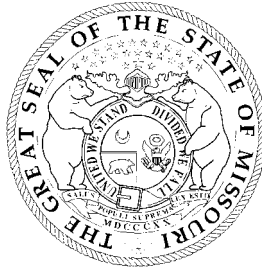
	General Fund			Totals
	General	Federal	Eliminations	June 30, 2015
Revenues:				
Taxes	\$ 8,655,569	\$ 69	\$ ---	\$ 8,655,638
Licenses, Fees, and Permits	92,177	533	---	92,710
Sales	1,860	18	---	1,878
Leases and Rentals	38	---	---	38
Services	3,233	100,793	---	104,026
Contributions and Intergovernmental	1,552,827	8,097,668	---	9,650,495
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	615	262	---	877
Interest	10,755	127	---	10,882
Penalties and Unclaimed Properties	90,207	4,841	---	95,048
Cost Reimbursement/Miscellaneous	144,688	185,313	---	330,001
Total Revenues	10,551,969	8,389,624	---	18,941,593
Expenditures:				
Current:				
General Government	601,451	27,454	---	628,905
Education	1,074,513	977,464	---	2,051,977
Natural and Economic Resources	89,354	213,478	---	302,832
Transportation and Law Enforcement	90,009	300,251	---	390,260
Human Services	5,269,650	6,806,090	---	12,075,740
Debt Service:				
Principal	56,824	753	---	57,577
Interest	24,128	44	---	24,172
Bond Issuance Cost	406	---	---	406
Underwriter's Discount	1,140	---	---	1,140
Total Expenditures	7,207,475	8,325,534	---	15,533,009
Excess Revenues (Expenditures)	3,344,494	64,090	---	3,408,584
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases	597	949	---	1,546
Issuance of Refunding Bonds	108,930	---	---	108,930
Payments to Escrow Agent	(121,020)	---	---	(121,020)
Bond Premium	13,461	---	---	13,461
Proceeds from Sale of Capital Assets	192	122	---	314
Transfers In	193,031	122,347	(275,693)	39,685
Transfers Out	(3,456,135)	(183,265)	275,693	(3,363,707)
Total Other Financing Sources (Uses)	(3,260,944)	(59,847)	---	(3,320,791)
Net Change in Fund Balances	83,550	4,243	---	87,793
Fund Balances – Beginning	932,003	286,354	---	1,218,357
Increase (Decrease) in Reserve for Inventory	4,955	79	---	5,034
Fund Balances – Ending	\$ 1,020,508	\$ 290,676	\$ ---	\$ 1,311,184

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE
June 30, 2015
(In Thousands of Dollars)**

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2015
ASSETS					
Cash and Cash Equivalents	\$ 135,502	\$ 42,590	\$ 48,238	\$ 195	\$ 226,525
Investments	208,799	79,461	122,250	49,744	460,254
Invested Securities Lending Collateral	---	529	855	---	1,384
Accounts Receivable, Net	156,002	14,747	81	---	170,830
Interest Receivable	293	234	224	---	751
Due from Other Funds	1,006	---	---	---	1,006
Inventories	4,879	---	25	---	4,904
Loans Receivable	2,542	---	---	---	2,542
Restricted:					
Cash and Cash Equivalents	---	---	4	---	4
Total Assets	\$ 509,023	\$ 137,561	\$ 171,677	\$ 49,939	\$ 868,200
LIABILITIES					
Accounts Payable	\$ 115,854	\$ ---	\$ 94	\$ ---	\$ 115,948
Accrued Payroll	11,601	---	146	---	11,747
Due to Other Funds	848	---	10	---	858
Securities Lending Obligation	---	529	855	---	1,384
Total Liabilities	128,303	529	1,105	---	129,937
DEFERRED INFLOWS OF RESOURCES	8,175	85	135	---	8,395
FUND BALANCES					
Nonspendable	7,421	---	25	49,837	57,283
Restricted	97,603	136,947	170,412	---	404,962
Committed	28,808	---	---	---	28,808
Assigned	238,713	---	---	102	238,815
Total Fund Balances	372,545	136,947	170,437	49,939	729,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 509,023	\$ 137,561	\$ 171,677	\$ 49,939	\$ 868,200

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2015
Revenues:					
Taxes	\$ 902,491	\$ 164,274	\$ ---	\$ ---	\$ 1,066,765
Licenses, Fees, and Permits	379,642	---	---	---	379,642
Sales	1,425	---	---	---	1,425
Leases and Rentals	341	---	---	---	341
Services	1,040	---	---	---	1,040
Contributions and Intergovernmental	331,091	5,393	887	---	337,371
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	380	158	130	33	701
Interest	1,338	1,010	436	9	2,793
Penalties and Unclaimed Properties	3,557	---	---	2,259	5,816
Cost Reimbursement/Miscellaneous	62,959	---	5	---	62,964
Total Revenues	<u>1,684,264</u>	<u>170,835</u>	<u>1,458</u>	<u>2,301</u>	<u>1,858,858</u>
Expenditures:					
Current:					
General Government	237,051	---	1,191	7	238,249
Education	1,608	---	---	---	1,608
Natural and Economic Resources	250,417	---	---	---	250,417
Transportation and Law Enforcement	311,076	126	11,415	---	322,617
Human Services	673,026	---	187	---	673,213
Capital Outlay:					
Transportation and Law Enforcement	---	---	978	---	978
Human Services	---	---	1,354	---	1,354
Debt Service:					
Principal	953	151,395	---	---	152,348
Interest	42	84,105	---	---	84,147
Bond Issuance Costs	---	425	---	---	425
Underwriter's Discount	---	---	1,120	---	1,120
Total Expenditures	<u>1,474,173</u>	<u>236,051</u>	<u>16,245</u>	<u>7</u>	<u>1,726,476</u>
Excess Revenues (Expenditures)	<u>210,091</u>	<u>(65,216)</u>	<u>(14,787)</u>	<u>2,294</u>	<u>132,382</u>
Other Financing Sources (Uses):					
Proceeds from Notes/Capital Leases	52	---	---	---	52
Proceeds from Bonds	---	---	129,465	---	129,465
Bond Premium	---	---	5,161	---	5,161
Proceeds from Sale of Capital Assets	5,972	---	---	---	5,972
Transfers In	259,760	81,656	25,138	---	366,554
Transfers Out	(497,237)	---	(4,750)	---	(501,987)
Total Other Financing Sources (Uses)	<u>(231,453)</u>	<u>81,656</u>	<u>155,014</u>	<u>---</u>	<u>5,217</u>
Net Change in Fund Balances	(21,362)	16,440	140,227	2,294	137,599
Fund Balances – Beginning	394,013	120,507	30,185	47,645	592,350
Increase (Decrease) in Reserve for Inventory	(106)	---	25	---	(81)
Fund Balances – Ending	<u>\$ 372,545</u>	<u>\$ 136,947</u>	<u>\$ 170,437</u>	<u>\$ 49,939</u>	<u>\$ 729,868</u>



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration – Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance – Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair – Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance – Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement – Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation – Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other – Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2015
ASSETS								
Cash and Cash Equivalents	\$ 19,681	\$ 11,182	\$ 3,332	\$ 15,403	\$ 51,354	\$ 22,126	\$ 12,424	\$ 135,502
Investments	38,106	21,649	8,158	29,654	44,422	42,806	24,004	208,799
Accounts Receivable, Net	---	1,552	222	5,520	120,394	26,160	2,154	156,002
Interest Receivable	---	29	8	54	94	65	43	293
Due from Other Funds	---	---	---	---	---	1,006	---	1,006
Inventories	26	8	6	1	4,549	---	289	4,879
Loans Receivable	---	---	1,181	---	1,361	---	---	2,542
Total Assets	\$ 57,813	\$ 34,420	\$ 12,907	\$ 50,632	\$ 222,174	\$ 92,163	\$ 38,914	\$ 509,023
LIABILITIES								
Accounts Payable	\$ 186	\$ 1,133	\$ 140	\$ 43,036	\$ 2,992	\$ 63,485	\$ 4,882	\$ 115,854
Accrued Payroll	227	425	296	351	7,409	519	2,374	11,601
Due to Other Funds	30	5	12	33	449	234	85	848
Total Liabilities	443	1,563	448	43,420	10,850	64,238	7,341	128,303
DEFERRED INFLOWS OF RESOURCES								
	---	21	5	180	7,097	643	229	8,175
FUND BALANCES								
Nonspendable	26	8	1,187	1	5,910	---	289	7,421
Restricted	---	28,249	3,928	1,724	24,799	27,282	11,621	97,603
Committed	15,658	352	781	3,795	1,208	---	7,014	28,808
Assigned	41,686	4,227	6,558	1,512	172,310	---	12,420	238,713
Total Fund Balances	57,370	32,836	12,454	7,032	204,227	27,282	31,344	372,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,813	\$ 34,420	\$ 12,907	\$ 50,632	\$ 222,174	\$ 92,163	\$ 38,914	\$ 509,023

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2015
Revenues:								
Taxes	\$ 130	\$ ---	\$ 4,303	\$ 92,990	\$ 697,363	\$ 107,511	\$ 194	\$ 902,491
Licenses, Fees, and Permits	19,851	35,243	10,693	18,256	193,728	---	101,871	379,642
Sales	---	---	1	972	---	---	452	1,425
Leases and Rentals	---	---	---	341	---	---	---	341
Services	---	1,027	---	3	---	---	10	1,040
Contributions and Intergovernmental	---	586	156	330,119	8	---	222	331,091
Investment Earnings: Net Increase (Decrease) in the Fair Value of Investments	53	30	5	58	122	67	45	380
Interest	---	119	85	250	431	270	183	1,338
Penalties and Unclaimed Properties	427	654	1	42	432	1,434	567	3,557
Cost Reimbursement/ Miscellaneous	140	1,237	171	37,237	735	267	23,172	62,959
Total Revenues	20,601	38,896	15,415	480,268	892,819	109,549	126,716	1,684,264
Expenditures:								
Current:								
General Government	177	13,624	127	613	205,559	5,294	11,657	237,051
Education	81	---	---	1,527	---	---	---	1,608
Natural and Economic Resources	17,938	374	14,674	4,003	---	118,191	95,237	250,417
Transportation and Law Enforcement	---	25,265	---	4,681	253,036	---	28,094	311,076
Human Services	---	534	---	668,453	---	---	4,039	673,026
Debt Service:								
Principal	---	25	---	---	148	75	705	953
Interest	---	1	3	---	2	23	13	42
Total Expenditures	18,196	39,823	14,804	679,277	458,745	123,583	139,745	1,474,173
Excess Revenues (Expenditures)	2,405	(927)	611	(199,009)	434,074	(14,034)	(13,029)	210,091
Other Financing Sources (Uses):								
Proceeds from Notes/ Capital Leases	---	---	52	---	---	---	---	52
Proceeds from Sale of Capital Assets	---	7	8	---	5,943	---	14	5,972
Transfers In	25	1,369	---	203,860	1,249	11,940	41,317	259,760
Transfers Out	(410)	---	---	(15,548)	(447,009)	(50)	(34,220)	(497,237)
Total Other Financing Sources (Uses)	(385)	1,376	60	188,312	(439,817)	11,890	7,111	(231,453)
Net Change in Fund Balances	2,020	449	671	(10,697)	(5,743)	(2,144)	(5,918)	(21,362)
Fund Balances – Beginning	55,350	32,387	11,782	17,729	210,069	29,426	37,270	394,013
Increase (Decrease) in Reserve for Inventory	---	---	1	---	(99)	---	(8)	(106)
Fund Balances – Ending	\$ 57,370	\$ 32,836	\$ 12,454	\$ 7,032	\$ 204,227	\$ 27,282	\$ 31,344	\$ 372,545

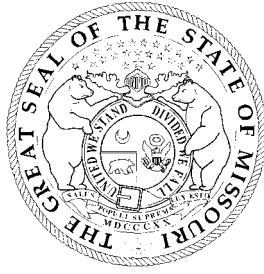
STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance			Agriculture and State Fair			Social Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Cigarette	---	---	---	---	---	---	---	---	---	37,556	36,926	(630)
Fuel	---	---	---	---	---	---	---	---	---	---	---	---
County Foreign Insurance	---	---	---	---	---	---	---	---	---	---	---	---
Liquor/Wine	---	---	---	---	---	---	4,144	4,303	159	---	---	---
Reimbursement/Miscellaneous	121	130	9	---	---	---	---	---	---	57,106	56,147	(959)
Total Taxes	121	130	9	---	---	---	4,144	4,303	159	94,662	93,073	(1,589)
Licenses, Fees, and Permits	18,503	19,861	1,358	35,815	35,599	(216)	10,175	10,564	389	18,657	18,343	(314)
Leases and Rentals	---	---	---	---	---	---	---	---	---	347	341	(6)
Sales	---	---	---	---	---	---	1	1	---	989	972	(17)
Services	---	---	---	1,033	1,027	(6)	---	---	---	3	3	---
Contributions and												
Intergovernmental	3	3	---	2,436	2,421	(15)	221	229	8	343,924	338,149	(5,775)
Interest	---	---	---	118	117	(1)	29	30	1	274	269	(5)
Penalties and Unclaimed Property	397	426	29	658	654	(4)	1	1	---	9	9	---
Cost Reimbursement/												
Miscellaneous	132	140	8	1,266	1,259	(7)	259	269	10	44,815	44,063	(752)
Total Revenues	19,156	20,560	1,404	41,326	41,077	(249)	14,830	15,397	567	503,680	495,222	(8,458)
Expenditures:												
Current:												
General Government	15	7	8	22,373	12,788	9,585	160	95	65	5,336	3,933	1,403
Education	104	84	20	---	---	---	---	---	---	3,172	1,907	1,265
Natural and Economic Resources	10,753	8,238	2,515	1,184	374	810	13,706	11,573	2,133	6,946	4,072	2,874
Transportation and Law												
Enforcement	---	---	---	34,300	25,716	8,584	---	---	---	5,320	4,217	1,103
Human Services	---	---	---	750	546	204	---	---	---	519,463	483,229	36,234
Debt Service	---	---	---	---	---	---	---	---	---	---	---	---
Total Expenditures	10,872	8,329	2,543	58,607	39,424	19,183	13,866	11,668	2,198	540,237	497,358	42,879
Excess Revenues												
(Expenditures)	8,284	12,231	3,947	(17,281)	1,653	18,934	964	3,729	2,765	(36,557)	(2,136)	34,421
Other Financing Sources (Uses):												
Transfers In	323	27	(296)	1,746	1,491	(255)	27	8	(19)	302,880	240,580	(62,300)
Transfers Out	(13,105)	(10,313)	2,792	(2,293)	(1,962)	331	(3,385)	(3,181)	204	(314,638)	(245,326)	69,312
Total Other Financing												
Sources (Uses)	(12,782)	(10,286)	2,496	(547)	(471)	76	(3,358)	(3,173)	185	(11,758)	(4,746)	7,012
Net Change in Fund Balances	(4,498)	1,945	6,443	(17,828)	1,182	19,010	(2,394)	556	2,950	(48,315)	(6,882)	41,433
Fund Balances – Beginning	55,895	55,895	---	31,680	31,680	---	8,322	8,322	---	51,949	51,949	---
Fund Balances – Ending	\$ 51,397	\$ 57,840	\$ 6,443	\$ 13,852	\$ 32,862	\$ 19,010	\$ 5,928	\$ 8,878	\$ 2,950	\$ 3,634	\$ 45,067	\$ 41,433
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(38,159)			(21,680)			(5,546)			(29,664)	
Investments at Fair Value		38,106			21,649			8,158			29,654	
Receivables, Net		---			1,581			1,411			5,574	
Due from Other Funds		---			---			---			---	
Inventories		26			8			6			1	
Accounts Payable		(186)			(1,133)			(140)			(43,036)	
Accrued Payroll		(227)			(425)			(296)			(351)	
Due to Other Funds		(30)			(5)			(12)			(33)	
Deferred Inflows of Resources		---			(21)			(5)			(180)	
Fund Balance per GAAP		\$ 57,370			\$ 32,836			\$ 12,454			\$ 7,032	

This schedule is continued on pages 125-126.

