



**FINANCIAL REPORT**  
(Audited)

Year Ended March 31, 2017

**CITY OF JENNINGS, MISSOURI**  
**FINANCIAL REPORT**

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	<b>Page</b>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	9
Statement of Activities - Modified Cash Basis	10
Fund Financial Statements:	
Balance Sheet - Modified Cash Basis - Governmental Funds	11
Reconciliation of the Balance Sheet - Modified Cash Basis - Governmental Funds to the Statement of Net Position - Modified Cash Basis	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds to the Statement of Activities - Modified Cash Basis	14
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary Fund	15
Statement of Changes in Fiduciary Net Position - Modified Cash Basis - Fiduciary Fund	16
Notes to Financial Statements	17
<b>SUPPLEMENTAL INFORMATION</b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis:	
General Fund	42
Capital Improvement Fund	49
Nonmajor Governmental Funds:	
Combining Balance Sheet - Modified Cash Basis	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis	51
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Sewer Lateral Fund	52
Park Sales Tax Fund	53
Economic Development Fund	54
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis	55
Missouri Local Government Employees Retirement System:	
Schedule of Changes in Net Pension Liability (Asset) and Ratios	56
Schedule of Pension Contributions	57
City of Jennings Police and Firemen’s Retirement Fund:	
Schedule of Changes in Net Pension Liability (Asset) and Ratios	58
Schedule of Pension Contributions	59
Schedule of Annual Money-Weighted Rate of Return on Investments	60



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## INDEPENDENT AUDITOR'S REPORT

August 16, 2017

Honorable Mayor and Members of the City Council  
**CITY OF JENNINGS, MISSOURI**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF JENNINGS, MISSOURI** (the City), as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A-3; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such

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opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of March 31, 2017, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

### **Basis of Accounting**

We draw attention to Note A-3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters - Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The management's discussion and analysis and supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note A-3.

### **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hochschild, Bloom & Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

# CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2017

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As management of the City of Jennings, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2017. We encourage readers to consider the information presented here along with the City's financial statements, including the footnotes that follow this management's discussion and analysis (MD&A).

## FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the City exceeded its liabilities for the most recent fiscal year by \$5,102,766. The City has a deficit in unrestricted net position totaling (\$8,160,455) primarily due to \$10,860,711 in tax increment debt outstanding at year-end for infrastructure assets not owned by the City.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,341,249.
- At the end of the current fiscal year, the fund balance for the General Fund was \$2,700,256.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements themselves. The City has elected to utilize a modified cash basis of accounting as explained in Note A-3 of the notes to financial statements.

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

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

The statement of activities - modified cash basis presents information showing how the City's net position changed during the most recent fiscal year.

**Fund financial statements.** The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. The City does not have any proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize a current financial resources measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Such information may be useful in evaluating a government's near-term financing requirements.

# CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2017

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet - modified cash basis and in the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund, Capital Improvement Fund, Tax Increment Financing Area 3 Fund, and River Roads TIF Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section in this report.

The City adopts an annual appropriated budget for the General Fund, Capital Improvement Fund, Sewer Lateral Fund, Park Sales Tax Fund, and Economic Development Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

**Fiduciary fund.** The fiduciary fund is used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs, and thus do not represent discretionary assets of the City.

**Notes to the basic 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.

**Supplemental information.** The budgetary comparison schedules, combining statements, and pension schedules represent additional financial information. Such information provides users of this report with data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board Statements.

A condensed version of the statement of net position - modified cash basis follows:

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2017**

	March 31	
	2017	2016
<b>ASSETS</b>		
Cash and other assets	\$ 8,633,659	8,622,499
Capital assets	7,622,228	7,298,438
Total Assets	16,255,887	15,920,937
<b>LIABILITIES</b>		
Other liabilities	292,410	439,446
Noncurrent liabilities	10,860,711	11,809,263
Total Liabilities	11,153,121	12,248,709
<b>NET POSITION</b>		
Investment in capital assets	7,622,228	7,298,438
Restricted	5,640,993	5,103,357
Unrestricted	(8,160,455)	(8,729,567)
Total Net Position	\$ 5,102,766	3,672,228

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets exceeded liabilities by \$5,102,766 at the close of March 31, 2017.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements and infrastructure, equipment, and vehicles). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The City's unrestricted net position represents a deficit balance of \$8,160,455 as of March 31, 2017. This deficit is primarily the result of the balance of \$10,860,711 in TIF debt outstanding at year-end for infrastructure assets not owned by the City. The TIF debt is a special limited obligation which is funded only by incremental revenues generated within the TIF districts.

**Governmental activities.** As illustrated on next page, governmental activities increased the City's net position by \$1,430,538. The decrease in expenses was largely attributable to the elimination of the special services department. The increase in revenue is primarily due to increases in charges for services at the corrections facility and the dedicated real estate parcels in capital grants and contributions.

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2017**

	<b>For The Years Ended March 31</b>	
	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 1,573,483	1,384,876
Operating grants and contributions	670,995	666,172
Capital grants and contributions	325,000	38,400
General revenues:		
Taxes	8,103,913	8,128,864
License tax	177,744	190,571
Investment income	28,247	10,924
Other	62,053	55,441
Total Revenues	10,941,435	10,475,248
<b>EXPENSES</b>		
Building	442,021	301,738
City clerk	849,135	795,233
Collector	108,913	97,134
Court	263,684	308,826
Economic development	32,211	66,272
Corrections	1,220,755	1,182,129
Legal	406,377	336,469
Public safety	3,777,994	3,465,749
Public works	1,133,124	1,233,220
Recreation	524,824	789,180
Sewer lateral	135,130	102,414
Special services	-	607,344
Interest and fiscal charges	616,729	665,340
Total Expenses	9,510,897	9,951,048
<b>CHANGE IN NET POSITION</b>	1,430,538	524,200
<b>NET POSITION, APRIL 1</b>	3,672,228	3,148,028
<b>NET POSITION, MARCH 31</b>	\$ 5,102,766	3,672,228

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on inflows, outflows, and balance of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's resources available for spending at the end of the fiscal year. At March 31, 2017, the combined fund balance was \$8,341,249.



**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2017**

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund decreased by \$379,440 from the prior year, mainly due to an increase in insurance and public safety expenditures.

The Capital Improvement Fund is the City's primary fund for financing capital expenditures. Revenue for this fund is derived from a ½-cent sales tax. This is a restricted fund and can only be used for acquiring and maintaining capital assets. The fund balance in this fund increased by \$276,487 from the prior year. The change of the current year's fund balance is mainly due to a decrease in capital expenditures.

The Tax Increment Financing Area 3 Fund is a restricted fund and can only be used for economic development in the fund-designated area. The fund balance in this fund decreased by \$57,293 from the prior year. The decrease in this fund is due to a decrease in tax receipts.

The River Roads TIF Fund is a restricted fund and can only be used for economic development in the fund-designated area. The fund balance in this fund increased by \$68,050 from the prior year. The increase in this fund is due to an increase in tax receipts.

**Fiduciary fund.** The City maintains a fiduciary fund for the assets of the uniformed personnel through the Police and Firemen's Retirement Fund. As of the end of the current fiscal year ending March 31, 2017, the net position of the Pension Trust Fund totaled \$3,861,765. This represents a decrease of \$322,407 in total net position over the last fiscal year. This change is primarily due to benefits paid to retirees and beneficiaries.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The City has invested \$7,622,228, net of accumulated depreciation, at March 31, 2017 in a broad range of capital assets, including land, buildings, improvements and infrastructure, equipment, and vehicles. The amount includes a net increase for the current fiscal year (including additions and retirements) of \$323,790. Included in this increase is \$325,000 of dedicated real estate parcels.

Capital assets were as follows:

	<b>March 31</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 2,236,223	1,983,823
Construction in progress	104,003	-
Building, improvements and infrastructure	7,649,350	7,597,861
Equipment	1,259,623	1,135,708
Vehicles	700,274	672,013
	11,949,473	11,389,405
Less - Accumulated depreciation	4,327,245	4,090,967
Total Capital Assets, Net	\$ 7,622,228	7,298,438

Additional information on the City's capital assets can be found in Note C in the notes to financial statements.