	Transportation and Law Enforcement			Unemployment and Workers' Compensation			Reimbursements and Other			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Sales and Use	\$ 16,829	\$ 15,360	\$ (1,469)	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 16,829	\$ 15,360	\$ (1,469)
Cigarette	---	---	---	---	---	---	---	---	---	37,556	36,926	(630)
Fuel	773,059	705,599	(67,460)	---	---	---	---	---	---	773,059	705,599	(67,460)
County Foreign Insurance	---	---	---	---	---	---	206	206	---	206	206	---
Liquor/Wine	---	---	---	---	---	---	---	---	---	4,144	4,303	159
Reimbursement/Miscellaneous	---	---	---	109,871	107,703	(2,168)	---	---	---	167,098	163,980	(3,118)
Total Taxes	789,888	720,959	(68,929)	109,871	107,703	(2,168)	206	206	---	998,892	926,374	(72,518)
Licenses, Fees and Permits	220,683	201,425	(19,258)	---	---	---	101,438	101,840	402	405,271	387,632	(17,639)
Leases and Rentals	---	---	---	---	---	---	---	---	---	347	341	(6)
Sales	6,221	5,678	(543)	---	---	---	492	494	2	7,703	7,145	(558)
Services	---	---	---	---	---	---	10	10	---	1,046	1,040	(6)
Contributions and Intergovernmental	1,529	1,396	(133)	2,894	2,837	(57)	239	240	1	351,246	345,275	(5,971)
Interest	469	428	(41)	4,631	4,539	(92)	182	182	---	5,703	5,565	(138)
Penalties and Unclaimed Property	596	544	(52)	8,261	8,098	(163)	564	567	3	10,486	10,299	(187)
Cost Reimbursement/Miscellaneous	2,592	2,367	(225)	403	395	(8)	22,818	22,909	91	72,285	71,402	(883)
Total Revenues	1,021,978	932,797	(89,181)	126,060	123,572	(2,488)	125,949	126,448	499	1,852,979	1,755,073	(97,906)
Expenditures:												
Current:												
General Government	217,347	211,946	5,401	19,348	7,526	11,822	14,694	11,216	3,478	279,273	247,511	31,762
Education	---	---	---	---	---	---	---	---	---	3,276	1,991	1,285
Natural and Economic Resources	---	---	---	121,893	104,873	17,020	92,710	78,480	14,230	247,192	207,610	39,582
Transportation and Law Enforcement	300,104	268,808	31,296	---	---	---	27,195	24,784	2,411	366,919	323,525	43,394
Human Services	---	---	---	---	---	---	4,312	3,354	958	524,525	487,129	37,396
Debt Service	---	---	---	5,457	4,695	762	---	---	---	5,457	4,695	762
Total Expenditures	517,451	480,754	36,697	146,698	117,094	29,604	138,911	117,834	21,077	1,426,642	1,272,461	154,181
Excess Revenues (Expenditures)	504,527	452,043	(52,484)	(20,638)	6,478	27,116	(12,962)	8,614	21,576	426,337	482,612	56,275
Other Financing Sources (Uses):												
Transfers In	564,480	528,812	(35,668)	---	---	---	53,411	52,374	(1,037)	922,867	823,292	(99,575)
Transfers Out	(1,103,655)	(984,036)	119,619	(8,928)	(8,097)	831	(75,683)	(65,942)	9,741	(1,521,687)	(1,318,857)	202,830
Total Other Financing Sources (Uses)	(539,175)	(455,224)	83,951	(8,928)	(8,097)	831	(22,272)	(13,568)	8,704	(598,820)	(495,565)	103,255
Net Change in Fund Balances	(34,648)	(3,181)	31,467	(29,566)	(1,619)	27,947	(35,234)	(4,954)	30,280	(172,483)	(12,953)	159,530
Fund Balances – Beginning	96,630	96,630	---	66,612	66,612	---	41,399	41,399	---	352,487	352,487	---
Fund Balances – Ending	\$ 61,982	\$ 93,449	\$ 31,467	\$ 37,046	\$ 64,993	\$ 27,947	\$ 6,165	\$ 36,445	\$ 30,280	\$ 180,004	\$ 339,534	\$ 159,530
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(42,095)			(42,867)			(24,021)			(204,032)	
Investments at Fair Value		44,422			42,806			24,004			208,799	
Receivables, Net		121,849			26,225			2,197			158,837	
Due from Other Funds		---			1,006			---			1,006	
Inventories		4,549			---			289			4,879	
Accounts Payable		(2,992)			(63,485)			(4,882)			(115,854)	
Accrued Payroll		(7,409)			(519)			(2,374)			(11,601)	
Due to Other Funds		(449)			(234)			(85)			(848)	
Deferred Inflows of Resources		(7,097)			(643)			(229)			(8,175)	
Fund Balance per GAAP		\$ 204,227			\$ 27,282			\$ 31,344			\$ 372,545	

This schedule is continued from pages 123-124.



The Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Funds:

Water Pollution Control Bond and Interest – Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Fourth State Building Bond and Interest – Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest – Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Fulton State Hospital Bond and Interest – Accounts for moneys used to pay the principal of the Fulton State Hospital Bonds and the interest thereon.

Missouri Road Bond – Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2015
ASSETS						
Cash and Cash Equivalents	\$ 9,965	\$ 6,661	\$ 1,522	\$ 3,377	\$ 21,065	\$ 42,590
Investments	27,550	18,417	4,207	9,336	19,951	79,461
Invested Securities Lending Collateral	245	164	37	83	---	529
Accounts Receivable, Net	---	---	---	---	14,747	14,747
Interest Receivable	71	47	11	10	95	234
Total Assets	\$ 37,831	\$ 25,289	\$ 5,777	\$ 12,806	\$ 55,858	\$ 137,561
LIABILITIES						
Securities Lending Obligation	\$ 245	\$ 164	\$ 37	\$ 83	\$ ---	\$ 529
Total Liabilities	245	164	37	83	---	529
DEFERRED INFLOWS OF RESOURCES	43	29	7	6	---	85
FUND BALANCES						
Restricted	37,543	25,096	5,733	12,717	55,858	136,947
Total Fund Balances	37,543	25,096	5,733	12,717	55,858	136,947
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 37,831	\$ 25,289	\$ 5,777	\$ 12,806	\$ 55,858	\$ 137,561

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

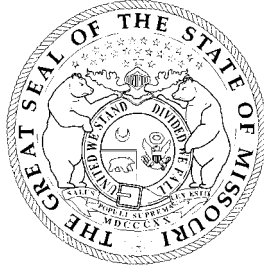
	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2015
Revenues:						
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ 164,274	\$ 164,274
Contributions and Intergovernmental	---	---	---	---	5,393	5,393
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	93	58	14	10	(17)	158
Interest	221	144	34	14	597	1,010
Total Revenues	<u>314</u>	<u>202</u>	<u>48</u>	<u>24</u>	<u>170,247</u>	<u>170,835</u>
Expenditures:						
Current:						
Transportation and Law Enforcement	---	---	---	---	126	126
Debt Service:						
Principal	32,695	19,100	5,325	---	94,275	151,395
Interest	6,956	5,076	904	1,082	70,087	84,105
Bond Issuance Costs	---	---	---	425	---	425
Total Expenditures	<u>39,651</u>	<u>24,176</u>	<u>6,229</u>	<u>1,507</u>	<u>164,488</u>	<u>236,051</u>
Excess Revenues (Expenditures)	<u>(39,337)</u>	<u>(23,974)</u>	<u>(6,181)</u>	<u>(1,483)</u>	<u>5,759</u>	<u>(65,216)</u>
Other Financing Sources (Uses):						
Transfers In	<u>37,001</u>	<u>24,764</u>	<u>5,656</u>	<u>14,200</u>	<u>35</u>	<u>81,656</u>
Total Other Financing Sources (Uses)	<u>37,001</u>	<u>24,764</u>	<u>5,656</u>	<u>14,200</u>	<u>35</u>	<u>81,656</u>
Net Change in Fund Balances	(2,336)	790	(525)	12,717	5,794	16,440
Fund Balances – Beginning	<u>39,879</u>	<u>24,306</u>	<u>6,258</u>	<u>---</u>	<u>50,064</u>	<u>120,507</u>
Fund Balances – Ending	<u>\$ 37,543</u>	<u>\$ 25,096</u>	<u>\$ 5,733</u>	<u>\$ 12,717</u>	<u>\$ 55,858</u>	<u>\$ 136,947</u>

STATE OF MISSOURI
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2015
 (In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Fourth State Building Bond and Interest			Stormwater Control Bond and Interest			Fulton State Hospital Bond and Interest			Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:																		
Vehicle Sales and Use Tax	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 150,004	\$ 162,858	\$ 12,854	\$ 150,004	\$ 162,858	\$ 12,854
Interest	263	216	(47)	161	138	(23)	41	34	(7)	11	11	---	273	462	189	749	861	112
Total Revenues	263	216	(47)	161	138	(23)	41	34	(7)	11	11	---	150,277	163,320	13,043	150,753	163,719	12,966
Expenditures:																		
Debt Service	39,677	39,651	26	24,216	24,176	40	6,230	6,230	---	14,200	1,508	12,692	162,082	159,058	3,024	246,405	230,623	15,782
Total Expenditures	39,677	39,651	26	24,216	24,176	40	6,230	6,230	---	14,200	1,508	12,692	162,082	159,058	3,024	246,405	230,623	15,782
Excess Revenues (Expenditures)	(39,414)	(39,435)	(21)	(24,055)	(24,038)	17	(6,189)	(6,196)	(7)	(14,189)	(1,497)	12,692	(11,805)	4,262	16,067	(95,652)	(66,904)	28,748
Other Financing Sources (Uses):																		
Transfers In	37,243	37,002	(241)	24,879	24,764	(115)	5,690	5,656	(34)	14,200	14,200	---	---	---	---	82,012	81,622	(390)
Total Other Financing Sources (Uses)	37,243	37,002	(241)	24,879	24,764	(115)	5,690	5,656	(34)	14,200	14,200	---	---	---	---	82,012	81,622	(390)
Net Change in Fund Balances	(2,171)	(2,433)	(262)	824	726	(98)	(499)	(540)	(41)	11	12,703	12,692	(11,805)	4,262	16,067	(13,640)	14,718	28,358
Fund Balances - Beginning	39,918	39,918	---	24,331	24,331	---	6,264	6,264	---	---	---	---	36,721	36,721	---	107,234	107,234	---
Fund Balances - Ending	\$ 37,747	\$ 37,485	\$ (262)	\$ 25,155	\$ 25,057	\$ (98)	\$ 5,765	\$ 5,724	\$ (41)	\$ 11	\$ 12,703	\$ 12,692	\$ 24,916	\$ 40,983	\$ 16,067	\$ 93,594	\$ 121,952	\$ 28,358
Reconciling Items:																		
Reclassifying Cash Equivalents as Investments		(27,520)			(18,396)			(4,202)			(9,326)			(19,918)			(79,362)	
Investments at Fair Value		27,550			18,417			4,207			9,336			19,951			79,461	
Invested Securities																		
Lending Collateral		245			164			37			83			---			529	
Receivables, Net		71			47			11			10			14,842			14,981	
Securities Lending Obligation		(245)			(164)			(37)			(83)			---			(529)	
Deferred Inflows of Resources		(43)			(29)			(7)			(6)			---			(85)	
Fund Balances - GAAP Basis	\$ 37,543			\$ 25,096			\$ 5,733			\$ 12,717			\$ 55,858			\$ 136,947		

This schedule is continued on page 131.

This schedule is continued from page 130.



*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Veterans' Homes Capital Improvement – Accounts for fees collected from the sale of bingo cards to be used for the construction or renovation of veterans' homes and cemeteries in the State.

Board of Public Building – Accounts for bond sale proceeds to be used for renovating state buildings and structures.

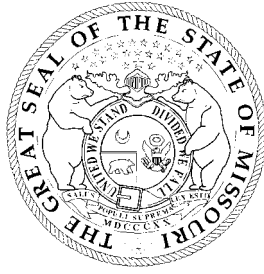
Fulton State Hospital – Accounts for proceeds from the sale of bonds to be used for the completion of the design and construction of the replacement for Fulton State Hospital.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Veterans' Homes Capital Improvement	Board of Public Building	Fulton State Hospital	Totals June 30, 2015
ASSETS				
Cash and Cash Equivalents	\$ 13,416	\$ 9,925	\$ 24,897	\$ 48,238
Investments	25,974	27,442	68,834	122,250
Invested Securities Lending Collateral	---	244	611	855
Accounts Receivable, Net	81	---	---	81
Interest Receivable	39	37	148	224
Inventories	25	---	---	25
Restricted:				
Cash and Cash Equivalents	---	4	---	4
Total Assets	\$ 39,535	\$ 37,652	\$ 94,490	\$ 171,677
LIABILITIES				
Accounts Payable	\$ 94	\$ ---	\$ ---	\$ 94
Accrued Payroll	146	---	---	146
Due to Other Funds	10	---	---	10
Securities Lending Obligation	---	244	611	855
Total Liabilities	250	244	611	1,105
DEFERRED INFLOWS OF RESOURCES	24	22	89	135
FUND BALANCES				
Nonspendable	25	---	---	25
Restricted	39,236	37,386	93,790	170,412
Total Fund Balances	39,261	37,386	93,790	170,437
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,535	\$ 37,652	\$ 94,490	\$ 171,677

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement	Board of Public Building	Fulton State Hospital	Totals June 30, 2015
Revenues:				
Contributions and Intergovernmental	\$ 887	\$ ---	\$ ---	\$ 887
Investment Earnings:				
Net Increase (Decrease) in the				
Fair Value of Investments	22	31	77	130
Interest	144	39	253	436
Cost Reimbursement/Miscellaneous	5	---	---	5
Total Revenues	1,058	70	330	1,458
Expenditures:				
Current:				
General Government	2	1,189	---	1,191
Transportation and Law Enforcement	11,415	---	---	11,415
Human Services	---	---	187	187
Capital Outlay:				
Transportation and Law Enforcement	978	---	---	978
Human Services	---	---	1,354	1,354
Debt Service:				
Underwriter's Discount	---	265	855	1,120
Total Expenditures	12,395	1,454	2,396	16,245
Excess Revenues (Expenditures)	(11,337)	(1,384)	(2,066)	(14,787)
Other Financing Sources (Uses):				
Proceeds from Bonds	---	36,805	92,660	129,465
Bond Premium	---	1,965	3,196	5,161
Transfers In	25,138	---	---	25,138
Transfers Out	(4,750)	---	---	(4,750)
Total Other Financing Sources (Uses)	20,388	38,770	95,856	155,014
Net Change in Fund Balances	9,051	37,386	93,790	140,227
Fund Balances – Beginning	30,185	---	---	30,185
Increase (Decrease) in Reserve for Inventory	25	---	---	25
Fund Balances – Ending	\$ 39,261	\$ 37,386	\$ 93,790	\$ 170,437



*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment – Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park – Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School – Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust – Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2015
ASSETS					
Cash and Cash Equivalents	\$ 10	\$ 60	\$ 1	\$ 124	\$ 195
Investments	18	116	49,368	242	49,744
Total Assets	<u>\$ 28</u>	<u>\$ 176</u>	<u>\$ 49,369</u>	<u>\$ 366</u>	<u>\$ 49,939</u>
FUND BALANCES					
Nonspendable	\$ 28	\$ 75	\$ 49,369	\$ 365	\$ 49,837
Assigned	---	101	---	1	102
Total Fund Balances	<u>28</u>	<u>176</u>	<u>49,369</u>	<u>366</u>	<u>49,939</u>
Total Liabilities and Fund Balances	<u>\$ 28</u>	<u>\$ 176</u>	<u>\$ 49,369</u>	<u>\$ 366</u>	<u>\$ 49,939</u>

Note: There were no liabilities for fiscal year ended June 30, 2015.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

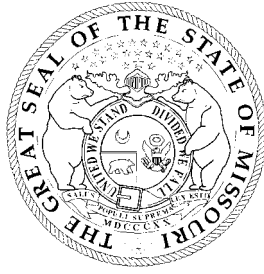
	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2015
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	\$ ---	\$ ---	\$ 33	\$ ---	\$ 33
Interest	---	---	7	2	9
Penalties and Unclaimed Properties	---	---	2,259	---	2,259
Total Revenues	---	---	2,299	2	2,301
Expenditures:					
General Government	---	---	---	7	7
Total Expenditures	---	---	---	7	7
Excess Revenues (Expenditures)	---	---	2,299	(5)	2,294
Net Change in Fund Balances	---	---	2,299	(5)	2,294
Fund Balances – Beginning	28	176	47,070	371	47,645
Fund Balances – Ending	\$ 28	\$ 176	\$ 49,369	\$ 366	\$ 49,939

STATE OF MISSOURI
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ALL APPROPRIATED PERMANENT FUNDS
 For the Fiscal Year Ended June 30, 2015
 (In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park			State Public School			Smith Memorial Endowment Trust			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:															
Interest	\$ ---	\$ ---	\$ ---	\$ 1	\$ 1	\$ ---	\$ ---	\$ 7	\$ 7	\$ 2	\$ 1	\$ (1)	\$ 3	\$ 9	\$ 6
Penalties and Unclaimed Property	---	---	---	---	---	---	---	118	118	---	---	---	---	118	118
Reimbursement/Miscellaneous	---	---	---	---	---	---	---	378	378	---	---	---	---	378	378
Total Revenues	---	---	---	1	1	---	---	503	503	2	1	(1)	3	505	502
Expenditures:															
Current:															
Human Services	---	---	---	---	---	---	---	---	---	10	7	3	10	7	3
Total Expenditures	---	---	---	---	---	---	---	---	---	10	7	3	10	7	3
Excess Revenues (Expenditures)	---	---	---	1	1	---	---	503	503	(8)	(6)	2	(7)	498	505
Other Financing Sources (Uses):															
Transfers In	---	---	---	---	---	---	2,141	2,141	---	---	---	---	2,141	2,141	---
Total Other Financing Sources (Uses)	---	---	---	---	---	---	2,141	2,141	---	---	---	---	2,141	2,141	---
Net Change in Fund Balances	---	---	---	1	1	---	2,141	2,644	503	(8)	(6)	2	2,134	2,639	505
Fund Balances – Beginning	28	28	---	175	175	---	33,628	33,628	---	371	371	---	34,202	34,202	---
Fund Balances – Ending	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ ---</u>	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ ---</u>	<u>\$ 35,769</u>	<u>\$ 36,272</u>	<u>\$ 503</u>	<u>\$ 363</u>	<u>\$ 365</u>	<u>\$ 2</u>	<u>\$ 36,336</u>	<u>\$ 36,841</u>	<u>\$ 505</u>
Reconciling Items:															
Reclassifying Cash Equivalents as Investments		(18)			(116)			(36,271)			(241)			(36,646)	
Investments at Fair Value		18			116			49,368			242			49,744	
Fund Balance – GAAP Basis		<u>\$ 28</u>			<u>\$ 176</u>			<u>\$ 49,369</u>			<u>\$ 366</u>			<u>\$ 49,939</u>	

This schedule is continued on page 138.