**Debt administration.** At March 31, 2017, the City had total long-term debt obligations for governmental activities in the amount of \$10,896,439. None of the debt outstanding represents general obligation bonds.

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2017**

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	March 31	
	2017	2016
Tax increment financing refunding bonds	\$ 9,520,000	10,280,000
Tax increment financing revenue notes	1,376,439	1,570,349
Total	\$ 10,896,439	11,850,349

The tax increment financing (TIF) refunding bonds represent a special limited obligation that have been issued by the City. The City will make principal and interest payments on TIF refunding bonds to the bondholder based on incremental revenues attributable to the project site.

Additional information regarding the City's long-term debt can be found in Note F in the notes to financial statements.

**BUDGETARY HIGHLIGHTS**

In the General Fund, the following significant variances occurred between 2017 budget and actual amounts:

- Total collected revenues were \$928,019 less than budget primarily due to tax revenues and court receipts not being as high as anticipated.
- Total expenditures were \$180,719 over budget due to public safety, city clerk, and legal departments spending more than budgeted.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the fiscal year ending March 31, 2018, the City projects General Fund revenues of \$8,005,000 and expenditures of \$7,849,337.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Jennings  
2120 Hord Avenue  
Jennings, MO 63136

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**MARCH 31, 2017**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 2,470,949
Investments	5,055,516
Restricted:	
Cash	107,420
Investments	999,774
Capital assets:	
Nondepreciable	2,340,226
Depreciable, net	5,282,002
Total Assets	16,255,887
 <b>LIABILITIES</b>	
Court bonds payable	257,479
Due to others	34,931
Noncurrent liabilities:	
Due within one year	1,000,000
Due in more than one year	9,860,711
Total Liabilities	11,153,121
 <b>NET POSITION</b>	
Investment in capital assets	7,622,228
Restricted for:	
Capital projects	1,938,252
Debt service	768,125
Economic development	2,168,533
Public safety	72,300
Sewer lateral	148,468
Parks and recreation	545,315
Unrestricted	(8,160,455)
Total Net Position	\$ 5,102,766

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	
<b>Governmental Activities</b>				
Building	\$ 442,021	195,249	-	(246,772)
City clerk	849,135	22,019	-	(827,116)
Collector	108,913	-	-	(108,913)
Court	263,684	-	-	(263,684)
Economic development	32,211	156,599	-	124,388
Corrections	1,220,755	899,405	-	(321,350)
Legal	406,377	-	-	(406,377)
Public safety	3,777,994	157,963	-	(3,620,031)
Public works	1,133,124	39,801	670,695	(97,628)
Recreation	524,824	12,234	300	(512,290)
Sewer lateral	135,130	90,213	-	(44,917)
Interest and fiscal charges	616,729	-	-	(616,729)
Total Governmental Activities	<u>\$ 9,510,897</u>	<u>1,573,483</u>	<u>670,995</u>	<u>(6,941,419)</u>
<b>General Revenues</b>				
Taxes				6,416,598
Gross receipts taxes				1,687,315
License tax				177,744
Investment income				28,247
Other				62,053
Total General Revenues				<u>8,371,957</u>
<b>CHANGE IN NET POSITION</b>				1,430,538
NET POSITION, APRIL 1				<u>3,672,228</u>
<b>NET POSITION, MARCH 31</b>				<u>\$ 5,102,766</u>

**CITY OF JENNINGS, MISSOURI**  
**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**MARCH 31, 2017**

	<u>General</u>	<u>Capital Improvement</u>	<u>Tax Increment Financing Area 3</u>	<u>River Roads TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash	\$ 301,211	804,911	37,336	5,828	1,321,663	2,470,949
Investments	2,362,057	1,126,800	679,190	300,868	586,601	5,055,516
Due from other funds	-	6,541	469	439	3,794	11,243
Restricted assets:						
Cash	107,420	-	-	-	-	107,420
Investments	231,649	-	768,125	-	-	999,774
Total Assets	<u>\$ 3,002,337</u>	<u>1,938,252</u>	<u>1,485,120</u>	<u>307,135</u>	<u>1,912,058</u>	<u>8,644,902</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Court bonds payable	\$ 257,479	-	-	-	-	257,479
Due to others	34,931	-	-	-	-	34,931
Due to other funds	9,671	-	-	-	1,572	11,243
Total Liabilities	<u>302,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,572</u>	<u>303,653</u>
<b>Fund Balances</b>						
Restricted for:						
Capital projects	-	1,938,252	-	-	-	1,938,252
Debt service	-	-	768,125	-	-	768,125
Economic development	-	-	716,995	307,135	1,144,403	2,168,533
Public safety	-	-	-	-	72,300	72,300
Sewer lateral	-	-	-	-	148,468	148,468
Parks and recreation	-	-	-	-	545,315	545,315
Committed for:						
Contingencies	1,014,000	-	-	-	-	1,014,000
Unassigned	1,686,256	-	-	-	-	1,686,256
Total Fund Balances	<u>2,700,256</u>	<u>1,938,252</u>	<u>1,485,120</u>	<u>307,135</u>	<u>1,910,486</u>	<u>8,341,249</u>
Total Liabilities And Fund Balances	<u>\$ 3,002,337</u>	<u>1,938,252</u>	<u>1,485,120</u>	<u>307,135</u>	<u>1,912,058</u>	<u>8,644,902</u>

**CITY OF JENNINGS, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS -**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION -**  
**MODIFIED CASH BASIS**  
**MARCH 31, 2017**

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Total Fund Balances - Governmental Funds	\$ 8,341,249
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$11,949,473 and the accumulated depreciation is \$4,327,245.	7,622,228
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Tax increment financing revenue notes payable	(1,376,439)
Tax increment financing refunding bonds payable	(9,520,000)
Unamortized bond discount	<u>35,728</u>
Total Net Position Of Governmental Activities	<u><u>\$ 5,102,766</u></u>

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>General</u>	<u>Capital Improvement</u>	<u>Tax Increment Financing Area 3</u>	<u>River Roads TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$ 3,812,429	987,241	1,026,103	367,750	983,983	7,177,506
Gross receipts taxes	1,687,315	-	-	-	-	1,687,315
License tax	177,744	-	-	-	-	177,744
Permits	195,049	-	-	-	-	195,049
Charges for services	954,412	-	-	-	-	954,412
Court receipts	153,479	-	-	-	-	153,479
Intergovernmental	-	-	156,599	-	-	156,599
Investment income	13,434	3,458	7,983	8	3,364	28,247
Other	80,619	2,278	-	-	2,987	85,884
Total Revenues	<u>7,074,481</u>	<u>992,977</u>	<u>1,190,685</u>	<u>367,758</u>	<u>990,334</u>	<u>10,616,235</u>
<b>EXPENDITURES</b>						
Current:						
Building	407,378	-	-	-	-	407,378
City clerk	846,578	-	-	-	-	846,578
Collector	108,913	-	-	-	-	108,913
Court	263,684	-	-	-	-	263,684
Economic development	-	-	17,000	2,146	13,065	32,211
Corrections	1,187,740	-	-	-	-	1,187,740
Legal	406,377	-	-	-	-	406,377
Public safety	3,324,366	-	-	-	270,862	3,595,228
Public works	638,227	-	-	-	-	638,227
Recreation	233,917	-	-	-	67,583	301,500
Sewer lateral	-	-	-	-	135,130	135,130
Capital outlay	-	716,490	-	-	253,302	969,792
Debt service:						
Principal	-	-	760,000	193,910	-	953,910
Interest	-	-	507,719	103,652	-	611,371
Total Expenditures	<u>7,417,180</u>	<u>716,490</u>	<u>1,284,719</u>	<u>299,708</u>	<u>739,942</u>	<u>10,458,039</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(342,699)</u>	<u>276,487</u>	<u>(94,034)</u>	<u>68,050</u>	<u>250,392</u>	<u>158,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	36,741	-	-	36,741
Transfers out	(36,741)	-	-	-	-	(36,741)
Total Other Financing Sources (Uses)	<u>(36,741)</u>	<u>-</u>	<u>36,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(379,440)</u>	<u>276,487</u>	<u>(57,293)</u>	<u>68,050</u>	<u>250,392</u>	<u>158,196</u>
FUND BALANCES, APRIL 1	<u>3,079,696</u>	<u>1,661,765</u>	<u>1,542,413</u>	<u>239,085</u>	<u>1,660,094</u>	<u>8,183,053</u>
<b>FUND BALANCES, MARCH 31</b>	<u>\$ 2,700,256</u>	<u>1,938,252</u>	<u>1,485,120</u>	<u>307,135</u>	<u>1,910,486</u>	<u>8,341,249</u>