This schedule is continued from page 137.



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees – Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks – Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services – Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving – Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes – Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property – Accounts for the surplus property operation.

Department of Revenue Information – Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 June 30, 2015
 (In Thousands of Dollars)

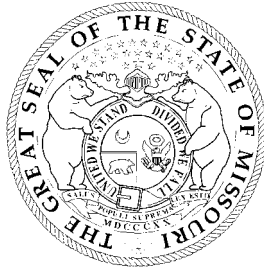
	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2015
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 588	\$ 13,020	\$ 480	\$ 562	\$ 1,869	\$ 882	\$ 862	\$ 18,263
Investments	1,102	25,209	928	1,088	3,769	1,708	1,676	35,480
Accounts Receivable, Net	3	---	1	---	6,379	298	51	6,732
Interest Receivable	2	43	---	8	7	4	---	64
Due from Other Funds	---	---	249	---	---	---	---	249
Inventories	2	686	328	---	58	---	---	1,074
Loans Receivable	---	---	---	562	---	---	---	562
Total Current Assets	<u>1,697</u>	<u>38,958</u>	<u>1,986</u>	<u>2,220</u>	<u>12,082</u>	<u>2,892</u>	<u>2,589</u>	<u>62,424</u>
Non-Current Assets:								
Capital Assets:								
Construction in Progress	25	7,021	---	---	---	---	---	7,046
Land	---	10,644	---	---	---	---	---	10,644
Land Improvements	75	13,404	---	---	398	250	---	14,127
Temporary Easements	---	50	---	---	---	---	---	50
Buildings	721	23,042	---	480	792	1,909	---	26,944
Equipment	472	12,898	17,087	12	9,431	1,195	96	41,191
Software	---	---	---	---	14	102	---	116
Less Accumulated Depreciation/Amortization	(708)	(31,060)	(10,563)	(199)	(5,443)	(1,758)	(96)	(49,827)
Total Non-Current Assets	<u>585</u>	<u>35,999</u>	<u>6,524</u>	<u>293</u>	<u>5,192</u>	<u>1,698</u>	<u>---</u>	<u>50,291</u>
Total Assets	<u>2,282</u>	<u>74,957</u>	<u>8,510</u>	<u>2,513</u>	<u>17,274</u>	<u>4,590</u>	<u>2,589</u>	<u>112,715</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>63</u>	<u>143</u>	<u>8</u>	<u>23</u>	<u>8,600</u>	<u>100</u>	<u>---</u>	<u>8,937</u>
LIABILITIES								
Current Liabilities:								
Accounts Payable	40	98	135	3	1,712	12	---	2,000
Accrued Payroll	37	52	2	8	2,176	26	---	2,301
Due to Other Funds	2	1	3	---	50	2	---	58
Unearned Revenue	---	---	---	---	49	---	---	49
Obligations Under Lease Purchase	---	---	173	---	---	---	---	173
Compensated Absences	44	75	2	11	3,555	39	---	3,726
Total Current Liabilities	<u>123</u>	<u>226</u>	<u>315</u>	<u>22</u>	<u>7,542</u>	<u>79</u>	<u>---</u>	<u>8,307</u>
Non-Current Liabilities:								
Obligations Under Lease Purchase	---	---	304	---	---	---	---	304
Compensated Absences	7	30	3	---	---	9	---	49
Net Pension Liability	268	2,008	64	142	38,105	742	---	41,329
Total Non-Current Liabilities	<u>275</u>	<u>2,038</u>	<u>371</u>	<u>142</u>	<u>38,105</u>	<u>751</u>	<u>---</u>	<u>41,682</u>
Total Liabilities	<u>398</u>	<u>2,264</u>	<u>686</u>	<u>164</u>	<u>45,647</u>	<u>830</u>	<u>---</u>	<u>49,989</u>
DEFERRED INFLOWS OF RESOURCES	<u>129</u>	<u>291</u>	<u>16</u>	<u>46</u>	<u>17,548</u>	<u>205</u>	<u>---</u>	<u>18,235</u>
NET POSITION								
Net Investment in Capital Assets	585	35,999	6,047	293	5,192	1,698	---	49,814
Unrestricted	1,233	36,546	1,769	2,033	(42,513)	1,957	2,589	3,614
Total Net Position	<u>\$ 1,818</u>	<u>\$ 72,545</u>	<u>\$ 7,816</u>	<u>\$ 2,326</u>	<u>\$ (37,321)</u>	<u>\$ 3,655</u>	<u>\$ 2,589</u>	<u>\$ 53,428</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2015
Operating Revenues:								
Licenses, Fees, and Permits	\$ 3,330	\$ 5,830	\$ 77	\$ ---	\$ ---	\$ ---	\$ ---	\$ 9,237
Sales	---	1,134	102	---	268	2,221	1,292	5,017
Leases and Rentals	1,298	2,513	---	---	---	---	---	3,811
Charges for Services	1	---	4	---	26,876	---	---	26,881
Cost Reimbursement/Miscellaneous	1	94	33	---	---	168	3	299
Total Operating Revenues	<u>4,630</u>	<u>9,571</u>	<u>216</u>	<u>---</u>	<u>27,144</u>	<u>2,389</u>	<u>1,295</u>	<u>45,245</u>
Operating Expenses:								
Cost of Goods Sold	---	---	853	---	---	1,342	---	2,195
Personal Service	1,227	1,377	67	203	76,482	1,260	---	80,616
Operations	2,875	2,744	243	57	13,868	349	13	20,149
Specific Programs	21	11	4	468	1,040	---	---	1,544
Depreciation/Amortization	53	1,796	1,275	10	987	413	---	4,534
Other Charges	205	73	2	3	82	4	---	369
Total Operating Expenses	<u>4,381</u>	<u>6,001</u>	<u>2,444</u>	<u>741</u>	<u>92,459</u>	<u>3,368</u>	<u>13</u>	<u>109,407</u>
Operating Income (Loss)	<u>249</u>	<u>3,570</u>	<u>(2,228)</u>	<u>(741)</u>	<u>(65,315)</u>	<u>(979)</u>	<u>1,282</u>	<u>(64,162)</u>
Non-Operating Revenues (Expenses):								
Contributions and Intergovernmental	666	598	2,488	---	66,012	---	---	69,764
Interest Expense	---	---	(2)	---	---	---	---	(2)
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	1	29	---	2	---	4	2	38
Interest	6	173	---	17	20	16	---	232
Penalties and Unclaimed Properties	---	3	---	---	3	---	---	6
Disposal of Capital Assets	---	53	136	---	(11)	204	---	382
Total Non-Operating Revenues (Expenses)	<u>673</u>	<u>856</u>	<u>2,622</u>	<u>19</u>	<u>66,024</u>	<u>224</u>	<u>2</u>	<u>70,420</u>
Income (Loss) Before Transfers	922	4,426	394	(722)	709	(755)	1,284	6,258
Transfers In	---	---	---	698	4,760	---	---	5,458
Transfers Out	---	---	---	---	---	(30)	(1,249)	(1,279)
Change in Net Position	922	4,426	394	(24)	5,469	(785)	35	10,437
Total Net Position - Beginning	896	68,119	7,422	2,350	(42,790)	4,440	2,554	42,991
Total Net Position - Ending	<u>\$ 1,818</u>	<u>\$ 72,545</u>	<u>\$ 7,816</u>	<u>\$ 2,326</u>	<u>\$ (37,321)</u>	<u>\$ 3,655</u>	<u>\$ 2,589</u>	<u>\$ 53,428</u>

**STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2015
Cash Flows from Operating Activities:								
Receipts from Internal Customers and Users	\$ 80	\$ ---	\$ ---	\$ ---	\$ 1	\$ 481	\$ ---	\$ 562
Receipts from External Customers and Users	4,546	9,477	182	---	27,092	1,571	1,306	44,174
Payments to Suppliers	(2,866)	(2,709)	(985)	(56)	(13,745)	(1,698)	(13)	(22,072)
Payments to Employees	(1,305)	(1,408)	(67)	(211)	(79,004)	(1,280)	---	(83,275)
Payments Made for Program Expense	(21)	(11)	(4)	(468)	(1,040)	---	---	(1,544)
Other Receipts	1	94	33	---	---	168	3	299
Other Payments	(205)	(73)	(2)	(3)	(82)	(4)	---	(369)
Net Cash Provided (Used) by Operating Activities	<u>230</u>	<u>5,370</u>	<u>(843)</u>	<u>(738)</u>	<u>(66,778)</u>	<u>(762)</u>	<u>1,296</u>	<u>(62,225)</u>
Cash Flows from Non-Capital Financing Activities:								
Loans Made to Outside Entities	---	---	---	14	---	---	---	14
Due to/from Other Funds	2	---	(84)	---	12	2	---	(68)
Contributions and Intergovernmental	666	598	2,488	---	66,012	---	---	69,764
Transfers to/from Other Funds	---	---	---	698	4,750	(30)	(1,249)	4,169
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>668</u>	<u>598</u>	<u>2,404</u>	<u>712</u>	<u>70,774</u>	<u>(28)</u>	<u>(1,249)</u>	<u>73,879</u>
Cash Flows from Capital and Related Financing Activities:								
Purchases and Construction of Capital Assets	(563)	(1,312)	(889)	---	(1,076)	(25)	---	(3,865)
Capital Lease Downpayment/Obligations	---	---	(66)	---	---	---	---	(66)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(563)</u>	<u>(1,312)</u>	<u>(955)</u>	<u>---</u>	<u>(1,076)</u>	<u>(25)</u>	<u>---</u>	<u>(3,931)</u>
Cash Flows from Investing Activities:								
Proceeds from Investment Maturities	---	1,518	---	244	---	1,004	315	3,081
Purchase of Investments	(22)	---	(287)	---	(1,606)	---	---	(1,915)
Interest and Dividends Received	5	167	---	11	18	16	---	217
Penalties and Other Receipts	---	3	---	---	3	---	---	6
Net Cash Provided (Used) by Investing Activities	<u>(17)</u>	<u>1,688</u>	<u>(287)</u>	<u>255</u>	<u>(1,585)</u>	<u>1,020</u>	<u>315</u>	<u>1,389</u>
Net Increase (Decrease) in Cash	318	6,344	319	229	1,335	205	362	9,112
Cash and Cash Equivalents, Beginning of Year	270	6,676	161	333	534	677	500	9,151
Cash and Cash Equivalents, End of Year	<u>\$ 588</u>	<u>\$ 13,020</u>	<u>\$ 480</u>	<u>\$ 562</u>	<u>\$ 1,869</u>	<u>\$ 882</u>	<u>\$ 862</u>	<u>\$ 18,263</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ 249	\$ 3,570	\$ (2,228)	\$ (741)	\$ (65,315)	\$ (979)	\$ 1,282	\$ (64,162)
Depreciation/Amortization Expense	53	1,796	1,275	10	987	413	---	4,534
Pension Deferrals	119	289	14	45	17,207	202	---	17,876
Changes in Assets and Liabilities:								
Accounts Receivable	(3)	---	(1)	---	(100)	(169)	14	(259)
Inventories	---	86	14	---	371	---	---	471
Accounts Payable	9	(51)	97	1	(248)	(7)	---	(199)
Accrued Payroll	(16)	1	---	2	18	2	---	7
Unearned Revenue	---	---	---	---	49	---	---	49
Compensated Absences	(42)	14	1	(3)	168	10	---	148
Net Pension Liability	(139)	(335)	(15)	(52)	(19,915)	(234)	---	(20,690)
Net Cash Provided (Used) by Operating Activities	<u>\$ 230</u>	<u>\$ 5,370</u>	<u>\$ (843)</u>	<u>\$ (738)</u>	<u>\$ (66,778)</u>	<u>\$ (762)</u>	<u>\$ 1,296</u>	<u>\$ (62,225)</u>
Non-Cash Financing and Investing Activities:								
Capital Lease Issuance	\$ ---	\$ ---	\$ 328	\$ ---	\$ ---	\$ ---	\$ ---	\$ 328
Capital Asset Donations	533	---	14	---	123	---	---	670
Increase (Decrease) in Fair Value of Investments	1	29	---	2	---	4	2	38
Net Non-Cash Financing and Investing Activities	<u>\$ 534</u>	<u>\$ 29</u>	<u>\$ 342</u>	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 1,036</u>



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation – Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments – Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation – Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving – Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving – Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving – Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust – Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative – Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees – Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan – Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan – Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan – Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan – Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan – Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

**STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2015
(In Thousands of Dollars)**

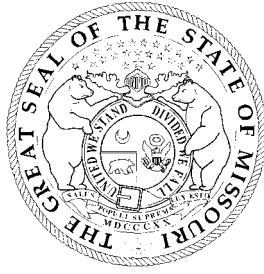
	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2015
ASSETS															
Current Assets:															
Cash and Cash Equivalents	\$ 329	\$ 634	\$ 1,661	\$ 3,092	\$ 2,934	\$ 246	\$ 22	\$ 76	\$ 333	\$ 1,887	\$ 3,341	\$ ---	\$ 170,422	\$ 8,461	\$ 193,438
Investments	639	1,227	3,215	5,272	5,681	477	43	148	646	6,561	1,711	4,482	37,324	316	67,742
Restricted:															
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	100	100
Accounts Receivable, Net	---	---	---	3,534	609	72,239	---	---	---	698	50	979	3,441	2,123	83,673
Interest Receivable	---	---	---	5	---	---	---	---	---	17	224	---	---	91	337
Due from Other Funds	---	151	18	6,485	42	3	84	---	---	---	---	---	---	---	6,783
Due from Component Units	---	---	---	1	---	---	---	---	---	---	---	---	---	---	1
Inventories	---	---	6,624	2,252	9,019	---	129	2	12	---	---	---	---	---	18,038
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	48	---	48
Total Current Assets	<u>968</u>	<u>2,012</u>	<u>11,518</u>	<u>20,641</u>	<u>18,285</u>	<u>72,965</u>	<u>278</u>	<u>226</u>	<u>991</u>	<u>9,163</u>	<u>5,326</u>	<u>5,461</u>	<u>211,235</u>	<u>11,091</u>	<u>370,160</u>
Non-Current Assets:															
Investments	---	---	---	---	---	---	---	---	---	---	89,002	---	---	32,932	121,934
Restricted Assets:															
Cash and Cash Equivalents	---	---	1,014	808	---	---	---	---	---	---	---	---	---	---	1,822
Investments	---	---	---	---	---	---	---	---	---	---	200	---	---	---	200
Capital Assets:															
Construction in Progress	---	---	22	327	---	---	---	---	---	---	---	---	---	---	349
Software in Progress	100	---	---	25	---	---	---	---	---	---	---	---	---	---	125
Land	---	---	7,681	---	41	---	---	---	---	---	---	---	---	---	7,722
Land Improvements	---	---	3,052	---	63	---	---	---	---	---	---	---	---	---	3,115
Buildings	218	---	487,854	2,952	6,470	---	---	---	2,338	---	---	4	---	---	499,836
Equipment	3,549	1,416	12,688	75,313	20,151	1,097	80	210	1,286	---	---	6	2,811	---	118,607
Software	3,148	603	12	4,916	238	9,436	---	4	291	---	---	5	---	---	18,653
Less Accumulated Depreciation/Amortization	(3,837)	(1,821)	(193,415)	(65,430)	(23,323)	(7,722)	(1)	(191)	(2,519)	---	---	(8)	(2,507)	---	(300,774)
Total Non-Current Assets	<u>3,178</u>	<u>198</u>	<u>318,908</u>	<u>18,911</u>	<u>3,640</u>	<u>2,811</u>	<u>79</u>	<u>23</u>	<u>1,396</u>	<u>---</u>	<u>89,202</u>	<u>7</u>	<u>304</u>	<u>32,932</u>	<u>471,589</u>
Total Assets	<u>4,146</u>	<u>2,210</u>	<u>330,426</u>	<u>39,552</u>	<u>21,925</u>	<u>75,776</u>	<u>357</u>	<u>249</u>	<u>2,387</u>	<u>9,163</u>	<u>94,528</u>	<u>5,468</u>	<u>211,539</u>	<u>44,023</u>	<u>841,749</u>
DEFERRED OUTFLOWS OF RESOURCES															
	<u>961</u>	<u>---</u>	<u>3,066</u>	<u>1,604</u>	<u>981</u>	<u>78</u>	<u>---</u>	<u>150</u>	<u>569</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>540</u>	<u>---</u>	<u>7,949</u>
LIABILITIES															
Current Liabilities:															
Bank Overdraft	---	---	---	---	---	---	---	---	---	---	---	1	---	---	1
Accounts Payable	393	82	1,964	2,030	62	687	126	16	139	130	32	4,722	18,503	1,701	30,587
Accrued Payroll	231	---	765	394	246	28	---	37	155	---	---	---	---	---	1,856
Due to Other Funds	104	---	65	---	---	117	2	3	21	---	---	---	---	---	312
Unearned Revenue	---	---	---	301	---	---	---	---	---	9	---	---	19,737	7,612	27,659
Claims Liability	---	---	---	---	---	---	---	---	---	2,460	23,045	---	33,378	11,000	69,883
Obligations under Lease Purchase	---	---	1,432	5,551	317	---	---	---	6	---	---	---	---	---	7,306
Compensated Absences	395	---	1,562	713	560	32	---	50	263	---	---	---	227	---	3,802
Total Current Liabilities	<u>1,123</u>	<u>82</u>	<u>5,788</u>	<u>8,989</u>	<u>1,185</u>	<u>864</u>	<u>128</u>	<u>106</u>	<u>584</u>	<u>2,599</u>	<u>23,077</u>	<u>4,723</u>	<u>71,845</u>	<u>20,313</u>	<u>141,406</u>
Non-Current Liabilities:															
Claims Liability	---	---	---	---	---	---	---	---	---	---	61,208	---	---	---	61,208
Obligations under Lease Purchase	---	---	28,818	6,840	70	---	---	---	8	---	---	---	---	---	35,736
Compensated Absences	197	---	308	209	28	26	---	24	60	---	---	---	---	---	852
Net Pension Liability	7,497	---	19,950	10,870	8,205	1,166	---	1,240	3,443	---	---	---	3,719	---	56,090
Total Non-Current Liabilities	<u>7,694</u>	<u>---</u>	<u>49,076</u>	<u>17,919</u>	<u>8,303</u>	<u>1,192</u>	<u>---</u>	<u>1,264</u>	<u>3,511</u>	<u>---</u>	<u>61,208</u>	<u>---</u>	<u>3,719</u>	<u>---</u>	<u>153,886</u>
Total Liabilities	<u>8,817</u>	<u>82</u>	<u>54,864</u>	<u>26,908</u>	<u>9,488</u>	<u>2,056</u>	<u>128</u>	<u>1,370</u>	<u>4,095</u>	<u>2,599</u>	<u>84,285</u>	<u>4,723</u>	<u>75,564</u>	<u>20,313</u>	<u>295,292</u>
DEFERRED INFLOWS OF RESOURCES															
	<u>1,961</u>	<u>---</u>	<u>6,257</u>	<u>3,272</u>	<u>2,002</u>	<u>160</u>	<u>---</u>	<u>305</u>	<u>1,161</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,084</u>	<u>---</u>	<u>16,202</u>
NET POSITION															
Net Investment in Capital Assets	3,178	198	287,644	5,712	3,253	2,811	79	23	1,382	---	---	7	304	---	304,591
Restricted for:															
Capital	---	---	1,014	---	---	---	---	---	---	---	---	---	---	---	1,014
Other Purposes	---	---	---	808	---	---	---	---	---	---	200	---	---	100	1,108
Unrestricted	(8,849)	1,930	(16,287)	4,456	8,163	70,827	150	(1,299)	(3,682)	6,564	10,043	738	135,127	23,610	231,491
Total Net Position	<u>\$ (5,671)</u>	<u>\$ 2,128</u>	<u>\$ 272,371</u>	<u>\$ 10,976</u>	<u>\$ 11,416</u>	<u>\$ 73,638</u>	<u>\$ 229</u>	<u>\$ (1,276)</u>	<u>\$ (2,300)</u>	<u>\$ 6,564</u>	<u>\$ 10,243</u>	<u>\$ 745</u>	<u>\$ 135,431</u>	<u>\$ 23,710</u>	<u>\$ 538,204</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2015
Operating Revenues:															
Employer Contributions	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 11,367	\$ 23,850	\$ ---	\$ 338,384	\$ 74,049	\$ 447,650
Employee Contributions	---	---	---	---	---	---	---	---	---	7,593	---	30,178	83,734	39,870	161,375
Medicare Part D Subsidy	---	---	---	---	---	---	---	---	---	178	---	---	---	4,677	4,855
Licenses, Fees, and Permits	---	---	1	---	---	15,921	---	---	---	---	---	---	---	---	15,922
Sales	---	---	---	---	27,434	8	---	---	---	---	---	---	---	---	27,442
Leases and Rentals	---	---	61,539	---	201	6	---	---	---	---	---	---	---	---	61,746
Charges for Services	13,206	10,772	4,661	88,775	---	275	858	1,158	7,318	---	---	---	---	---	127,023
Cost Reimbursement/Miscellaneous	45	263	31	1,728	5	15	20	173	2	1,418	167	480	---	1,673	6,020
Total Operating Revenues	13,251	11,035	66,232	90,503	27,640	16,225	878	1,331	7,320	20,556	24,017	30,658	422,118	120,269	852,033
Operating Expenses:															
Cost of Goods Sold	---	---	---	11,308	12,214	---	---	---	---	---	---	---	---	---	23,522
Personal Service	7,747	---	26,876	13,222	8,607	696	---	1,188	4,938	---	---	753	3,171	---	67,198
Operations	4,777	193	32,263	51,234	4,770	6,147	1,017	216	1,297	2,048	1,015	226	19,426	5,632	130,261
Specific Programs	3	10,961	22	---	19	2,603	---	---	3	---	---	---	---	---	13,611
Insurance Benefits	---	---	---	---	---	---	---	---	---	17,966	20,360	30,157	403,830	121,800	594,113
Depreciation/Amortization	372	124	12,537	10,490	671	1,927	---	8	155	---	---	3	159	---	26,446
Other Charges	85	---	78	181	1,362	21	---	16	57	6	---	---	---	---	1,806
Total Operating Expenses	12,984	11,278	71,776	86,435	27,643	11,394	1,017	1,428	6,450	20,020	21,375	31,139	426,586	127,432	856,957
Operating Income (Loss)	267	(243)	(5,544)	4,068	(3)	4,831	(139)	(97)	870	536	2,642	(481)	(4,468)	(7,163)	(4,924)
Non-Operating Revenues (Expenses):															
Contributions and Intergovernmental	---	---	32	---	---	1	---	---	---	---	---	---	---	---	33
Interest Expense	---	---	(1,102)	(179)	(8)	---	---	---	(1)	---	---	---	---	---	(1,290)
Investment Earnings:															
Net Increase (Decrease) in the Fair Value of Investments	2	1	5	10	7	1	---	---	---	6	(142)	---	---	(68)	(178)
Interest	---	---	1	9	---	---	---	---	---	92	1,519	13	736	656	3,026
Penalties and Unclaimed Properties	5	---	---	---	---	---	---	---	---	---	---	---	---	---	5
Disposal of Capital Assets	(2)	(30)	(6)	(63)	(8)	1	---	---	---	---	---	---	---	---	(108)
Total Non-Operating Revenues (Expenses)	5	(29)	(1,070)	(223)	(9)	3	---	---	(1)	98	1,377	13	736	588	1,488
Income (Loss) Before Transfers	272	(272)	(6,614)	3,845	(12)	4,834	(139)	(97)	869	634	4,019	(468)	(3,732)	(6,575)	(3,436)
Capital Contributions	---	---	23	---	---	---	---	---	---	---	---	---	---	---	23
Transfers In	3	178	27	---	39	---	---	---	8	---	---	---	---	---	255
Transfers Out	---	---	(49)	(764)	---	---	---	---	(25)	---	---	---	---	---	(838)
Change in Net Position	275	(94)	(6,613)	3,081	27	4,834	(139)	(97)	852	634	4,019	(468)	(3,732)	(6,575)	(3,996)
Total Net Position - Beginning	(5,946)	2,222	278,984	7,895	11,389	68,804	368	(1,179)	(3,152)	5,930	6,224	1,213	139,163	30,285	542,200
Total Net Position - Ending	\$ (5,671)	\$ 2,128	\$ 272,371	\$ 10,976	\$ 11,416	\$ 73,638	\$ 229	\$ (1,276)	\$ (2,300)	\$ 6,564	\$ 10,243	\$ 745	\$ 135,431	\$ 23,710	\$ 538,204

**STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)**

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2015
Cash Flows from Operating Activities:															
Receipts from Internal Customers and Users	\$ 13,206	\$ 10,772	\$ 66,201	\$ 86,688	\$ 18,819	\$ 85	\$ 820	\$ 864	\$ ---	\$ 11,363	\$ 23,800	\$ ---	\$ 340,159	\$ 74,049	\$ 646,826
Receipts from External Customers and Users	---	---	---	4,299	8,864	9,747	38	294	7,318	7,688	---	30,185	83,734	44,552	196,719
Payments to Suppliers	(4,463)	(113)	(31,913)	(62,081)	(16,627)	(6,295)	(921)	(213)	(1,397)	(2,023)	(992)	489	(19,869)	(9,281)	(155,699)
Payments to Employees	(7,936)	---	(27,811)	(13,717)	(8,876)	(711)	---	(1,219)	(5,094)	---	---	(753)	(3,356)	---	(69,473)
Payments Made for Program Expense	(3)	(10,961)	(22)	---	(19)	(2,603)	---	---	(3)	(17,581)	(19,257)	(30,157)	(405,418)	(120,800)	(606,824)
Other Receipts	45	263	31	1,728	5	15	20	173	2	1,418	167	480	---	1,673	6,020
Other Payments	(85)	---	(78)	(181)	(1,362)	(21)	---	(16)	(57)	(6)	---	---	---	---	(1,806)
Net Cash Provided (Used) by Operating Activities	764	(39)	6,408	16,736	804	217	(43)	(117)	769	859	3,718	244	(4,750)	(9,807)	15,763
Cash Flows from Non-Capital Financing Activities:															
Due to/from Other Funds	36	188	34	(2,829)	49	(183)	---	(1)	6	---	---	---	---	---	(2,700)
Due to/from Component Units	---	---	---	(1)	---	---	---	---	---	---	---	---	---	---	(1)
Contributions and Intergovernmental	---	---	32	---	---	1	---	---	---	---	---	---	---	---	33
Transfers to/from Other Funds	3	178	(49)	(893)	21	---	---	---	(25)	---	---	---	---	---	(765)
Net Cash Provided (Used) by Non-Capital Financing Activities	39	366	17	(3,723)	70	(182)	---	(1)	(19)	---	---	---	---	---	(3,433)
Cash Flows from Capital and Related Financing Activities:															
Interest Expense	---	---	(1,102)	(179)	(8)	---	---	---	(1)	---	---	---	---	---	(1,290)
Purchase and Construction of Capital Assets	(769)	(1)	(2,265)	(6,986)	(272)	---	(79)	(21)	(51)	---	---	---	(215)	---	(10,659)
Capital Lease Downpayment/Obligations	---	---	(3,256)	(5,881)	(98)	---	---	---	(5)	---	---	---	---	---	(9,240)
Net Cash Provided (Used) by Capital and Related Financing Activities	(769)	(1)	(6,623)	(13,046)	(378)	---	(79)	(21)	(57)	---	---	---	(215)	---	(21,189)
Cash Flows from Investing Activities:															
Proceeds from Sales and Investment Maturities	104	1	840	2,071	817	73	107	142	---	---	37,372	1,152,677	---	10,901	1,205,105
Purchase of Investments	---	---	---	---	---	---	---	---	(417)	(1,736)	(52,093)	(1,152,933)	(396)	(8,629)	(1,216,204)
Interest and Dividends Received	---	---	1	9	---	---	---	---	---	85	1,476	13	736	684	3,004
Investment Fees	---	---	---	---	---	---	---	---	---	---	---	---	---	(36)	(36)
Penalties and Other Receipts	5	---	---	---	---	---	---	---	---	---	---	---	---	---	5
Net Cash Provided (Used) by Investing Activities	109	1	841	2,080	817	73	107	142	(417)	(1,651)	(13,245)	(243)	340	2,920	(8,126)
Net Increase (Decrease) in Cash	143	327	643	2,047	1,313	108	(15)	3	276	(792)	(9,527)	1	(4,625)	(6,887)	(16,985)
Cash and Cash Equivalents, Beginning of Year	186	307	2,032	1,853	1,621	138	37	73	57	2,679	12,868	(2)	175,047	15,348	212,244
Cash and Cash Equivalents, End of Year	\$ 329	\$ 634	\$ 2,675	\$ 3,900	\$ 2,934	\$ 246	\$ 22	\$ 76	\$ 333	\$ 1,887	\$ 3,341	\$ (1)	\$ 170,422	\$ 8,461	\$ 195,259
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:															
Operating Income (Loss)	\$ 267	\$ (243)	\$ (5,544)	\$ 4,068	\$ (3)	\$ 4,831	\$ (139)	\$ (97)	\$ 870	\$ 536	\$ 2,642	\$ (481)	\$ (4,468)	\$ (7,163)	\$ (4,924)
Depreciation/Amortization Expense	372	124	12,537	10,490	671	1,927	---	8	155	---	---	3	159	---	26,446
Pension Deferrals	2,031	---	7,425	3,179	1,998	189	---	276	1,141	---	---	---	1,059	---	17,298
Changes in Assets and Liabilities:															
Accounts Receivable	---	---	---	2,162	48	(6,378)	---	---	---	(83)	(50)	7	(445)	(130)	(4,869)
Inventories	---	---	20	(145)	379	---	(25)	---	---	---	---	---	---	---	229
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	61	---	61
Accounts Payable	314	80	330	606	(22)	(148)	121	3	(100)	25	23	715	(504)	(3,649)	(2,206)
Accrued Payroll	29	---	2	(4)	10	2	---	4	7	---	---	---	---	---	50
Unearned Revenue	---	---	---	50	---	---	---	---	---	(4)	---	---	2,220	135	2,401
Claims Liability	---	---	---	---	---	---	---	---	---	385	1,103	---	(1,588)	1,000	900
Compensated Absences	83	---	28	13	30	7	---	12	16	---	---	---	(9)	---	180
Net Pension Liability	(2,332)	---	(8,390)	(3,683)	(2,307)	(213)	---	(323)	(1,320)	---	---	---	(1,235)	---	(19,803)
Net Cash Provided (Used) by Operating Activities	\$ 764	\$ (39)	\$ 6,408	\$ 16,736	\$ 804	\$ 217	\$ (43)	\$ (117)	\$ 769	\$ 859	\$ 3,718	\$ 244	\$ (4,750)	\$ (9,807)	\$ 15,763
Non-Cash Financing and Investing Activities:															
Capital Lease Issuance	\$ ---	\$ ---	\$ ---	\$ 261	\$ 323	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 584
Capital Asset Donations	---	---	75	129	18	---	---	---	8	---	---	---	---	---	230
Increase (Decrease) in Fair Value of Investments	2	1	5	10	7	1	---	---	---	6	(142)	---	---	(68)	(178)
Net Non-Cash Financing and Investing Activities	\$ 2	\$ 1	\$ 80	\$ 400	\$ 348	\$ 1	\$ ---	\$ ---	\$ 8	\$ 6	\$ (142)	\$ ---	\$ ---	\$ (68)	\$ 636



*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan – Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan – Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust – Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan – Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan – Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust – Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust – Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property – Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions – Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance – Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program – Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution – Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2015
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2015
ASSETS							
Cash and Cash Equivalents	\$ 2,203,636	\$ 33,559	\$ 359	\$ 3,402	\$ 494	\$ 1,444	\$ 2,242,894
Investments at Fair Value	10,104,874	153,887	1,991,396	98,808	501,796	1,351,112	14,201,873
Invested Securities							
Lending Collateral	18,940	288	80,780	---	---	---	100,008
Receivables:							
Accounts Receivable	366,729	6,736	18,983	18,155	263	777	411,643
Interest Receivable	---	---	4,265	---	---	---	4,265
Prepaid Expenses	26	1	6	---	---	---	33
Capital Assets:							
Land	263	4	84	---	---	---	351
Buildings	4,593	70	582	---	---	---	5,245
Equipment	1,329	21	221	---	---	---	1,571
Software	273	4	3,288	---	---	---	3,565
Accumulated Depreciation/Amortization	(2,812)	(43)	(2,253)	---	---	---	(5,108)
Total Capital Assets, Net	3,646	56	1,922	---	---	---	5,624
Total Assets	12,697,851	194,527	2,097,711	120,365	502,553	1,353,333	16,966,340
LIABILITIES							
Accounts Payable	19,937	303	4,639	1,964	30	84	26,957
Obligations under Repurchase Agreements	4,140,355	63,054	---	---	---	---	4,203,409
Securities Lending Obligation	19,620	299	83,705	---	---	---	103,624
Unearned Revenue	---	---	---	3,715	---	---	3,715
Claims Liability	---	---	---	7,781	---	---	7,781
Compensated Absences	1,284	20	---	---	---	---	1,304
Total Liabilities	4,181,196	63,676	88,344	13,460	30	84	4,346,790
Net Position Restricted for Pension Benefits, OPEB, and Deferred Compensation	\$ 8,516,655	\$ 130,851	\$ 2,009,367	\$ 106,905	\$ 502,523	\$ 1,353,249	\$ 12,619,550

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals June 30, 2015
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	
Additions:							
Contributions:							
Employer	\$ 329,753	\$ 32,697	\$ 200,639	\$ 77,451	\$ ---	\$ ---	\$ 640,540
Plan Member	19,958	488	2,086	50,343	---	52,947	125,822
Other	3,576	---	2,322	---	58,991	537	65,426
Total Contributions	<u>353,287</u>	<u>33,185</u>	<u>205,047</u>	<u>127,794</u>	<u>58,991</u>	<u>53,484</u>	<u>831,788</u>
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	340,000	5,178	59,440	---	(338)	(4,287)	399,993
Interest and Dividends	65,500	998	55,794	4,004	9,783	32,570	168,649
SWAP (Loss)	(520,964)	(7,934)	---	---	---	---	(528,898)
Securities Lending Income	264	4	208	---	---	---	476
Total Investment Earnings	<u>(115,200)</u>	<u>(1,754)</u>	<u>115,442</u>	<u>4,004</u>	<u>9,445</u>	<u>28,283</u>	<u>40,220</u>
Less Investment Expenses:							
Investment Activity Expense	(122,253)	(1,862)	(22,797)	---	---	---	(146,912)
Securities Lending Expense	(150)	(2)	---	---	---	---	(152)
Total Investment Expense	<u>(122,403)</u>	<u>(1,864)</u>	<u>(22,797)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(147,064)</u>
Net Investment Earnings (Loss)	<u>(237,603)</u>	<u>(3,618)</u>	<u>92,645</u>	<u>4,004</u>	<u>9,445</u>	<u>28,283</u>	<u>(106,844)</u>
Cost Reimbursement/ Miscellaneous	533	8	1	---	527	1,496	2,565
Total Additions	<u>116,217</u>	<u>29,575</u>	<u>297,693</u>	<u>131,798</u>	<u>68,963</u>	<u>83,263</u>	<u>727,509</u>
Deductions:							
Benefits	723,994	31,246	241,715	118,667	40,124	---	1,155,746
Administrative Expenses	7,836	120	3,702	8,498	471	1,936	22,563
Program Distributions	2,479	---	---	---	---	71,708	74,187
Service Transfer Payments	1,793	---	---	---	---	---	1,793
Depreciation/Amortization	242	4	365	---	---	---	611
Total Deductions	<u>736,344</u>	<u>31,370</u>	<u>245,782</u>	<u>127,165</u>	<u>40,595</u>	<u>73,644</u>	<u>1,254,900</u>
Change in Net Position	(620,127)	(1,795)	51,911	4,633	28,368	9,619	(527,391)
Net Position - Beginning of Year	<u>9,136,782</u>	<u>132,646</u>	<u>1,957,456</u>	<u>102,272</u>	<u>474,155</u>	<u>1,343,630</u>	<u>13,146,941</u>
Net Position - End of Year	<u>\$ 8,516,655</u>	<u>\$ 130,851</u>	<u>\$ 2,009,367</u>	<u>\$ 106,905</u>	<u>\$ 502,523</u>	<u>\$ 1,353,249</u>	<u>\$ 12,619,550</u>

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2015
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2015
ASSETS				
Cash and Cash Equivalents	\$ 2,600	\$ 277	\$ 11,483	\$ 14,360
Investments at Fair Value	5,033	611	22,233	27,877
Interest Receivable	10	1	---	11
Inventories	---	---	2	2
Capital Assets:				
Equipment	---	---	43	43
Software	---	---	9	9
Less: Accumulated Depreciation/Amortization	---	---	(49)	(49)
Total Capital Assets, Net	---	---	3	3
Total Assets	7,643	889	33,721	42,253
DEFERRED OUTFLOWS OF RESOURCES				
	---	---	87	87
LIABILITIES				
Accounts Payable	843	---	17	860
Accrued Payroll	---	---	22	22
Compensated Absences	---	---	35	35
Net Pension Liability	---	---	485	485
Total Liabilities	843	---	559	1,402
DEFERRED INFLOWS OF RESOURCES				
	---	---	179	179
NET POSITION				
Net Position Restricted for Other Purposes	\$ 6,800	\$ 889	\$ 33,070	\$ 40,759

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

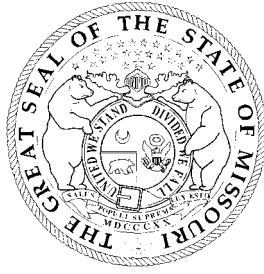
	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2015
Additions:				
Increase (Decrease) in Appreciation of Assets	\$ 8	\$ 1	\$ 6	\$ 15
Interest	42	6	---	48
Total Investment Earnings	50	7	6	63
Unclaimed Property	---	---	55,587	55,587
Cost Reimbursement/Miscellaneous	14,778	---	1	14,779
 Total Additions	 14,828	 7	 55,594	 70,429
Deductions:				
Administrative Expenses	---	---	1,916	1,916
Program Distributions	14,708	---	39,309	54,017
Depreciation/Amortization	---	---	3	3
 Total Deductions	 14,708	 ---	 41,228	 55,936
 Change in Net Position	 120	 7	 14,366	 14,493
 Net Position - Beginning	 6,680	 882	 18,704	 26,266
 Net Position - Ending	 \$ 6,800	 \$ 889	 \$ 33,070	 \$ 40,759

**STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2015
(In Thousands of Dollars)**

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2015
ASSETS					
Cash and Cash Equivalents	\$ 45	\$ 49	\$ 118,397	\$ 16,646	\$ 135,137
Investments at Fair Value	67	103	433,598	18	433,786
Receivables:					
Accounts Receivable	6,098	---	399,658	---	405,756
Interest Receivable	---	---	97	---	97
Total Assets	<u>\$ 6,210</u>	<u>\$ 152</u>	<u>\$ 951,750</u>	<u>\$ 16,664</u>	<u>\$ 974,776</u>
LIABILITIES					
Accounts Payable	\$ ---	\$ ---	\$ 31	\$ ---	\$ 31
Due to Other Entities	6,210	152	941,606	---	947,968
Due to Individuals	---	---	10,113	16,664	26,777
Total Liabilities	<u>\$ 6,210</u>	<u>\$ 152</u>	<u>\$ 951,750</u>	<u>\$ 16,664</u>	<u>\$ 974,776</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>SOCIAL SECURITY CONTRIBUTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 21	\$ 150,522	\$ 150,498	\$ 45
Investments at Fair Value	83	67	83	67
Invested Securities Lending Collateral	6	---	6	---
Accounts Receivable	6,035	6,098	6,035	6,098
Total Assets	\$ 6,145	\$ 156,687	\$ 156,622	\$ 6,210
LIABILITIES				
Due to Other Entities	\$ 6,139	\$ 455,850	\$ 455,779	\$ 6,210
Securities Lending Obligation	6	---	6	---
Total Liabilities	\$ 6,145	\$ 455,850	\$ 455,785	\$ 6,210
<u>MISSOURI STATE EMPLOYEES'</u>				
<u>VOLUNTARY LIFE INSURANCE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 30	\$ 3,806	\$ 3,787	\$ 49
Investments at Fair Value	120	103	120	103
Invested Securities Lending Collateral	8	---	8	---
Total Assets	\$ 158	\$ 3,909	\$ 3,915	\$ 152
LIABILITIES				
Due to Other Entities	\$ 150	\$ 3,832	\$ 3,830	\$ 152
Securities Lending Obligation	8	---	8	---
Total Liabilities	\$ 158	\$ 3,832	\$ 3,838	\$ 152
<u>PROGRAM</u>				
ASSETS				
Cash and Cash Equivalents	\$ 90,199	\$ 6,869,885	\$ 6,841,687	\$ 118,397
Investments at Fair Value	503,297	504,651	574,350	433,598
Invested Securities Lending Collateral	361	---	361	---
Receivables:				
Accounts Receivable	376,519	31,230	8,091	399,658
Interest Receivable	97	1,042	1,042	97
Total Assets	\$ 970,473	\$ 7,406,808	\$ 7,425,531	\$ 951,750
LIABILITIES				
Accounts Payable	\$ 32	\$ 689	\$ 690	\$ 31
Due to Other Entities	961,354	7,394,775	7,414,523	941,606
Due to Individuals	8,726	23,806	22,419	10,113
Securities Lending Obligation	361	---	361	---
Total Liabilities	\$ 970,473	\$ 7,419,270	\$ 7,437,993	\$ 951,750
<u>INSTITUTION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 20,406	\$ 150,380	\$ 154,140	\$ 16,646
Investments at Fair Value	17	1	---	18
Total Assets	\$ 20,423	\$ 150,381	\$ 154,140	\$ 16,664
LIABILITIES				
Due to Individuals	\$ 20,423	\$ 150,381	\$ 154,140	\$ 16,664
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 110,656	\$ 7,174,593	\$ 7,150,112	\$ 135,137
Investments at Fair Value	503,517	504,822	574,553	433,786
Invested Securities Lending Collateral	375	---	375	---
Receivables:				
Accounts Receivable	382,554	37,328	14,126	405,756
Interest Receivable	97	1,042	1,042	97
Total Assets	\$ 997,199	\$ 7,717,785	\$ 7,740,208	\$ 974,776
LIABILITIES				
Accounts Payable	\$ 32	\$ 689	\$ 690	\$ 31
Due to Other Entities	967,643	7,854,457	7,874,132	947,968
Due to Individuals	29,149	174,187	176,559	26,777
Securities Lending Obligation	375	---	375	---
Total Liabilities	\$ 997,199	\$ 8,029,333	\$ 8,051,756	\$ 974,776



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board – Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority – Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation – Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board – Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
June 30, 2015
(In Thousands of Dollars)

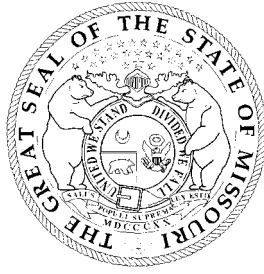
	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2015
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 19,004	\$ 539	\$ 12,143	\$ 341	\$ 32,027
Investments	5,943	775	9,881	661	17,260
Accounts Receivable, Net	177	---	---	---	177
Interest Receivable	78	1	847	1	927
Inventories	---	---	---	1	1
Restricted Assets:					
Cash and Cash Equivalents	---	3,066	---	---	3,066
Investments	---	5,557	---	---	5,557
Receivables, Net	---	1	---	---	1
Loans Receivable	---	---	6,997	---	6,997
Prepaid Items	1,169	---	---	---	1,169
Loans Receivable	508	402	---	---	910
Total Current Assets	<u>26,879</u>	<u>10,341</u>	<u>29,868</u>	<u>1,004</u>	<u>68,092</u>
Non-Current Assets:					
Investments	---	---	42,914	---	42,914
Loans Receivable	40,759	1,103	---	---	41,862
Interest Rate Cap Agreement	19	---	---	---	19
Restricted Assets:					
Cash and Cash Equivalents	7,863	---	---	---	7,863
Investments	13,170	---	---	---	13,170
Loans Receivables	---	---	30,550	---	30,550
Capital Assets:					
Land	7,220	---	---	---	7,220
Buildings	75,687	---	---	5	75,692
Equipment	348	---	---	11	359
Software	24	---	---	---	24
Less Accumulated Depreciation/Amortization	(15,312)	---	---	(10)	(15,322)
Total Non-Current Assets	<u>129,778</u>	<u>1,103</u>	<u>73,464</u>	<u>6</u>	<u>204,351</u>
Total Assets	<u>156,657</u>	<u>11,444</u>	<u>103,332</u>	<u>1,010</u>	<u>272,443</u>
DEFERRED OUTFLOWS OF RESOURCES					
	<u>453</u>	<u>37</u>	<u>---</u>	<u>35</u>	<u>525</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	183	37	4	3	227
Accrued Payroll	---	---	---	11	11
Interest Payable	34	20	---	---	54
Due to Primary Government	---	687	---	1	688
Compensated Absences	36	13	---	17	66
Bonds and Notes Payable	195	---	---	---	195
Total Current Liabilities	<u>448</u>	<u>757</u>	<u>4</u>	<u>32</u>	<u>1,241</u>
Non-Current Liabilities:					
Advance from Primary Government	---	1,732	---	---	1,732
Unearned Revenue	1,797	---	---	---	1,797
Deposits and Reserves	15,311	23	---	---	15,334
Compensated Absences	30	---	---	13	43
Bonds and Notes Payable	51,741	---	---	---	51,741
Net Pension Liability	603	165	---	247	1,015
Total Non-Current Liabilities	<u>69,482</u>	<u>1,920</u>	<u>---</u>	<u>260</u>	<u>71,662</u>
Total Liabilities	<u>69,930</u>	<u>2,677</u>	<u>4</u>	<u>292</u>	<u>72,903</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>176</u>	<u>48</u>	<u>---</u>	<u>72</u>	<u>296</u>
NET POSITION					
Net Investment in Capital Assets	16,031	---	---	6	16,037
Restricted for:					
Other Purposes	7,937	8,601	76,257	---	92,795
Unrestricted	63,036	155	27,071	675	90,937
Total Net Position	<u>\$ 87,004</u>	<u>\$ 8,756</u>	<u>\$ 103,328</u>	<u>\$ 681</u>	<u>\$ 199,769</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2015
Operating Revenues:					
Licenses, Fees, and Permits	\$ 1,475	\$ 147	\$ 2	\$ ---	\$ 1,624
Interest on Receivables	560	---	1,570	---	2,130
Leases and Rentals	5,409	---	---	---	5,409
Cost Reimbursement/Miscellaneous	723	---	---	9	732
Total Operating Revenues	<u>8,167</u>	<u>147</u>	<u>1,572</u>	<u>9</u>	<u>9,895</u>
Operating Expenses:					
Personal Service	726	258	23	341	1,348
Operations	2,148	61	9	1,123	3,341
Specific Programs	326	524	---	---	850
Depreciation/Amortization	1,928	---	---	1	1,929
Other Charges	130	---	---	22	152
Total Operating Expenses	<u>5,258</u>	<u>843</u>	<u>32</u>	<u>1,487</u>	<u>7,620</u>
Operating Income (Loss)	<u>2,909</u>	<u>(696)</u>	<u>1,540</u>	<u>(1,478)</u>	<u>2,275</u>
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	(1,850)	2,393	---	1,721	2,264
Investment Earnings:					
Increase (Decrease) in Fair Value of Investments	---	15	5	1	21
Interest	274	92	444	5	815
Interest Expense	(702)	(49)	---	---	(751)
Miscellaneous Expenses	---	---	(44)	---	(44)
Total Non-Operating Revenues (Expenses)	<u>(2,278)</u>	<u>2,451</u>	<u>405</u>	<u>1,727</u>	<u>2,305</u>
Change in Net Position	631	1,755	1,945	249	4,580
Total Net Position – Beginning	<u>86,373</u>	<u>7,001</u>	<u>101,383</u>	<u>432</u>	<u>195,189</u>
Total Net Position – Ending	<u>\$ 87,004</u>	<u>\$ 8,756</u>	<u>\$ 103,328</u>	<u>\$ 681</u>	<u>\$ 199,769</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2015
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2015
Cash Flows from Operating Activities:					
Receipts from Customers and Users	\$ 6,544	\$ 147	\$ 1,648	\$ ---	\$ 8,339
Receipt of Loan Payment	---	338	9,761	---	10,099
Payments to Vendors and Suppliers	(3,031)	(57)	(6)	(1,131)	(4,225)
Payments for Employees	(739)	(267)	(23)	(351)	(1,380)
Payments Made for Program Expense	---	(524)	---	---	(524)
Net Payments/Receipts for Tax Credit Projects	(21,057)	---	---	---	(21,057)
Other Receipts	---	---	---	9	9
Other Payments	---	---	---	(22)	(22)
Net Cash Provided (Used) by Operating Activities	<u>(18,283)</u>	<u>(363)</u>	<u>11,380</u>	<u>(1,495)</u>	<u>(8,761)</u>
Cash Flows from Non-Capital Financing Activities:					
Loans Receivable Principal Receipts	804	---	---	---	804
Loans Receivable Issuance	(368)	---	---	---	(368)
Due to/from Primary Government	---	12	---	---	12
Advance to/from Primary Government	---	(686)	6,982	---	6,296
Contributions and Intergovernmental	(1,850)	2,393	---	1,721	2,264
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,414)</u>	<u>1,719</u>	<u>6,982</u>	<u>1,721</u>	<u>9,008</u>
Cash Flows from Capital and Related Financing Activities:					
Interest Expense	(693)	(55)	---	---	(748)
Purchases and Construction of Capital Assets	(17)	---	---	---	(17)
Principal Payments on Capital Debt	(189)	---	---	---	(189)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(899)</u>	<u>(55)</u>	<u>---</u>	<u>---</u>	<u>(954)</u>
Cash Flows from Investing Activities:					
Proceeds from Investment Maturities	34,894	---	48,057	---	82,951
Purchase of Investments	(19,209)	(531)	(68,964)	(44)	(88,748)
Interest	373	96	444	5	918
Investment Fees	---	---	(44)	---	(44)
Net Cash Provided (Used) by Investing Activities	<u>16,058</u>	<u>(435)</u>	<u>(20,507)</u>	<u>(39)</u>	<u>(4,923)</u>
Net Increase (Decrease) in Cash	(4,538)	866	(2,145)	187	(5,630)
Cash and Cash Equivalents, Beginning of Year	31,405	2,739	14,288	154	48,586
Cash and Cash Equivalents, End of Year	<u>\$ 26,867</u>	<u>\$ 3,605</u>	<u>\$ 12,143</u>	<u>\$ 341</u>	<u>\$ 42,956</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 2,909	\$ (696)	\$ 1,540	\$ (1,478)	\$ 2,275
Depreciation/Amortization Expense	1,928	---	---	1	1,929
Pension Deferrals	---	34	---	71	105
Changes in Assets and Liabilities:					
Accounts Receivable	(806)	---	---	---	(806)
Interest Receivable	4	---	76	---	80
Prepaid Items	25	---	---	---	25
Loans Receivable	---	351	9,761	---	10,112
Accounts Payable	(437)	4	3	(8)	(438)
Deposit and Reserve	(21,780)	(13)	---	---	(21,793)
Compensated Absences	---	13	---	1	14
Unearned Revenue	(102)	---	---	---	(102)
Net Pension Liability	(24)	(56)	---	(82)	(162)
Net Cash Provided (Used) by Operating Activities	<u>\$ (18,283)</u>	<u>\$ (363)</u>	<u>\$ 11,380</u>	<u>\$ (1,495)</u>	<u>\$ (8,761)</u>
Non-Cash Investing Activities:					
Increase (Decrease) in Fair Value of Investments	\$ ---	\$ 15	\$ 5	\$ 1	\$ 21
Net Non-Cash Investing Activities	<u>\$ ---</u>	<u>\$ 15</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 21</u>