**CITY OF JENNINGS, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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Net Change in Fund Balances - Governmental Funds \$ 158,196

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$321,806) exceeded depreciation (\$250,416) in the current period. 71,390

The net effect of various other transactions:

Contributed capital to City	325,000	
Cost of disposals, net of accumulated depreciation	(72,600)	

The issuance and repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. The transaction, however, has no effect on net position. Also, the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt:

Amortization of discount on debt issuance	(5,358)	
Reduction of tax increment financing refunding bonds	760,000	
Reduction of tax increment financing refunding notes	193,910	948,552

Change In Net Position Of Governmental Activities	\$ 1,430,538
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**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**MODIFIED CASH BASIS - FIDUCIARY FUND**  
**MARCH 31, 2017**

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	<u><b>Pension Trust Fund</b></u>
<b>ASSETS</b>	
Cash	<u>\$ 96,151</u>
Receivables:	
Interest and dividends	12,251
Other receivable	9,470
Total Receivables	<u>21,721</u>
Investments at fair value:	
Money market funds	66,293
Municipal bonds	399,221
Government securities	630,613
Mutual funds	2,647,766
Total Investments	<u>3,743,893</u>
 <b>NET POSITION - RESTRICTED FOR PENSIONS</b>	 <u><u>\$ 3,861,765</u></u>

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**MODIFIED CASH BASIS - FIDUCIARY FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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	<u><b>Pension Trust Fund</b></u>
<b>ADDITIONS TO NET POSITION ATTRIBUTED TO</b>	
Contributions:	
Employer contributions	\$ 270,862
Investment income:	
Interest and dividends	127,412
Net appreciation in fair value of investments	20,138
Total Investment Income	<u>147,550</u>
Less - Investment management and custodial fees	4,082
Net Investment Income	<u>143,468</u>
Total Additions	<u>414,330</u>
 <b>DEDUCTIONS FROM NET POSITION ATTRIBUTED TO</b>	
Benefits paid to retirees and beneficiaries	719,728
Administrative expenses	17,009
Total Deductions	<u>736,737</u>
 <b>CHANGE IN NET POSITION</b>	 (322,407)
 <b>NET POSITION - RESTRICTED FOR PENSIONS, BEGINNING OF YEAR</b>	 <u>4,184,172</u>
 <b>NET POSITION - RESTRICTED FOR PENSIONS, END OF YEAR</b>	 <u><u>\$ 3,861,765</u></u>

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The **CITY OF JENNINGS, MISSOURI** (the City) was incorporated in December 1946. The City operates under a Mayor/City Council form of government and provides various services including legislative, public safety, streets, sanitation and health services, public improvements, economic development, planning and zoning, parks, and general administrative services. The more significant accounting policies consistently applied by the City in the preparation of the accompanying financial statements are summarized below:

**1. Reporting Entity**

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

**2. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Measurement Focus**

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, all governmental funds utilize a “current financial resources” measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets - modified cash basis. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

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

The Pension Trust Fund uses the modified cash basis of accounting, except that certain receivables are recorded.

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

If the City utilized the basis of accounting recognized as accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements and the Pension Trust Fund would be presented on the accrual basis of accounting.

The City reports the following major governmental funds:

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**General Fund** -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Improvement Fund** -- The Capital Improvement Fund is used to account for financial resources to be used for the acquisition, construction, or improvements and maintenance of major capital facilities and infrastructure.

**Tax Increment Financing Area 3 Fund** -- The Tax Increment Financing Area 3 Fund is used to account for financial resources and expenditures for the Northland economic development area.

**River Roads TIF Fund** -- The River Roads TIF Fund is used to account for financial resources and expenditures for the particular economic development area.

Additionally, the City reports the following fiduciary fund:

**Pension Trust Fund** -- The Pension Trust Fund is used to account for assets held in a trustee capacity for the City's eligible employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**4. Cash and Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, and repurchase agreements. Investments are reported at fair value. The Pension Trust Fund is also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership, but excluding any debt of the City itself and individual insurance policies.

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Capital Assets**

Capital assets, which include land, buildings, equipment, and infrastructure, are reported in the financial statements where applicable. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to report major general infrastructure assets prospectively from 2002.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is being computed on the straight-line method using asset lives as follows:

<b>Assets</b>	<b>Years</b>
Buildings, improvements and infrastructure	40
Equipment	7
Vehicles	5

**6. Compensated Absences**

Compensated absences are not vested and have not been accrued by the City.

**7. Fund Balance Policies**

The fund balance amounts are reported in the following categories listed from the most restrictive to the least restrictive:

**Nonspendable** -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

**Restricted** -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

**Committed** -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

**Assigned** -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Fund Balance Policies (Continued)**

**Unassigned** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

The City's budget document indicates that a portion of the Capital Improvement Fund shall be set aside in a reserve account to cover an emergency balance of \$500,000 plus interest. The balance at March 31, 2017 amounted to \$506,826.

**8. Long-term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position - modified cash basis. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

**9. Property Taxes**

The City levies a tax on the assessed value of all real and personal property located within the City as of January 1 each year. Taxes are levied in October and are considered delinquent if not paid by December 31. St. Louis County assesses property values, collects the tax, and remits collected amounts to the City.

**10. Use of Estimates**

The preparation of financial statements requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims resulting in these risks have not exceeded coverage in the past three years.

**12. Pension**

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

Because of the accounting method used, the City does not record the net pension liability (asset), deferred outflows of resources, or deferred inflows of resources for the pension plan.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of March 31, 2017, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of March 31, 2017, the City had the following investments:



**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
<b>Governmental Funds</b>							
Federal obligation funds	\$ 1,748,183	-	1,748,183	-	-	-	AAA
Money market funds	1,288,532	1,288,532	-	-	-	-	Not rated
MOSIP	3,018,575	3,018,575	-	-	-	-	AAA
Total Primary Government	6,055,290	4,307,107	1,748,183	-	-	-	
<b>Fiduciary Fund</b>							
Money market funds	66,293	66,293	-	-	-	-	Not rated
Municipal bonds	399,221	-	-	-	-	399,221	AA
Government securities:							
Government National Mortgage Association	232,028	-	-	-	-	232,028	AAA
Federal Home Loan Mortgage Corporation	178,151	-	-	20,593	-	157,558	AAA
Federal National Mortgage Association	220,434	-	-	-	-	220,434	AAA
Mutual funds:							
International	433,718	433,718	-	-	-	-	N/A
Domestic	2,214,048	2,214,048	-	-	-	-	N/A
Total Fiduciary Fund	3,743,893	2,714,059	-	20,593	-	1,009,241	
Total Investments	\$ 9,799,183	7,021,166	1,748,183	20,593	-	1,009,241	

**Investments Policies**

The City's formal investment policies are as follows:

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy requires prequalifying all entities the City conducts business with and diversifying the portfolio so potential losses on individual securities will be minimized.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with the City's investment policy, the City will structure the investment portfolio so that securities mature to meet cash require-

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

ments for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity. Additionally, the City invests primarily in shorter-term securities.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires diversification to minimize the risk of loss resulting from concentrations.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). Defined benefit plans are required to disclose investments in any one issuer that represent 5% or more of total plan net position with the same exemptions as above. At March 31, 2017, the City had the following investment concentrations:

<b>Investments</b>	<b>Fair Value</b>	<b>Percent Of Primary Government Investments</b>
<b>Primary Government</b>		
MOSIP	\$ 3,018,575	49.9 %
Federated government obligation	1,748,183	28.9
Money market funds	1,288,532	21.2
		<b>Percent Of Total Plan Net Position</b>
<b>Fiduciary Fund</b>		
Missouri State Highways and Transportation Commission	\$ 345,378	8.9 %
Vanguard Dividend Growth Fund	310,708	8.0
Vanguard GNMA Fund	307,832	8.0
Fidelity GNMA Fund	227,462	5.9
Double Line Total Return Bond Fund	219,894	5.7

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**Investment in Investment Pool**

The City is a voluntary participant in the Missouri Securities Investment Program (MOSIP) that is a cooperative investment service established by an intergovernmental cooperative agreement. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by MOSIP for the entire MOSIP portfolio (in relation to the amortized cost of the portfolio).