The Statistical Section presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

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Revenue Capacity

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Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

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Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

**STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2006-2015
(In Thousands of Dollars)**

	2015	2014*	2013	2012	2011
Governmental Activities					
Net Investment in Capital Assets	\$ 29,032,232	\$ 28,485,327	\$ 28,166,290	\$ 27,873,493	\$ 26,595,552
Restricted	3,809,229	3,790,165	3,788,299	3,898,340	4,339,603
Unrestricted	(5,017,126)	(5,501,188)	(1,216,048)	(1,865,908)	(1,159,743)
Total Governmental Activities Net Position	<u>\$ 27,824,335</u>	<u>\$ 26,774,304</u>	<u>\$ 30,738,541</u>	<u>\$ 29,905,925</u>	<u>\$ 29,775,412</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 52,191	\$ 52,901	\$ 52,217	\$ 50,081	\$ 50,291
Restricted	4,588	4,889	5,630	9,675	6,303
Unrestricted	421,066	183,705	(117,891)	(344,734)	(485,576)
Total Business-Type Activities Net Position	<u>\$ 477,845</u>	<u>\$ 241,495</u>	<u>\$ (60,044)</u>	<u>\$ (284,978)</u>	<u>\$ (428,982)</u>
Primary Government					
Net Investment in Capital Assets	\$ 29,084,423	\$ 28,538,228	\$ 28,218,507	\$ 27,923,574	\$ 26,645,843
Restricted	3,813,817	3,795,054	3,793,929	3,908,015	4,345,906
Unrestricted	(4,596,060)	(5,317,483)	(1,333,939)	(2,210,642)	(1,645,319)
Total Primary Government Net Position	<u>\$ 28,302,180</u>	<u>\$ 27,015,799</u>	<u>\$ 30,678,497</u>	<u>\$ 29,620,947</u>	<u>\$ 29,346,430</u>

Continues Below

	2010	2009	2008	2007	2006
Governmental Activities					
Net Investment in Capital Assets	\$ 25,850,787	\$ 26,247,223	\$ 25,324,173	\$ 25,475,504	\$ 25,840,886
Restricted	3,907,120	3,537,444	6,003,212	5,032,619	3,824,769
Unrestricted	(940,675)	(1,260,231)	(2,327,482)	(1,909,993)	(1,453,203)
Total Governmental Activities Net Position	<u>\$ 28,817,232</u>	<u>\$ 28,524,436</u>	<u>\$ 28,999,903</u>	<u>\$ 28,598,130</u>	<u>\$ 28,212,452</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 45,990	\$ 48,442	\$ 42,360	\$ 40,922	\$ 39,669
Restricted	7,949	6,771	45,362	9,517	3,942
Unrestricted	(437,995)	(1,050)	329,265	185,453	33,993
Total Business-Type Activities Net Position	<u>\$ (384,056)</u>	<u>\$ 54,163</u>	<u>\$ 416,987</u>	<u>\$ 235,892</u>	<u>\$ 77,604</u>
Primary Government					
Net Investment in Capital Assets	\$ 25,896,777	\$ 26,295,665	\$ 25,366,533	\$ 25,516,426	\$ 25,880,555
Restricted	3,915,069	3,544,215	6,048,574	5,042,136	3,828,711
Unrestricted	(1,378,670)	(1,261,281)	(1,998,217)	(1,724,540)	(1,419,210)
Total Primary Government Net Position	<u>\$ 28,433,176</u>	<u>\$ 28,578,599</u>	<u>\$ 29,416,890</u>	<u>\$ 28,834,022</u>	<u>\$ 28,290,056</u>

*Fiscal year 2014 amounts have been restated.

STATE OF MISSOURI
 FUND BALANCES – GOVERNMENTAL FUNDS
 FISCAL YEARS 2006–2015
 (In Thousands of Dollars)

	2015	2014*	2013	2012	2011	2010
General Fund						
Nonspendable	\$ 53,809	\$ 50,504	\$ 56,048	\$ 61,207	\$ 42,906	\$ 44,158
Restricted	292,758	289,266	285,878	340,205	475,205	186,737
Committed	545,765	560,141	506,778	504,569	512,623	534,620
Assigned	88,689	73,625	67,277	63,484	59,783	51,734
Unassigned	330,163	244,821	530,431	195,193	325,123	423,227
Total General Fund	<u>1,311,184</u>	<u>1,218,357</u>	<u>1,446,412</u>	<u>1,164,658</u>	<u>1,415,640</u>	<u>1,240,476</u>
All Other Governmental Funds						
Nonspendable	1,243,039	1,170,054	1,126,253	1,077,138	1,016,981	986,201
Restricted	1,509,834	1,544,139	1,636,550	1,745,287	2,137,789	2,021,223
Committed	377,385	345,465	337,874	291,723	284,455	219,557
Assigned	424,977	400,668	370,090	367,261	339,192	355,202
Total All Other Governmental Funds	<u>3,555,235</u>	<u>3,460,326</u>	<u>3,470,767</u>	<u>3,481,409</u>	<u>3,778,417</u>	<u>3,582,183</u>
Total Fund Balances, Governmental Funds	<u>\$ 4,866,419</u>	<u>\$ 4,678,683</u>	<u>\$ 4,917,179</u>	<u>\$ 4,646,067</u>	<u>\$ 5,194,057</u>	<u>\$ 4,822,659</u>

*Fiscal year 2014 amounts have been restated.

	2009	2008	2007	2006
General Fund				
Reserved	\$ 589,532	\$ 584,516	\$ 567,880	\$ 526,159
Unreserved	716,371	1,310,239	1,289,033	988,240
Total General Fund	<u>1,305,903</u>	<u>1,894,755</u>	<u>1,856,913</u>	<u>1,514,399</u>
All Other Governmental Funds				
Reserved	1,218,019	1,112,262	1,068,533	988,493
Unreserved, Reported in:				
Special Revenue Funds	1,182,724	1,314,796	1,184,853	1,192,431
Capital Projects Funds	540,554	927,694	542,038	213,026
Permanent Funds	124	116	88	96
Total All Other Governmental Funds	<u>2,941,421</u>	<u>3,354,868</u>	<u>2,795,512</u>	<u>2,394,046</u>
Total Fund Balances, Governmental Funds	<u>\$ 4,247,324</u>	<u>\$ 5,249,623</u>	<u>\$ 4,652,425</u>	<u>\$ 3,908,445</u>

**STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2006-2015
(In Thousands of Dollars)**

	2015	2014*	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes	\$ 11,302,267	\$ 10,549,046	\$ 10,557,831	\$ 9,956,574	\$ 9,398,840	\$ 8,987,066	\$ 9,503,743	\$ 10,220,623	\$ 10,030,906	\$ 10,648,213
Licenses, Fees, and Permits	653,229	654,416	647,233	647,130	630,944	637,078	657,725	638,048	574,873	622,911
Sales	11,905	12,308	10,261	8,827	10,131	8,917	10,301	12,064	34,973	11,321
Leases and Rentals	497	480	1,212	313	665	934	448	438	373	155
Services	105,066	111,280	115,219	119,076	155,498	243,998	244,557	231,509	230,173	240,857
Contributions and Intergovernmental	10,876,459	10,652,830	10,860,366	11,230,111	12,500,062	12,265,891	9,763,754	8,865,962	8,025,979	7,930,499
Investment Earnings:										
Net Increase (Decrease) in the										
Fair Value of Investments	2,006	6,737	(25,606)	6,392	(53)	1,734	(9,565)	6,172	15,758	(113)
Interest	29,911	50,251	27,839	33,068	34,496	44,954	103,068	203,782	185,163	136,876
Penalties and Unclaimed Properties	116,029	74,642	112,951	51,591	54,812	60,284	48,730	64,004	63,151	83,174
Cost Reimbursement/Miscellaneous	530,394	507,763	687,609	745,602	662,070	963,030	739,288	507,021	478,419	427,916
Total Revenues	23,627,763	22,619,753	22,994,915	22,798,684	23,447,465	23,213,886	21,062,049	20,749,623	19,639,768	20,101,809
Expenditures:										
Current:										
General Government	869,266	844,854	884,342	886,309	883,953	889,467	952,780	1,021,589	923,316	850,355
Education	6,673,331	6,419,231	6,351,934	6,363,447	6,525,986	6,809,217	6,582,393	6,373,671	6,044,098	5,776,495
Natural and Economic Resources	833,441	831,495	856,133	934,767	832,855	974,260	894,815	853,872	819,326	759,733
Transportation and Law Enforcement	1,558,694	1,350,588	1,406,509	1,627,620	1,758,410	1,814,485	1,515,903	1,429,102	1,394,597	1,206,611
Human Services	12,763,803	12,447,706	12,162,029	12,320,259	11,627,776	11,632,371	10,829,000	9,835,109	9,158,585	9,796,523
Capital Outlay:										
General Government	---	34	8	---	1	5	---	---	321	386
Education	---	---	---	---	---	---	---	---	18,042	21,687
Transportation and Law Enforcement	714,550	852,832	963,001	1,115,457	1,253,100	1,409,557	1,308,229	1,144,171	1,250,233	1,231,092
Human Services	1,354	---	---	---	---	4	306	3,133	10,248	12,319
Debt Service:										
Principal	285,627	256,221	216,017	212,483	242,497	227,307	219,496	196,669	197,212	170,295
Interest	166,672	187,123	189,920	208,518	225,858	209,428	191,684	186,432	165,470	121,301
Bond Issuance Costs	831	1,545	920	606	1,552	8,101	1,278	2,694	5,775	1,821
Underwriter's Discount	2,260	4,075	2,423	2,074	437	---	---	390	247	---
Arbitrage	---	---	---	---	42	374	583	---	---	---
Total Expenditures	23,869,829	23,195,704	23,033,236	23,671,540	23,352,467	23,974,576	22,496,467	21,046,832	19,987,470	19,948,618
Excess Revenues (Expenditures)	(242,066)	(575,951)	(38,321)	(872,856)	94,998	(760,690)	(1,434,418)	(297,209)	(347,702)	153,191
Other Financing Sources (Uses):										
Proceeds from Notes/Capital Leases	1,819	1,400	712	1,776	6,300	6,675	26,317	52,245	8,794	41,924
Capital Lease Termination Payment	---	---	---	---	---	---	---	(22,559)	---	---
Debt Issuance	129,465	---	---	---	---	1,085,000	142,735	576,800	920,000	350,660
Issuance of Refunding Bonds	108,930	995,555	441,690	163,145	312,960	---	---	---	394,870	---
Swap Termination Payment	---	---	---	---	---	---	---	(11,118)	---	---
Payments to Escrow Agent	(121,020)	(1,177,908)	(486,904)	(168,589)	(351,599)	---	---	---	(433,477)	---
Bond Premium	18,622	195,638	48,276	7,944	40,468	30,631	2,835	28,361	77,099	21,336
Proceeds from Capital Asset Sale	11,137	13,867	19,310	16,864	14,703	12,938	11,087	13,142	8,675	6,634
Transfers In	285,468	304,688	312,595	300,699	255,959	259,810	258,568	266,263	257,287	260,967
Transfers Out	(9,547)	(12,763)	(21,846)	(144)	---	(738)	(902)	(6,476)	(120,586)	(1,598)
Total Other Financing Sources (Uses)	424,874	320,477	313,833	321,695	278,791	1,394,316	440,640	896,658	1,112,662	679,923
Net Change in Fund Balances	\$ 182,808	(255,474)	275,512	(551,161)	373,789	633,626	(993,778)	599,449	764,960	833,114
Increase (Decrease) in Reserve for Inventory	4,928	153	(4,402)	4,135	(2,389)	(279)	(105)	(2,251)	838	(129)
Net Change in Fund Balances	\$ 187,736	(255,321)	\$ 271,110	(547,026)	\$ 371,400	\$ 633,347	(993,883)	\$ 597,198	\$ 765,798	\$ 832,985
Debt Service as a Percentage of Non-Capital Expenditures	1.99%	2.02%	1.85%	1.89%	2.14%	1.99%	1.96%	1.96%	1.99%	1.59%

*Fiscal year 2014 amounts have been restated.

**STATE OF MISSOURI
REVENUE BASE – TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2006–2015**

Taxable Sales by Industry	2015	2014	2013	2012	2011
Agricultural/Forestry, Fishing, and Other	\$ 240,000,494	\$ 236,474,690	\$ 215,327,746	\$ 221,013,601	\$ 201,234,995
Mining	87,523,595	76,102,321	72,364,854	74,803,209	73,001,501
Construction	950,357,972	903,053,231	837,805,800	861,403,612	794,578,753
Manufacturing	4,512,551,497	4,452,723,181	4,122,180,876	3,761,027,682	2,916,005,779
Transportation and Public Utilities	8,150,393,880	8,296,512,631	7,865,266,716	7,836,415,362	8,377,819,035
Wholesale Trade	8,772,153,165	8,355,874,187	8,201,088,643	8,205,030,046	7,636,707,697
Retail Trade	48,945,156,057	46,883,720,342	45,955,834,897	45,578,697,317	43,451,150,211
Finance, Insurance, and Real Estate	459,394,721	428,174,408	555,096,635	577,095,000	573,590,035
Services	10,167,703,650	9,615,517,898	9,242,131,446	9,239,885,195	8,712,983,898
State and Local Government	149,553,253	196,281,904	164,729,390	167,737,492	150,984,890
Non-Classifiable	12,193,479	13,389,207	19,041,853	15,869,773	13,130,346
Total Taxable Sales	\$ 82,446,981,763	\$ 79,457,824,000	\$ 77,250,868,856	\$ 76,538,978,289	\$ 72,901,187,140
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry	2010	2009	2008	2007	2006
Agricultural/Forestry, Fishing, and Other	\$ 202,810,606	\$ 209,980,903	\$ 192,024,683	\$ 198,564,812	\$ 190,183,959
Mining	85,194,876	88,867,589	106,892,575	128,534,001	148,041,999
Construction	786,022,254	889,561,095	887,618,876	929,753,447	929,146,007
Manufacturing	2,994,039,718	3,203,288,128	2,995,302,916	2,862,904,859	3,217,299,757
Transportation and Public Utilities	8,347,862,197	8,247,781,684	7,130,631,754	7,673,318,253	7,285,790,054
Wholesale Trade	5,708,391,048	7,019,606,804	8,028,332,745	8,338,189,598	8,604,467,502
Retail Trade	42,667,031,160	44,820,794,586	46,413,720,906	46,166,130,737	44,878,694,872
Finance, Insurance, and Real Estate	562,957,084	592,136,070	538,271,852	529,797,617	533,582,629
Services	8,676,719,865	8,648,622,385	9,212,468,960	8,787,849,846	8,433,450,983
State and Local Government	135,174,330	158,765,152	162,520,783	161,631,024	156,947,658
Non-Classifiable	14,230,874	21,079,516	19,669,233	15,518,372	16,694,236
Total Taxable Sales	\$ 70,180,434,012	\$ 73,900,483,912	\$ 75,687,455,283	\$ 75,792,192,566	\$ 74,394,299,656
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE BASE – PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2005–2014**

**Personal Income by Industry
(In Thousands of Dollars)**

	2014	2013	2012	2011	2010
Farm Earnings	\$ 3,786,857	\$ 1,626,591	\$ 1,257,121	\$ 2,321,629	\$ 1,523,983
Agricultural/Forestry, Fishing, and Other	394,686	397,546	319,736	297,657	333,875
Mining	450,247	531,506	533,997	504,777	395,522
Construction/Utilities	12,039,804	11,722,352	11,021,154	10,551,329	10,588,278
Manufacturing	19,405,898	18,638,481	18,223,989	17,303,819	16,746,171
Transportation and Public Utilities	6,632,242	6,641,733	6,329,830	5,957,783	5,732,126
Wholesale Trade	10,168,424	9,614,681	9,401,253	8,969,791	8,721,745
Retail Trade	11,353,713	11,045,743	10,981,844	10,654,925	10,506,522
Finance, Insurance, and Real Estate	14,637,085	13,981,286	13,577,510	12,587,314	12,244,442
Services	75,021,866	73,357,863	70,695,009	67,723,434	65,813,475
Federal, Civilian	5,370,947	5,170,204	5,326,901	5,399,812	5,440,528
Military	1,906,989	2,165,907	2,087,494	2,151,087	2,185,296
State and Local Government	21,611,208	21,013,029	20,951,836	20,783,859	21,026,890
Total Personal Income	\$ 182,779,966	\$ 175,906,922	\$ 170,707,674	\$ 165,207,216	\$ 161,258,853
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

**Personal Income by Industry
(In Thousands of Dollars)**

	2009	2008	2007	2006	2005
Farm Earnings	\$ 1,591,091	\$ 2,376,908	\$ 1,374,784	\$ 1,275,728	\$ 1,418,941
Agricultural/Forestry, Fishing, and Other	276,120	303,227	305,046	296,794	285,101
Mining	388,211	502,316	440,499	382,200	493,876
Construction/Utilities	11,331,673	12,516,453	12,386,303	12,504,699	11,841,236
Manufacturing	17,442,057	20,134,090	19,030,882	19,108,565	18,615,722
Transportation and Public Utilities	5,809,413	6,293,608	6,255,137	6,103,789	5,879,793
Wholesale Trade	8,658,427	9,231,605	9,027,671	8,465,151	8,073,239
Retail Trade	10,416,435	10,570,173	10,617,610	10,540,177	10,325,489
Finance, Insurance, and Real Estate	11,816,812	11,670,581	11,183,515	11,405,949	10,865,949
Services	64,334,920	67,549,088	63,543,402	59,934,255	56,500,169
Federal, Civilian	5,151,679	5,351,539	5,011,544	4,852,757	4,689,078
Military	2,318,306	2,595,583	2,323,860	2,109,152	1,972,637
State and Local Government	20,830,621	18,813,044	17,853,285	16,825,963	16,065,575
Total Personal Income	\$ 160,365,765	\$ 167,908,215	\$ 159,353,538	\$ 153,805,179	\$ 147,026,805
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Source: Bureau of Economic Analysis

**STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2006-2015**

Personal Income Tax Revenue	2015	2014	2013	2012	2011
Personal Income Tax Revenue	\$6,904,280,506	\$6,421,723,597	\$6,374,093,816	\$5,851,270,707	\$5,641,812,271
Personal Income (Federal AGI)	\$272,999,790,569	\$286,579,465,435	\$238,522,413,855	\$232,336,289,876	\$206,107,657,668
Taxable Income	\$204,984,460,785	\$215,915,208,076	\$176,397,991,056	\$170,827,410,945	\$147,407,200,244
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.53%	2.24%	2.67%	2.52%	2.74%
	3.37%	2.97%	3.61%	3.43%	3.83%

Continues Below

Personal Income Tax Revenue	2010	2009	2008	2007	2006
Personal Income Tax Revenue	\$5,495,341,696	\$5,949,266,333	\$6,119,090,558	\$5,736,793,026	\$5,360,679,833
Personal Income (Federal AGI)	\$214,909,582,160	\$254,573,370,206	\$242,481,271,497	\$215,491,776,833	\$185,705,288,582
Taxable Income	\$124,489,765,954	\$188,091,389,476	\$172,825,313,183	\$157,963,987,815	\$133,414,355,787
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.56%	2.34%	2.52%	2.66%	2.89%
	4.41%	3.16%	3.54%	3.63%	4.02%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2006-2015**

**Ranges of Tax Rates
on the Portion of
Taxable Income**

(In Thousands of Dollars)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2006-2015**

Sales Tax						
	2015	%	2014	%	2013	%
Agricultural	\$ 10,140,021	0.29%	\$ 9,991,056	0.30%	\$ 9,097,597	0.28%
Mining	3,697,872	0.11%	3,215,323	0.10%	3,057,415	0.09%
Construction	40,152,624	1.15%	38,153,999	1.14%	35,397,295	1.08%
Manufacturing	190,655,301	5.47%	188,127,554	5.60%	174,162,142	5.34%
Transportation & Utilities	344,354,141	9.89%	350,527,659	10.44%	332,307,519	10.18%
Wholesale Trade	370,623,471	10.64%	353,035,684	10.52%	346,495,995	10.62%
Retail Trade	2,067,932,843	59.37%	1,980,837,184	59.00%	1,941,634,024	59.49%
Finance, Insurance, & Real Estate	19,409,427	0.56%	18,090,369	0.54%	23,452,833	0.72%
Services	429,585,479	12.33%	406,255,631	12.10%	390,480,054	11.96%
Government	6,318,625	0.18%	8,292,910	0.25%	6,959,817	0.21%
Non-Classifiable	515,174	0.01%	565,694	0.02%	804,518	0.02%
Total	\$ 3,483,384,978	100.00%	\$ 3,357,093,063	100.00%	\$ 3,263,849,209	100.00%
	2012	%	2011	%	2010	%
Agricultural	\$ 9,337,825	0.29%	\$ 8,502,179	0.28%	\$ 8,568,748	0.29%
Mining	3,160,435	0.10%	3,084,313	0.10%	3,599,484	0.12%
Construction	36,394,303	1.13%	33,570,952	1.09%	33,209,440	1.12%
Manufacturing	158,903,420	4.91%	123,201,244	4.00%	126,498,178	4.27%
Transportation & Utilities	331,088,549	10.24%	353,962,854	11.49%	352,697,178	11.90%
Wholesale Trade	346,662,519	10.72%	322,650,900	10.47%	241,179,522	8.13%
Retail Trade	1,925,699,962	59.55%	1,835,811,096	59.60%	1,802,682,066	60.80%
Finance, Insurance, & Real Estate	24,382,264	0.75%	24,234,179	0.79%	23,784,937	0.80%
Services	390,385,149	12.07%	368,123,570	11.95%	366,591,414	12.36%
Government	7,086,909	0.22%	6,379,112	0.21%	5,711,115	0.19%
Non-Classifiable	670,498	0.02%	554,757	0.02%	601,254	0.02%
Total	\$ 3,233,771,833	100.00%	\$ 3,080,075,156	100.00%	\$ 2,965,123,336	100.00%
	2009	%	2008	%	2007	%
Agricultural	\$ 8,871,693	0.28%	\$ 8,113,043	0.25%	\$ 8,389,363	0.26%
Mining	3,754,656	0.12%	4,516,211	0.14%	5,430,562	0.17%
Construction	37,583,956	1.20%	37,501,898	1.17%	39,282,083	1.23%
Manufacturing	135,338,923	4.34%	126,551,548	3.96%	120,957,730	3.78%
Transportation & Utilities	348,468,776	11.16%	301,269,192	9.42%	324,197,696	10.12%
Wholesale Trade	296,578,387	9.50%	339,197,058	10.61%	352,288,511	11.00%
Retail Trade	1,893,678,571	60.65%	1,960,979,708	61.32%	1,950,519,024	60.91%
Finance, Insurance, & Real Estate	25,017,749	0.80%	22,741,986	0.71%	22,383,949	0.70%
Services	365,404,296	11.70%	389,226,814	12.17%	371,286,656	11.60%
Government	6,707,828	0.22%	6,866,503	0.22%	6,828,911	0.21%
Non-Classifiable	890,610	0.03%	831,025	0.03%	655,651	0.02%
Total	\$ 3,122,295,445	100.00%	\$ 3,197,794,986	100.00%	\$ 3,202,220,136	100.00%
	2006	%				
Agricultural	\$ 8,035,272	0.26%				
Mining	6,254,774	0.20%				
Construction	39,256,419	1.25%				
Manufacturing	135,930,915	4.32%				
Transportation & Utilities	307,824,630	9.79%				
Wholesale Trade	363,538,752	11.57%				
Retail Trade	1,896,124,858	60.32%				
Finance, Insurance, & Real Estate	22,543,866	0.72%				
Services	356,313,304	11.34%				
Government	6,631,039	0.21%				
Non-Classifiable	705,332	0.02%				
Total	\$ 3,143,159,161	100.00%				

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2006 AND 2015**

Personal Income *

	2015			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,303,368	73.33%	\$ 1,306,828,371	21.70%
\$50,000 – \$100,000	855,095	18.98%	1,695,541,353	28.15%
\$100,000 – \$250,000	268,815	5.97%	1,307,524,453	21.71%
\$250,000 – \$1,000,000	63,073	1.40%	889,711,521	14.77%
\$1,000,000 and over	14,265	0.32%	823,732,904	13.68%
Total	4,504,616	100.00%	\$ 6,023,338,602	100.00%

	2006			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,366,462	81.44%	\$ 1,397,791,712	32.53%
\$50,000 – \$100,000	583,571	14.12%	1,206,476,911	28.07%
\$100,000 – \$250,000	137,704	3.33%	681,723,630	15.86%
\$250,000 – \$1,000,000	36,905	0.89%	533,311,827	12.41%
\$1,000,000 and over	9,139	0.22%	478,397,579	11.13%
Total	4,133,781	100.00%	\$ 4,297,701,659	100.00%

*Federal Adjusted Gross Income

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2006-2015
(In Thousands of Dollars Except Per Capita)**

	2015	2014*	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
General Obligation Bonds	\$ 266,275	\$ 323,395	\$ 378,150	\$ 432,765	\$ 487,090	\$ 528,910	\$ 600,075	\$ 666,165	\$ 684,515	\$ 739,935
Other Bonds	3,226,430	3,303,700	3,562,775	3,735,920	3,880,975	4,060,855	3,102,685	3,084,670	2,660,875	1,873,140
Leasehold Revenue Bonds	30,170	31,515	32,995	32,780	33,880	34,935	35,955	36,935	37,880	38,860
Certificates of Participation	52,560	65,160	76,910	76,910	76,910	87,550	96,235	105,325	113,990	122,255
Capital Leases	51,880	66,270	75,535	78,455	103,543	97,423	113,147	108,815	74,641	74,049
Total Governmental Activities	\$ 3,627,315	\$ 3,790,040	\$ 4,126,365	\$ 4,356,830	\$ 4,582,398	\$ 4,809,673	\$ 3,948,097	\$ 4,001,910	\$ 3,571,901	\$ 2,848,239
Business-Type Activities										
Capital Leases	\$ 477	\$ 215	\$ 284	\$ 356	\$ 66	\$ 116	\$ 210	\$ 244	\$ ---	\$ ---
Total Business-Type Activities	\$ 477	\$ 215	\$ 284	\$ 356	\$ 66	\$ 116	\$ 210	\$ 244	\$ ---	\$ ---
Total Primary Government	\$ 3,627,792	\$ 3,790,255	\$ 4,126,649	\$ 4,357,186	\$ 4,582,464	\$ 4,809,789	\$ 3,948,307	\$ 4,002,154	\$ 3,571,901	\$ 2,848,239
Personal Income	\$ 252,482,438	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019	\$ 223,548,498	\$ 209,131,189	\$ 198,727,013	\$ 186,752,616
Debt as a Percentage of Personal Income ¹	1.4%	1.5%	1.8%	1.9%	2.1%	2.2%	1.8%	1.9%	1.8%	1.5%
Debt Per Capita ¹	\$ 598	\$ 627	\$ 685	\$ 725	\$ 764	\$ 807	\$ 666	\$ 680	\$ 611	\$ 492
Legal Debt Margin Calculation for Fiscal Year 2015:										
General Obligation Bonds Authorized (Legislative Debt Limit)	\$ 1,726,395									
Unforeseen Emergency or Casual Deficiency	1,000									
Less: General Obligation Issued	(1,489,494)									
Legal Debt Margin	\$ 237,901									
Legal Debt Margin Summary by Fiscal Year:										
Legislative Debt Limit	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,686,395	\$ 1,646,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,438,494)	(1,438,494)
Legal Debt Margin	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901	\$ 247,901	\$ 207,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	14.70%	12.63%

¹These ratios are calculated using personal income and population for the calendar year. See *Demographic Indicators* for personal income and population data.

*Fiscal year 2014 has been restated.

**STATE OF MISSOURI
PLEGGED REVENUE COVERAGE
FISCAL YEARS 2006–2015
(In Thousands of Dollars)**

Fiscal Year	Gross Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage ³
				Principal	Interest	
Missouri Road Fund						
2015	\$ 1,721,615	\$ 373,739	\$ 1,347,876	\$ 169,550	\$ 114,878	4.7
2014	1,773,033	348,537	1,424,496	162,050	130,641	4.9
2013	1,822,318	333,327	1,488,991	153,525	135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8
2009	997,990	279,971	718,019	84,896	113,591	3.6
2008	1,049,645	279,823	769,822	62,515	105,117	4.6
2007	1,024,787	269,210	755,577	73,350	82,049	4.9
2006	727,870	N/A	727,870	63,149	49,248	6.5

N/A = not available

¹Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

²Operating Expenses do not include depreciation/amortization.

³Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

**STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2005-2014**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Population					
Missouri (In Thousands)	6,064	6,044	6,022	6,011	5,996
Change	0.3%	0.4%	0.2%	0.3%	0.6%
National (In Thousands)	318,857	316,129	313,914	311,592	309,330
Change	0.9%	0.7%	0.7%	0.7%	0.8%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 252,482,438	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293
Change	2.7%	4.5%	3.0%	4.3%	1.3%
National					
(In Thousands of Dollars)	\$ 14,683,147,000	\$ 14,151,427,000	\$ 13,401,868,693	\$ 12,949,905,000	\$ 12,308,496,000
Change	3.8%	5.6%	3.5%	5.2%	3.3%
Per Capita Personal Income					
Missouri	\$ 41,639	\$ 40,663	\$ 39,049	\$ 37,969	\$ 36,406
Change	2.4%	4.1%	2.8%	4.3%	0.4%
National	\$ 46,049	\$ 44,765	\$ 42,693	\$ 41,560	\$ 39,791
Change	2.9%	4.9%	2.7%	4.4%	2.4%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,058	3,018	2,993	3,022	3,053
Employed (In Thousands)	2,871	2,821	2,785	2,767	2,767
Unemployed (In Thousands)	187	197	207	255	286
Unemployment Rate	6.1%	6.5%	6.9%	8.4%	9.4%
National Unemployment Rate	6.2%	7.4%	8.1%	8.9%	9.6%

Continues Below

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Population					
Missouri (In Thousands)	5,961	5,924	5,888	5,843	5,790
Change	0.6%	0.6%	0.8%	0.9%	0.7%
National (In Thousands)	306,772	304,094	301,231	298,380	295,517
Change	0.9%	1.0%	1.0%	1.0%	0.9%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 216,049,019	\$ 223,548,498	\$ 209,131,189	\$ 198,727,013	\$ 186,752,616
Change	-3.4%	6.9%	5.2%	6.4%	3.4%
National					
(In Thousands of Dollars)	\$ 11,916,808,000	\$ 12,451,599,000	\$ 11,900,562,000	\$ 11,256,516,000	\$ 10,476,669,000
Change	-4.3%	4.6%	5.7%	7.4%	5.5%
Per Capita Personal Income					
Missouri	\$ 36,243	\$ 37,737	\$ 35,521	\$ 34,013	\$ 32,253
Change	-4.0%	6.2%	4.4%	5.5%	2.7%
National	\$ 38,846	\$ 40,947	\$ 39,506	\$ 37,725	\$ 35,452
Change	-5.1%	3.6%	4.7%	6.4%	4.6%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,051	3,046	3,050	3,034	3,011
Employed (In Thousands)	2,768	2,861	2,896	2,888	2,850
Unemployed (In Thousands)	283	186	155	147	162
Unemployment Rate	9.3%	6.1%	5.1%	4.8%	5.4%
National Unemployment Rate	9.3%	5.8%	4.6%	4.6%	5.1%

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

**STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2005-2014**

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
School Enrollment (In Thousands)					
Elementary and Secondary Education	886	888	888	886	890
Higher Education – Private Institutions	95	90	91	98	95
Total Enrollment (In thousands)	<u>981</u>	<u>978</u>	<u>979</u>	<u>984</u>	<u>985</u>
% Change from Prior Year	0.3%	-0.1%	-0.5%	-0.1%	0.0%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	19	19
Number of Students (FTE*)	61,671	65,773	67,721	70,964	70,320
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,276	1,325	1,236	1,161	1,133
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	121,358	118,669	118,055	117,609	114,655

Continues Below

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
School Enrollment (In Thousands)					
Elementary and Secondary Education	892	893	894	898	898
Higher Education – Private Institutions	93	89	88	86	84
Total Enrollment	<u>985</u>	<u>982</u>	<u>982</u>	<u>984</u>	<u>982</u>
% Change from Prior Year	0.3%	0.0%	-0.2%	0.2%	0.8%
Higher Education					
Public Community Colleges					
Number of Campuses	20	19	19	18	18
Number of Students (FTE*)	65,034	56,365	54,900	52,377	51,945
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,116	976	891	888	885
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	112,539	108,159	106,056	103,856	102,628

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

**STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2005 AND 2014**

2014

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	57,000	1.99%
Wal-Mart Associates, Inc.	30,000+	1.04%
University of Missouri	20,000-25,000	0.70% - 0.87%
Washington University	15,000-20,000	0.52% - 0.70%
US Post Office	10,000-15,000	0.35% - 0.52%
The Boeing Company	10,000-15,000	0.35% - 0.52%
Barnes-Jewish Hospital	7,500-10,000	0.26% - 0.35%
Department of Veterans Affairs	7,500-10,000	0.26% - 0.35%
Schnuck Markets, Inc.	7,500-10,000	0.26% - 0.35%
Cerner Corporation	7,500-10,000	0.26% - 0.35%
Total	172,000-202,000	5.99% - 7.04%
Total Missouri Employment		2,871,217

2005

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	63,000	2.20%
Wal-Mart Associates, Inc.	40,000+	1.40%
University of Missouri	20,000-25,000	0.70% - 0.87%
US Post Office	17,500-20,000	0.61% - 0.70%
Boeing Corporation	15,000-17,500	0.52% - 0.61%
Washington University	12,500-15,000	0.44% - 0.52%
Schnuck Markets, Inc.	7,500-10,000	0.26% - 0.35%
Barnes-Jewish Hospitals	7,500-10,000	0.26% - 0.35%
US Department of Defense	7,500-10,000	0.26% - 0.35%
City of St. Louis	7,500-10,000	0.26% - 0.35%
Total	198,000-220,500	6.91% - 7.70%
Total Missouri Employment		2,862,000

All figures are based on a calendar-year average.

¹Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center,
State of Missouri CAFR-Fiscal Year 2006, State Employee Headcount report

**STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2006-2015
FULL-TIME EQUIVALENTS***

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Legislature	667	671	670	683	703	725	716	719	732	749
Judiciary	3,519	3,530	3,470	3,369	3,393	3,626	3,755	3,731	3,777	3,826
Public Defender	573	575	565	595	578	570	558	555	558	561
Governor	22	23	26	28	32	33	24	32	33	34
Lt. Governor	6	5	5	6	6	6	6	6	7	7
Secretary of State	233	228	244	244	253	261	272	277	275	266
State Auditor	113	113	111	116	116	119	124	128	127	132
State Treasurer	46	49	48	49	50	49	51	51	51	51
Attorney General	373	376	363	350	371	408	420	451	443	427
Office of Administration	1,871	1,933	2,132	2,161	2,139	2,040	2,091	2,046	1,783	868
Revenue	1,288	1,347	1,344	1,364	1,383	1,421	1,487	1,523	1,586	1,766
Total General Government	8,711	8,850	8,978	8,965	9,024	9,258	9,504	9,519	9,372	8,687
Education										
Elementary and Secondary Education	2,639	2,678	2,631	2,714	2,635	2,662	2,760	2,650	2,654	2,719
Higher Education	57	57	64	61	65	75	73	67	58	67
Total Education	2,696	2,735	2,695	2,775	2,700	2,737	2,833	2,717	2,712	2,786
Natural and Economic Resources										
Agriculture	495	464	456	467	535	617	494	479	467	456
Insurance, Financial Institutions and Professional Registration	765	762	759	755	744	734	741	748	192	200
Conservation	1,895	1,896	1,901	1,872	1,894	1,982	2,085	2,065	2,190	2,270
Economic Development	810	786	822	891	947	1,019	994	1,024	1,604	1,681
Labor and Industrial Relations	827	881	967	998	987	924	777	810	913	1,056
Natural Resources	1,974	2,075	2,047	2,042	1,934	1,903	2,121	2,102	2,061	2,175
Total Natural and Economic Resources	6,766	6,864	6,952	7,025	7,041	7,179	7,212	7,228	7,427	7,838
Transportation and Law Enforcement										
Transportation	5,591	5,502	5,410	5,804	6,399	6,970	6,969	6,961	7,196	7,300
Public Safety	5,193	5,220	5,320	5,309	5,281	5,336	5,412	5,294	5,085	5,101
Total Transportation and Law Enforcement	10,784	10,722	10,730	11,113	11,680	12,306	12,381	12,255	12,281	12,401
Human Services										
Health and Senior Services	1,830	1,793	1,798	1,753	1,706	1,826	1,927	1,885	1,877	1,969
Mental Health	7,742	8,076	8,101	8,089	8,256	8,961	9,613	9,500	9,602	9,784
Social Services	7,147	7,145	7,244	7,371	7,562	8,138	8,584	8,624	8,553	8,794
Corrections	11,051	11,069	10,880	10,864	10,990	11,175	11,364	11,020	11,138	11,235
Total Human Services	27,770	28,083	28,023	28,077	28,514	30,100	31,488	31,029	31,170	31,782
State Total	56,727	57,254	57,378	57,955	58,959	61,580	63,418	62,748	62,962	63,494

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

**STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2006-2015**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Individual Income Tax Returns Processed (In Thousands)	3,058	2,848	2,945	2,969	2,917	2,877	2,946	3,013	3,902	2,770
Sales and Use Tax Returns Processed (In Thousands)	705	703	730	760	773	785	772	788	1,055	742
Driver Licenses Processed (In Thousands)	1,600	1,415	1,308	1,208	1,160	1,090	1,179	964	1,052	1,106
Motor Vehicle Registrations Processed (In Thousands)	4,479	4,215	4,050	3,905	3,828	3,844	3,502	3,866	3,856	2,994
Audit Reports Issued	143	150	146	123	168	151	101	91	88	103
Statewide Court Filings (In Thousands)	2,624	2,652	2,685	2,565	2,525	2,359	2,322	2,196	2,027	2,152
Archives Website Hit										
Secretary of State Web Page (In Thousands)	72,045	87,436	98,233	91,257	70,384	53,835	79,599	46,085	29,817	11,795
Checks Issued (In Thousands)	1,550	1,363	1,722	1,971	2,216	2,465	2,667	2,807	3,035	3,309
Unclaimed Property Returned (In Thousands)	\$ 41,720	\$ 40,042	\$ 39,509	\$ 38,239	\$ 36,373	\$ 35,014	\$ 26,672	\$ 34,531	\$ 22,966	\$ 21,816
Education										
High School Drop Out Rate	2.5%	2.8%	3.0%	3.5%	4.0%	4.1%	3.9%	4.2%	4.7%	3.8%
Accredited Elementary and Secondary School Districts*	507	507	---	506	510	510	511	512	513	511
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	61.7%	60.0%	62.7%	61.0%	56.0%	61.0%	67.1%	67.7%	70.2%	67.6%
Student Loan Recovery Rate	26.4%	31.2%	34.2%	36.5%	30.0%	28.2%	30.5%	36.4%	33.5%	35.6%
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	\$ 111,342	\$ 107,413	\$ 104,265	\$ 97,077	\$ 91,146	\$ 98,593	\$ 108,981	\$ 89,728	\$ 41,466	\$ 41,845
Natural and Economic Resources										
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page	60.7%	56.0%	55.4%	55.2%	58.2%	57.9%	64.0%	66.0%	62.0%	63.3%
Insurance Policies Filed Electronically	99.5%	99.4%	99.4%	99.5%	96.0%	96.0%	94.7%	50.0%	50.0%	50.0%
Initial Unemployment Claims (In Thousands)	295	355	364	427	502	582	565	396	411	393
International Certificate of Free Sales Issued	7,926	6,453	7,819	7,821	6,301	4,924	3,865	2,904	2,768	---
Hunting License Holders (In Thousands)	610	612	606	593	588	592	591	580	579	570
Visitors to Missouri State Parks and Historic Sites (In Thousands)	18,568	17,468	18,093	17,846	16,363	15,891	15,307	15,577	16,069	16,650
Transportation and Law Enforcement										
Methamphetamine Labs Seized	70	129	244	274	340	245	165	274	259	375
State – Licensed Fire Safety Inspections	13,434	15,348	15,680	15,177	11,487	10,603	11,008	11,998	11,684	9,848
Buildings Served by Missouri Capitol Police	72	72	72	72	73	75	83	82	82	79
Alcohol Licenses Issued	31,400	30,743	30,723	30,498	29,960	29,051	28,437	28,199	26,704	26,145
Missouri Major Roads Rated in Good Condition	89.2%	89.7%	88.5%	88.1%	85.8%	86.5%	83.4%	78.0%	74.0%	60.8%
Difference Between Awarded and Actual Transportation Construction Costs	0.6%	0.8%	0.5%	0.2%	(0.4%)	(1.9%)	1.1%	0.9%	0.9%	3.1%
Human Services										
Medicaid Enrollees	944,257	825,974	868,226	889,159	897,306	892,691	850,722	833,112	822,685	830,262
Food Stamp Recipients	844,851	839,734	927,927	943,835	949,136	909,139	827,639	899,332	826,313	795,963
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,174	1,192	1,385	1,354	1,420	1,384	1,317	1,360	1,097	1,075
Incarcerated Offenders	32,284	31,905	31,408	31,057	30,771	30,418	30,476	30,803	29,975	30,185
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,628	1,649	1,694	1,716	2,170	4,120	6,759	6,882	7,805	7,772

*Department of Elementary and Secondary Education presented no accreditation classifications to the Board of Education during fiscal year 2013. Charter schools are not included in the statistics.

Sources: State agencies

**STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2006-2015**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Parcels of Land	20	20	20	20	20	20	21	21	20	18
Land Improvements	59	58	50	40	38	38	37	37	35	35
Square Footage of Buildings	1,032,098	1,035,704	1,014,621	1,006,449	1,013,314	1,011,732	1,015,214	1,001,281	996,590	991,800
Equipment	34,548	35,055	36,050	35,651	35,316	35,333	36,813	35,171	42,333	44,469
Software	1,961	1,625	826	293	213	168	88	---	---	---
Education										
Parcels of Land	31	31	31	31	31	31	31	31	32	32
Land Improvements	54	54	54	46	43	43	32	31	31	31
Square Footage of Buildings	136,074	136,203	140,159	136,465	136,465	133,494	135,230	135,230	135,230	102,719
Equipment	5,039	6,286	6,175	6,102	5,984	5,911	6,031	6,010	6,679	6,780
Trademarks	1	1	1	1	1	---	---	---	---	---
Natural and Economic Resources										
Parcels of Land	835	826	826	826	825	824	823	815	811	815
Land Improvements	426	408	386	328	324	323	325	323	318	320
Temporary Easements	1	1	1	1	1	1	---	---	---	---
Square Footage of Buildings	574,076	575,485	602,174	611,550	616,729	622,181	622,285	625,779	622,887	528,136
Equipment	26,859	34,028	35,159	35,064	36,097	36,881	38,807	41,145	43,534	46,574
Software	68	57	51	36	20	12	3	---	---	---
State Parks and Historic Sites	87	87	87	85	85	85	85	84	84	84
State Conservation Areas	1,186	1,189	1,197	1,193	1,196	1,179	1,169	1,165	1,151	1,148
Transportation and Law Enforcement										
Parcels of Land	628	650	682	790	805	819	831	836	853	862
Land Improvements	474	439	420	349	307	264	245	198	184	177
Permanent Easements	593	548	467	382	254	221	---	---	---	---
Temporary Easements	797	867	875	833	961	1,086	---	---	---	---
Square Footage of Buildings	179,183	181,880	180,140	175,664	175,138	164,119	164,119	151,533	158,081	157,658
Equipment	67,103	66,095	65,813	66,994	67,649	67,959	67,100	65,074	63,327	62,984
Software	616	529	429	358	202	146	---	---	---	---
Miles of State Highway	33,892	33,890	33,885	33,845	33,702	33,639	33,676	33,685	32,800	32,423
State-Owned Bridges and Culverts	10,376	10,371	10,364	10,405	10,405	10,335	10,249	10,276	10,240	10,224
Highway Patrol Stations	9	9	9	9	9	9	9	9	9	9
Human Services										
Parcels of Land	81	81	81	83	83	83	84	84	84	83
Land Improvements	175	173	168	161	157	154	130	118	115	115
Square Footage of Buildings	926,098	924,164	919,900	900,749	924,380	932,827	952,117	962,710	967,653	870,129
Equipment	43,545	44,712	46,221	50,229	63,442	70,684	78,543	91,178	98,649	107,434
Software	70	59	32	28	13	10	7	---	---	---
Correctional Facilities	30	30	30	30	30	30	30	28	26	26

Source: State of Missouri capital asset records by agency.

STATE OF MISSOURI
ACKNOWLEDGEMENTS

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