The MOSIP was established on October 3, 1991, as an instrumentality of Missouri Public School Districts, municipalities and other political subdivisions pursuant to an intergovernmental cooperation agreement executed under the laws of the State of Missouri. MOSIP is governed by a board of directors elected by members. The objective of MOSIP is to enable eligible organizations to pool their available funds for investments in instruments permitted by Missouri Law. The City's participation currently is through investment in the MOSIP Money Market Series which is rated AAA from Standard & Poors.

**3. Fair Value Measurements**

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The City has the following recurring fair value level measurements as of March 31, 2017:

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**3. Fair Value Measurements (Continued)**

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
<b>Primary Government</b>			
Investments by fair value level:			
MOSIP	\$ 3,018,575	-	3,018,575
Investments not subject to fair value level classification:			
Federal obligation funds	1,748,183		
Money market funds	1,288,532		
Total Primary Government Investments	\$ 6,055,290		
<b>Fiduciary Fund</b>			
Investments by fair value level:			
Municipal bonds	\$ 399,221	399,221	-
Government securities:			
Government National Mortgage Association	232,028	232,028	-
Federal Home Loan Mortgage Corporation	178,151	-	178,151
Federal Home Loan Mortgage Association	220,434	-	220,434
Mutual funds:			
International equity	433,718	433,718	-
Domestic fixed income	2,214,048	-	2,214,048
Total Investments By Fair Value Level	3,677,600	1,064,967	2,612,633
Investments not subject to fair value level classification:			
Money market funds	66,293		
Total Fiduciary Fund Investments	\$ 3,743,893		

**4. Restricted Assets**

Certain resources set aside for the repayment of court bonds, protested taxes, and debt issue agreements are classified as restricted assets on the balance sheet - modified cash basis because their use is limited.

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

The following is a summary of changes in capital assets:

	<b>For The Year Ended March 31, 2017</b>			<b>Balance March 31 2017</b>
	<b>Balance March 31 2016</b>	<b>Increases</b>	<b>Decreases</b>	
Capital assets not being depreciated:				
Land	\$ 1,983,823	325,000	72,600	2,236,223
Construction in progress	-	104,003	-	104,003
Total Capital Assets Not Being Depreciated	<u>1,983,823</u>	<u>429,003</u>	<u>72,600</u>	<u>2,340,226</u>
Capital assets being depreciated:				
Building, improvements and infrastructure	7,597,861	51,489	-	7,649,350
Equipment	1,135,708	138,053	14,138	1,259,623
Vehicles	672,013	28,261	-	700,274
Total Capital Assets Being Depreciated	<u>9,405,582</u>	<u>217,803</u>	<u>14,138</u>	<u>9,609,247</u>
Less - Accumulated depreciation for:				
Building, improvements and infrastructure	2,428,418	186,908	-	2,615,326
Equipment	1,003,437	53,556	14,138	1,042,855
Vehicles	659,112	9,952	-	669,064
Total Accumulated Depreciated	<u>4,090,967</u>	<u>250,416</u>	<u>14,138</u>	<u>4,327,245</u>
Total Capital Assets Being Depreciated, Net	<u>5,314,615</u>	<u>(32,613)</u>	<u>-</u>	<u>5,282,002</u>
Capital Assets, Net	<u>\$ 7,298,438</u>	<u>396,390</u>	<u>72,600</u>	<u>7,622,228</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<b>For The Year Ended March 31 2017</b>
<b>Governmental Activities</b>	
City clerk	\$ 2,557
Corrections	33,015
Public safety	35,390
Public works	101,586
Recreation	77,868
Total	<u>\$ 250,416</u>

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS**

**1. Missouri Local Government Employees Retirement System**

**General Information about the Plan**

*Plan Description*

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS' Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by accessing the LAGERS' website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided*

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

**2016 Valuation**

Benefit multiplier	1.75% for life
Final average salary	3 Years
Member contributions	Noncontributory for employees

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

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**1. Missouri Local Government Employees Retirement System (Continued)**

*Employees Covered by Benefit Terms*

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

Inactive employees or beneficiaries currently receiving benefits	83
Inactive employees entitled to but not yet receiving benefits	67
Active employees	<u>51</u>
 Total	 <u>201</u>

*Contributions*

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 3.8% for general employees.

*Net Pension Liability (Asset)*

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

*Actuarial Assumptions*

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

Inflation	3.25% wage inflation; 2.5% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**1. Missouri Local Government Employees Retirement System (Continued)**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.0 %	5.29 %
Fixed income	26.0	2.23
Real assets	21.0	3.31
Strategic assets	10.0	5.73

***Discount Rate***

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



**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**1. Missouri Local Government Employees Retirement System (Continued)**

**Changes in the Net Pension Liability (Asset)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balances at June 30, 2015</b>	<u>\$ 12,101,013</u>	<u>15,829,702</u>	<u>(3,728,689)</u>
<b>Changes for the year</b>			
Service cost	189,745	-	189,745
Interest	861,635	-	861,635
Difference between expected and actual experience	(101,560)	-	(101,560)
Changes of assumptions	383,340		383,340
Contributions - employer	-	78,669	(78,669)
Net investment income	-	(52,590)	52,590
Benefit payments, includ- ing refunds	(630,254)	(630,254)	-
Administrative expense	-	(15,222)	15,222
Other changes	-	(50,496)	50,496
Net Changes	<u>702,906</u>	<u>(669,893)</u>	<u>1,372,799</u>
<b>Balances at June 30, 2016</b>	<u><u>\$ 12,803,919</u></u>	<u><u>15,159,809</u></u>	<u><u>(2,355,890)</u></u>

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	<b>Current Single Discount Rate Assumption</b>		
	<b>1% Decrease</b>	<b>1% Increase</b>	
Net pension liability (asset)	\$ (599,811)	(2,355,890)	(3,793,408)

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**1. Missouri Local Government Employees Retirement System (Continued)**

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

For the year ended March 31, 2017, the City's actuarially determined pension expense was \$516,643. Reported deferred outflows and inflows of resources are related to the following sources:

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Differences in experience	\$ -	(129,761)	(129,761)
Assumption changes	229,423	-	229,423
Excess (deficit) investment returns	1,436,255	-	1,436,255
Contributions subsequent to the measurement date*	49,660	-	49,660
Total	<b>\$ 1,715,338</b>	<b>(129,761)</b>	<b>1,585,577</b>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be a reduction in the net pension liability (asset) for the next fiscal year.

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

**For The  
Years Ending  
June 30**

2017	\$ 476,033
2018	467,004
2019	404,003
2020	225,932
2021	(9,718)
Thereafter	(27,337)
Total	<b>\$ 1,535,917</b>

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**2. City of Jennings Police and Firemen's Retirement Fund**

**General Information about the Plan**

*Plan Description*

The City of Jennings Police and Firemen's Retirement Fund (the Plan) is a defined benefit plan covering all full-time employees of the Police and Fire Departments of the City hired before April 1, 1987. The Plan provides retirement benefits based on service and salary with the City. The Plan also provides for disability payments and payments to the deceased member's spouse or children, based on the participant's service and salary with the City. The Plan is considered part of the City's financial reporting entity. The Plan issues a financial report that includes financial statements and required supplemental information. That report may be obtained by contacting the City's Collector's office.

*Benefits Provided*

Covered employees who terminate their service voluntarily for reasons other than disability, provided they have 10 years of creditable service, shall be fully vested, subject to the conditions mentioned below.

Covered employees whose services are terminated for any reason and who are not eligible for any benefits will receive a refund of all employee payroll deductions contributed to the Plan plus interest of 3% compounded annually.

Covered employees who have attained the age of 65 years and have 15 years of creditable service shall be eligible for normal retirement benefits.

Additionally, covered employees who have attained the age of 55 years and have 20 years of creditable service shall be eligible for normal retirement benefits.

Employees eligible for normal retirement benefits will receive an initial payment equal to the total of all of the employee's contributions to the Plan, plus monthly payments equal to 2.25% of the employee's average monthly salary for the last five or ten years, whichever average is greater, multiplied by the number of years of creditable service, subject to a limit of 50% of said average monthly salary.

Covered employees experiencing total and permanent disability as a result of employment with the City are eligible to receive an initial payment equal to the total of all of the employee's contributions to the Plan, plus monthly payments equal to 2.25% of the employee's average monthly salary for the greater of the last five or ten years, multiplied by the number of years of creditable service (subject to a limit of 50% of said average monthly salary), but not less than \$100.

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**2. City of Jennings Police and Firemen's Retirement Fund (Continued)**

If a covered employee dies as a result of employment with the City before retirement, an initial payment equal to the total of all the employee's contributions to the Plan, plus monthly payments equal to 75% of 2.25% of the employee's average monthly salary for the greater of the last five or ten years, multiplied by the number of years of creditable service (subject to a limit of 50% of said average monthly salary), but not less than \$100, shall be paid to the surviving spouse until death or remarriage. If a covered employee dies after normal retirement, 75% of the deceased employee's monthly benefit, but not less than \$100, shall be paid to the surviving spouse until death or remarriage.

***Participants Covered by Benefit Terms***

At March 31, 2017, the following employees were covered by the benefit terms:

Retired participants and beneficiaries	<u>39</u>
--	-----------

***Contributions***

The Plan is funded by a tax levy of \$0.37 (or as adjusted per state statutes) per \$100 of the assessed value of all tangible real and personal property as may appear on the tax books of the City. The City is not required to contribute any amounts in excess of property tax assessment to the Plan and has no funding obligation relating to the Plan. Additional funds for the Plan were previously provided by payroll deductions at the rate of 3.39% of covered employees' salaries, however, there are no longer any active employees.

***Net Pension Liability***

The employer's net pension liability reported on March 31, 2017 was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the March 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	Not applicable
Investment rate of return	6%, net of investment expense

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**2. City of Jennings Police and Firemen’s Retirement Fund (Continued)**

Mortality rates were based on the RP-2014 Blue Collar Mortality Table projected using Scale MP-2014 for all except disability retirees. Mortality rates were based on the RP-2017 Disabled Mortality tables projected using Scale MP-2014 for disabled retirees.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate Of Return</b>
Fixed income	95.0 %	N/A %
Money market	5.0	N/A

***Discount Rate***

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the muni-bond rate for periods after the PNP is exhausted.

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**2. City of Jennings Police and Firemen's Retirement Fund (Continued)**

**Changes in the Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balances at March 31, 2015</b>	\$ 9,927,347	4,833,547	5,093,800
<b>Changes for the year</b>			
Interest	463,972	-	463,972
Difference between expected and actual experience	(1,338,523)	-	(1,338,523)
Contributions - employer	-	189,890	(189,890)
Net investment income	-	(61,452)	61,452
Benefit payments, including refunds	(761,214)	(761,214)	-
Administrative expense	-	(16,599)	16,599
Net Changes	<u>(1,635,765)</u>	<u>(649,375)</u>	<u>(986,390)</u>
<b>Balances at March 31, 2016</b>	<u>\$ 8,291,582</u>	<u>4,184,172</u>	<u>4,107,410</u>

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

The following presents the net pension liability of the employer, calculated using the discount rate of 6.00%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (5.00%) or 1% point higher (7.00%) than the current rate.

	<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
Net pension liability (asset)	\$ 4,896,637	4,107,410	3,433,997

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

For the year ended March 31, 2017, the employer actuarially determined negative pension expense was \$1,074,961. Reported deferred outflows and inflows of resources are related to the following sources:

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**2. City of Jennings Police and Firemen's Retirement Fund (Continued)**

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Excess (deficit) investment returns	\$ 231,375	-	231,375
Employer contributions subsequent to the measurement date*	270,862	-	270,862
Total	\$ 502,237	-	502,237

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be a reduction in the net pension liability for the next fiscal year.

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

**For The  
Years Ending  
March 31**

2018	\$ 54,902
2019	54,902
2020	54,902
2022	66,669
Total	\$ 231,375

**NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES**

During fiscal year 1998, the City designated certain areas as redevelopment areas eligible for TIF treatment. The City has pledged certain incremental tax revenue to reimburse applicable redevelopment expenses.

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended March 31, 2017 amounted to \$3,184,806. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

The City is a defendant in various lawsuits. Based on the current status of these legal claims, the City believes that these issues will be further monitored and evaluated on an ongoing basis.

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT**

A summary of changes in long-term liabilities is as follows:

	<b>For The Year Ended March 31, 2017</b>			<b>Amounts Due Within One Year</b>	
	<b>Balance March 31 2016</b>	<b>Additions</b>	<b>Reductions</b>		<b>Balance March 31 2017</b>
	TIF refunding bonds	\$ 10,280,000	-		760,000
Less - Discount	(41,086)	-	(5,358)	(35,728)	-
TIF revenue notes	1,570,349	-	193,910	1,376,439	200,000
 Total Long-term Debt	 <u>\$ 11,809,263</u>	 <u>-</u>	 <u>948,552</u>	 <u>10,860,711</u>	 <u>1,000,000</u>

The TIF refunding bonds are liquidated by the Tax Increment Financing Area 3 Fund and the TIF revenue note is liquidated by the River Roads TIF Fund.

**TIF Refunding Bonds**

In November 2006, the City issued \$15,625,000 in Tax Increment and Community Improvement Refunding Revenue Bonds Series 2006 in connection with the “Northland Redevelopment Area Project”.

The bonds were issued to refund prior outstanding principal and interest of the Series 2005 TIF notes, fund the Debt Service and Debt Reserve Funds, and to pay the costs of issuance of the 2006 bonds. The TIF refunding bonds are considered a special limited obligation of the City. The City will make principal and interest payments on the TIF refunding bonds based on incremental payments in lieu of taxes (PILOTS), economic activity tax (EATS), municipal revenues, and county revenues. Since annual repayment amounts for the bonds will be determined based on future revenues, a schedule of debt service requirements to maturity cannot be established. The bonds mature at various dates through November 1, 2023 and bear interest from 4.75% to 5%.

**TIF Revenue Notes**

In December 2013, the City authorized Tax Increment Revenue Notes Series A and B in connection with the “East Side Redevelopment Project Areas”, in the maximum principal amount of \$8,503,250.

The notes issued in December 2014 for \$1,760,000 mature June 26, 2028 and bear interest at 7%. Since annual repayment amounts for the notes will be determined based on future revenues, a schedule of debt service requirements to maturity cannot be established.

**NOTE G - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the normal course of business, the City has numerous transactions between funds. The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods



**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. These balances are expected to be repaid in the next fiscal year. The following is a reconciliation of internal receivables and payables:

	<b>March 31, 2017</b>	
	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
Major governmental funds:		
General Fund	\$ -	9,671
Capital Improvement Fund	6,541	-
Tax Increment Financing Area 3 Fund	469	-
River Roads TIF Fund	439	-
Total Major Governmental Funds	7,449	9,671
Nonmajor governmental funds:		
Special Revenue Funds:		
Sewer Lateral Fund	2,774	-
Park Sales Tax Fund	1,020	-
Tax Increment Financing Area 1 Fund	-	319
Tax Increment Financing Area 4 Fund	-	1,253
Total Nonmajor Governmental Funds	3,794	1,572
Total Major And Nonmajor Governmental Funds	\$ 11,243	11,243

Transfers may be used to move unrestricted General Fund or other fund revenues to finance various programs that the government may account for in other funds in accordance with budgetary or other authorization, including amounts provided as subsidies or matching funds for various grant programs. Individual interfund transactions are as follows:

	<b>For The Year Ended March 31, 2017 Transfers In Tax Increment Financing Area 3 Fund</b>
Transfers out:	
General Fund	\$ 36,741

**NOTE H - RESTRICTED NET POSITION**

The government-wide statements of net position reports \$5,640,993 of restricted net position, of which \$4,872,868 is restricted by enabling legislation.

**CITY OF JENNINGS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE I - TAX INCREMENT REVENUES PLEDGED**

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes issued to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. For the current year, principal, interest and other related amounts paid and total incremental tax revenues were \$1,565,281 and \$1,393,853, respectively, for funds with incremental tax debt service expenditures.

**NOTE J - SUBSEQUENT EVENT**

On June 7, 2017, the Pension Board of Trustees approved forwarding a proposed agreement from the Missouri Local Government Employees Retirement System (LAGERS) to the Jennings City Council as a proposed ordinance. After the ordinance is passed, LAGERS may take over the pension plan, all assets belonging to the Plan would be transferred to LAGERS and the Pension Board of Trustees would be dissolved. The ordinance was approved by the City Council on August 28, 2017 but the assets belonging to the pension plan have not been transferred to LAGERS and the Pension Board of Trustees has not been dissolved as of the issuance of this report.

**SUPPLEMENTAL INFORMATION SECTION**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Sales	\$ 3,000,000	3,000,000	2,493,801	(506,199)
Property:				
Real estate	765,000	765,000	626,823	(138,177)
Personal property	160,000	160,000	132,279	(27,721)
Railroad	42,000	42,000	40,295	(1,705)
Gasoline	400,000	400,000	395,384	(4,616)
Cigarette	38,000	38,000	40,121	2,121
Road and bridge	75,000	75,000	83,726	8,726
Total Taxes	<u>4,480,000</u>	<u>4,480,000</u>	<u>3,812,429</u>	<u>(667,571)</u>
<b>Gross Receipts Taxes</b>				
Utilities	1,650,000	1,650,000	1,535,521	(114,479)
Cable	175,000	175,000	151,794	(23,206)
Total Gross Receipts Taxes	<u>1,825,000</u>	<u>1,825,000</u>	<u>1,687,315</u>	<u>(137,685)</u>
<b>License Tax</b>				
Merchants and manufacturers	160,000	160,000	146,085	(13,915)
Liquor	4,500	4,500	3,725	(775)
Coin vending machines	700	700	660	(40)
Vehicles	21,000	21,000	22,862	1,862
Dog tags	1,200	1,200	152	(1,048)
Miscellaneous	4,900	4,900	4,260	(640)
Total License Tax	<u>192,300</u>	<u>192,300</u>	<u>177,744</u>	<u>(14,556)</u>
<b>Permits</b>				
Building	35,000	35,000	60,796	25,796
Street excavating	30,000	30,000	4,980	(25,020)
Plumbing	12,500	12,500	19,182	6,682
Occupancy	40,000	40,000	38,700	(1,300)
Housing inspections	50,000	50,000	48,900	(1,100)
Electrical	6,000	6,000	11,416	5,416
Heating	4,700	4,700	7,242	2,542
Other fees	23,000	23,000	3,833	(19,167)
Total Permits	<u>201,200</u>	<u>201,200</u>	<u>195,049</u>	<u>(6,151)</u>

**(Continued)**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES (Continued)</b>				
<b>Charges for Services</b>				
Jail operations	632,000	632,000	838,840	206,840
Prisoner security	10,000	10,000	1,920	(8,080)
Bond forfeiture and fees	-	-	1,350	1,350
Commissary receipts	35,000	35,000	48,977	13,977
Rental	4,000	4,000	23,524	19,524
Weed cutting	35,000	35,000	39,801	4,801
Total Charges For Services	<u>716,000</u>	<u>716,000</u>	<u>954,412</u>	<u>238,412</u>
<b>Court Receipts</b>				
Costs and fines	450,000	450,000	149,933	(300,067)
D.W.I. recoupment fee	1,700	1,700	18	(1,682)
Crime victims compensation	1,800	1,800	1,249	(551)
Training fund	7,700	7,700	2,279	(5,421)
Total Court Receipts	<u>461,200</u>	<u>461,200</u>	<u>153,479</u>	<u>(307,721)</u>
<b>Investment Income</b>	<u>4,800</u>	<u>4,800</u>	<u>13,434</u>	<u>8,634</u>
<b>Other</b>				
Telephone commission	1,000	1,000	9,668	8,668
Community programs	20,000	20,000	7,961	(12,039)
Trash stickers	2,000	2,000	2,727	727
Miscellaneous	99,000	99,000	60,263	(38,737)
Total Other	<u>122,000</u>	<u>122,000</u>	<u>80,619</u>	<u>(41,381)</u>
Total Revenues	<u>8,002,500</u>	<u>8,002,500</u>	<u>7,074,481</u>	<u>(928,019)</u>
<b>EXPENDITURES</b>				
<b>Building</b>				
Personnel costs:				
Salaries	349,646	345,146	271,958	(73,188)
Payroll tax	26,661	26,661	19,995	(6,666)
Employee insurance	58,995	58,995	34,857	(24,138)
Pension contribution	10,860	10,860	9,415	(1,445)
Total Personnel Costs	<u>446,162</u>	<u>441,662</u>	<u>336,225</u>	<u>(105,437)</u>

**(Continued)**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Building (Continued)</b>				
Grass cutting	45,150	45,150	43,652	(1,498)
Tree and weed cutting	9,000	9,000	7,630	(1,370)
Dues	550	550	533	(17)
Supplies	4,200	4,200	3,437	(763)
Computer software	10,200	14,700	14,473	(227)
Radio	100	100	-	(100)
Map making	400	400	-	(400)
Professional development	1,500	1,500	1,428	(72)
Total Building	<u>517,262</u>	<u>517,262</u>	<u>407,378</u>	<u>(109,884)</u>
<b>City Clerk</b>				
Personnel costs:				
Salaries	245,759	245,759	254,310	8,551
Payroll tax	17,854	17,854	18,336	482
Employee insurance	23,910	23,910	16,978	(6,932)
Pension contribution	9,079	9,079	7,795	(1,284)
Unemployment compensation	7,000	7,000	13,146	6,146
Total Personnel Costs	<u>303,602</u>	<u>303,602</u>	<u>310,565</u>	<u>6,963</u>
Dues	11,000	11,000	10,467	(533)
Utilities	23,000	23,000	22,625	(375)
Postage	10,000	10,000	7,096	(2,904)
Election costs	5,000	5,000	16,093	11,093
Supplies	12,000	12,000	6,983	(5,017)
Computer software	30,000	30,000	2,500	(27,500)
Accounting and data processing	50,000	50,000	67,933	17,933
Bank charges	3,500	3,500	3,001	(499)
Personnel	16,000	16,000	13,036	(2,964)
Bonds and insurance	184,000	184,000	359,421	175,421
Hospitality	1,000	1,000	1,603	603
Wellness program	2,500	2,500	1,336	(1,164)
Car allowance	500	500	5	(495)
Publications	10,000	10,000	4,897	(5,103)
Advertising	5,000	5,000	7,688	2,688
Professional development	10,000	10,000	10,008	8
Ward funds	4,000	4,000	1,321	(2,679)
Total City Clerk	<u>681,102</u>	<u>681,102</u>	<u>846,578</u>	<u>165,476</u>

**(Continued)**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Legal</b>				
Personnel costs:				
Salaries	80,000	80,000	81,286	1,286
Payroll tax	6,120	6,120	5,828	(292)
Employee insurance	150	150	301	151
Total Personnel Costs	<u>86,270</u>	<u>86,270</u>	<u>87,415</u>	<u>1,145</u>
Legal fees	53,750	53,750	318,881	265,131
Supplies	-	-	81	81
Total Legal	<u>140,020</u>	<u>140,020</u>	<u>406,377</u>	<u>266,357</u>
<b>Collector</b>				
Personnel costs:				
Salaries	138,212	138,212	92,393	(45,819)
Payroll tax	10,573	10,573	6,993	(3,580)
Employee insurance	8,730	8,730	2,401	(6,329)
Pension contribution	5,252	5,252	3,088	(2,164)
Total Personnel Costs	<u>162,767</u>	<u>162,767</u>	<u>104,875</u>	<u>(57,892)</u>
Supplies	1,500	1,500	1,728	228
Trash sticker	2,000	2,000	2,050	50
County clerk	300	300	260	(40)
Professional development	300	300	-	(300)
Total Collector	<u>166,867</u>	<u>166,867</u>	<u>108,913</u>	<u>(57,954)</u>
<b>Court</b>				
Personnel costs:				
Salaries	221,398	221,398	180,866	(40,532)
Payroll tax	15,508	15,508	12,566	(2,942)
Employee insurance	23,190	23,190	24,928	1,738
Pension contribution	5,627	5,627	5,072	(555)
Total Personnel Costs	<u>265,723</u>	<u>265,723</u>	<u>223,432</u>	<u>(42,291)</u>
Utilities	20,000	20,000	18,556	(1,444)
Supplies	8,500	8,500	6,135	(2,365)
Interim judges	2,000	2,000	1,050	(950)
Public defender	3,300	3,300	-	(3,300)
REJIS	16,000	16,000	9,898	(6,102)
Bond issue costs	-	-	950	950
Professional development	7,200	7,200	3,663	(3,537)
Total Court	<u>322,723</u>	<u>322,723</u>	<u>263,684</u>	<u>(59,039)</u>

**(Continued)**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety</b>				
Personnel costs:				
Salaries	133,989	133,989	86,957	(47,032)
Payroll tax	10,250	10,250	6,316	(3,934)
Employee insurance	15,090	15,090	9,874	(5,216)
Pension contribution	5,092	5,092	3,082	(2,010)
Total Personnel Costs	<u>164,421</u>	<u>164,421</u>	<u>106,229</u>	<u>(58,192)</u>
Contractual	3,000,000	3,000,000	3,184,806	184,806
Utilities	31,300	31,300	33,314	2,014
Insurance loss fund	10,000	10,000	-	(10,000)
Supplies	2,000	2,000	-	(2,000)
Safety equipment	200	200	-	(200)
D.W.I. supplies	1,700	1,700	-	(1,700)
Police seizure purchases	-	-	17	17
Professional development	8,700	8,700	-	(8,700)
Total Public Safety	<u>3,218,321</u>	<u>3,218,321</u>	<u>3,324,366</u>	<u>106,045</u>
<b>Public Works</b>				
Personnel costs:				
Salaries	453,439	453,439	444,434	(9,005)
Payroll tax	34,688	34,688	32,780	(1,908)
Employee insurance	75,150	75,150	65,186	(9,964)
Pension contribution	17,231	17,231	17,393	162
Total Personnel Costs	<u>580,508</u>	<u>580,508</u>	<u>559,793</u>	<u>(20,715)</u>
Equipment rental	2,500	2,500	142	(2,358)
Utilities	20,000	20,000	26,181	6,181
Uniforms	37,000	37,000	36,349	(651)
Supplies	6,500	6,500	3,102	(3,398)
Hauling cost	15,000	15,000	10,905	(4,095)
Professional development	1,500	1,500	513	(987)
Vector control	2,000	2,000	1,242	(758)
Total Public Works	<u>665,008</u>	<u>665,008</u>	<u>638,227</u>	<u>(26,781)</u>

**(Continued)**



**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Recreation</b>				
Personnel costs:				
Salaries	159,604	159,604	156,659	(2,945)
Payroll tax	12,210	12,210	10,872	(1,338)
Employee insurance	22,410	22,410	14,830	(7,580)
Pension contribution	4,260	4,260	2,662	(1,598)
Total Personnel Costs	198,484	198,484	185,023	(13,461)
Security	-	-	2,860	2,860
Dues	450	450	108	(342)
Utilities	15,000	15,000	14,128	(872)
Concession stand supplies	4,500	4,500	2,529	(1,971)
Grant expenses	-	-	1,017	1,017
Equipment	1,500	1,500	671	(829)
Repairs and maintenance	-	-	36	36
Insurance	-	-	273	273
Supplies	7,300	7,300	7,287	(13)
Community program	24,000	24,000	19,985	(4,015)
Professional development	1,000	1,000	-	(1,000)
Total Recreation	252,234	252,234	233,917	(18,317)
<b>Corrections</b>				
Personnel costs:				
Salaries	735,405	735,405	677,337	(58,068)
Payroll tax	56,259	56,259	51,873	(4,386)
Employee insurance	90,390	90,390	82,998	(7,392)
Pension contribution	22,770	22,770	20,944	(1,826)
Total Personnel Costs	904,824	904,824	833,152	(71,672)
Utilities	45,000	45,000	41,520	(3,480)
Uniforms	5,100	5,100	4,815	(285)
Supplies	2,000	2,000	2,167	167
Prisoner	40,000	40,000	31,468	(8,532)
Emergency management	2,500	2,500	-	(2,500)
Commissary	35,000	36,636	37,446	810
Meals and coffee	125,000	160,000	163,302	3,302
Laundry	10,000	10,000	10,303	303
Medical	65,000	65,000	61,537	(3,463)

**(Continued)**

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>Corrections (Continued)</b>				
Professional development	3,500	1,864	1,863	(1)
Vector control	-	-	167	167
Total Corrections	1,237,924	1,272,924	1,187,740	(85,184)
Total Expenditures	7,201,461	7,236,461	7,417,180	180,719
 <b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	801,039	766,039	(342,699)	(1,108,738)
 <b>OTHER FINANCING SOURCES</b>				
<b>(USES)</b>				
Transfers out	(704,000)	(704,000)	(36,741)	(667,259)
 <b>NET CHANGE IN FUND</b>				
<b>BALANCE</b>	\$ 97,039	62,039	(379,440)	(1,775,997)
 FUND BALANCE, APRIL 1			3,079,696	
 FUND BALANCE, MARCH 31			\$ 2,700,256	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 980,000	987,241	7,241
Investment income	-	3,458	3,458
Other	-	2,278	2,278
Total Revenues	980,000	992,977	12,977
<b>EXPENDITURES</b>			
Capital outlay	1,363,830	716,490	(647,340)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (383,830)</b>	<b>276,487</b>	<b>660,317</b>
FUND BALANCE, APRIL 1		1,661,765	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 1,938,252</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -**  
**MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**  
**MARCH 31, 2017**

	<b>Tax Increment Financing Area 1</b>	<b>Tax Increment Financing Area 4</b>	<b>Fire Protection</b>	<b>Sewer Lateral</b>	<b>Police Seizure</b>	<b>Beautifi- cation</b>	<b>Park Sales Tax</b>	<b>Economic Development</b>	<b>Total</b>
<b>ASSETS</b>									
Cash	\$ 362,106	597,765	4,264	6,375	68,036	775	282,342	-	1,321,663
Investments	-	-	-	139,319	-	-	261,178	186,104	586,601
Due from other funds	-	-	-	2,774	-	-	1,020	-	3,794
<b>Total Assets</b>	<b>\$ 362,106</b>	<b>597,765</b>	<b>4,264</b>	<b>148,468</b>	<b>68,036</b>	<b>775</b>	<b>544,540</b>	<b>186,104</b>	<b>1,912,058</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Due to other funds	\$ 319	1,253	-	-	-	-	-	-	1,572
<b>Fund Balances</b>									
Restricted for:									
Economic development	361,787	596,512	-	-	-	-	-	186,104	1,144,403
Public safety	-	-	4,264	-	68,036	-	-	-	72,300
Sewer lateral	-	-	-	148,468	-	-	-	-	148,468
Parks and recreation	-	-	-	-	-	775	544,540	-	545,315
<b>Total Fund Balances</b>	<b>361,787</b>	<b>596,512</b>	<b>4,264</b>	<b>148,468</b>	<b>68,036</b>	<b>775</b>	<b>544,540</b>	<b>186,104</b>	<b>1,910,486</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 362,106</b>	<b>597,765</b>	<b>4,264</b>	<b>148,468</b>	<b>68,036</b>	<b>775</b>	<b>544,540</b>	<b>186,104</b>	<b>1,912,058</b>

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>Tax Increment Financing Area 1</b>	<b>Tax Increment Financing Area 4</b>	<b>Fire Protection</b>	<b>Sewer Lateral</b>	<b>Police Seizure</b>	<b>Beautifi- cation</b>	<b>Park Sales Tax</b>	<b>Economic Development</b>	<b>Pension Tax</b>	<b>Total</b>
<b>REVENUES</b>										
Taxes	\$ 19,258	200,468	840	90,213	-	-	402,342	-	270,862	983,983
Investment income	-	-	-	15	-	-	3,331	18	-	3,364
Other	-	-	-	-	-	-	2,987	-	-	2,987
Total Revenues	<u>19,258</u>	<u>200,468</u>	<u>840</u>	<u>90,228</u>	<u>-</u>	<u>-</u>	<u>408,660</u>	<u>18</u>	<u>270,862</u>	<u>990,334</u>
<b>EXPENDITURES</b>										
Economic development	300	10,164	-	-	-	-	-	2,601	-	13,065
Fire protection	-	-	-	-	-	-	-	-	108,345	108,345
Public safety - police	-	-	-	-	-	-	-	-	162,517	162,517
Recreation	-	-	-	-	-	-	67,583	-	-	67,583
Sewer lateral	-	-	-	135,130	-	-	-	-	-	135,130
Capital outlay	-	-	-	-	15,304	316	237,682	-	-	253,302
Total Expenditures	<u>300</u>	<u>10,164</u>	<u>-</u>	<u>135,130</u>	<u>15,304</u>	<u>316</u>	<u>305,265</u>	<u>2,601</u>	<u>270,862</u>	<u>739,942</u>
<b>NET CHANGE IN FUND BALANCES</b>	18,958	190,304	840	(44,902)	(15,304)	(316)	103,395	(2,583)	-	250,392
FUND BALANCES, APRIL 1	<u>342,829</u>	<u>406,208</u>	<u>3,424</u>	<u>193,370</u>	<u>83,340</u>	<u>1,091</u>	<u>441,145</u>	<u>188,687</u>	<u>-</u>	<u>1,660,094</u>
<b>FUND BALANCES, MARCH 31</b>	<u><u>\$ 361,787</u></u>	<u><u>596,512</u></u>	<u><u>4,264</u></u>	<u><u>148,468</u></u>	<u><u>68,036</u></u>	<u><u>775</u></u>	<u><u>544,540</u></u>	<u><u>186,104</u></u>	<u><u>-</u></u>	<u><u>1,910,486</u></u>

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - SEWER LATERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 90,200	90,213	13
Investment income	-	15	15
Total Revenues	90,200	90,228	28
<b>EXPENDITURES</b>			
Sewer lateral	100,000	135,130	35,130
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (9,800)</b>	<b>(44,902)</b>	<b>(35,102)</b>
FUND BALANCE, APRIL 1		193,370	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 148,468</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - PARK SALES TAX FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 360,000	402,342	42,342
Investment income	-	3,331	3,331
Other	-	2,987	2,987
Total Revenues	360,000	408,660	48,660
<b>EXPENDITURES</b>			
Security	96,880	64,583	(32,297)
Community program	23,000	3,000	(20,000)
Capital outlay	599,305	237,682	(361,623)
Total Expenditures	719,185	305,265	(413,920)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (359,185)</b>	103,395	<b>462,580</b>
FUND BALANCE, APRIL 1		441,145	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 544,540</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - ECONOMIC DEVELOPMENT FUND**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ -	18	18
<b>EXPENDITURES</b>			
Economic development	<u>75,000</u>	<u>2,601</u>	<u>(72,399)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (75,000)</u>	<u>(2,583)</u>	<u>72,417</u>
<b>FUND BALANCE, APRIL 1</b>		<u>188,687</u>	
<b>FUND BALANCE, MARCH 31</b>		<u>\$ 186,104</u>	



**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - NOTES TO SCHEDULES**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**Budgets and Budgetary Accounting**

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

- a. The proposed budget on the modified cash basis of accounting is submitted to the City Council for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues of the preceding year plus any fund balance at the end of such year. Sources from capital leases are not budgeted, if any. Sales and property taxes of the General Fund are budgeted to include the TIF revenue and actual amounts do not include the TIF revenue.
- b. Public meetings are conducted in the City to obtain taxpayer input and comments.
- c. The budget must be adopted by the affirmative vote of a majority of the City Council for each fiscal year.
- d. The City Council may transfer budgeted amounts between departments to alter the total expenditures. All appropriations not spent or legally encumbered at year-end lapse.
- e. The City adopts a budget for the General Fund, Capital Improvement Fund, Sewer Lateral Fund, Park Sales Tax Fund, and Economic Development Fund. All other funds are unbudgeted.
- f. During the year the City Council authorized supplemental appropriations to the budget.

**Expenditures**

For the year ended March 31, 2017, expenditures exceeded appropriations as follows:

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over Budget</b>
General Fund:				
City Clerk	\$ 681,102	681,102	846,578	165,476
Legal	140,020	140,020	406,377	266,357
Public Safety	3,218,321	3,218,321	3,324,366	106,045
Sewer Lateral Fund	100,000	100,000	135,130	35,130

These expenditures were approved by the Board and were funded by savings in other departments and available fund balance. In accordance with the City's budget policy, amendments are not required for budgets until excess appropriation levels exceed 10%.

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES IN**  
**NET PENSION LIABILITY (ASSET) AND RATIOS**  
**FOR THE YEARS ENDED MARCH 31**

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

	<u>2017</u>	<u>2016</u>
<b>Total Pension Liability</b>		
Service cost	\$ 189,745	231,691
Interest on the total pension liability	861,635	841,327
Difference between expected and actual experience	(101,560)	(102,864)
Changes of assumptions	383,340	-
Benefit payments, including refunds	(630,254)	(707,311)
Net Change In Total Pension Liability	<u>702,906</u>	<u>262,843</u>
Total Pension Liability Beginning	<u>12,101,013</u>	<u>11,838,170</u>
Total Pension Liability Ending (a)	<u>\$ 12,803,919</u>	<u>12,101,013</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 78,669	107,755
Net investment income	(52,590)	323,305
Benefit payments, including refunds	(630,254)	(707,311)
Administrative expense	(15,222)	(16,404)
Other changes	(50,496)	23,787
Net Change In Plan Fiduciary Net Position	<u>(669,893)</u>	<u>(268,868)</u>
Plan Fiduciary Net Position Beginning	<u>15,829,702</u>	<u>16,098,570</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 15,159,809</u>	<u>15,829,702</u>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u>\$ (2,355,890)</u>	<u>(3,728,689)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.40 %	130.81
Covered Employee Payroll (for February 28/29 Actuarial Valuation)	\$ 1,697,042	1,726,245
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	(138.82) %	(216.00)

Notes:

Information is not available for fiscal years prior to 2016.

The amounts noted above are as of the measurement date which is June 30 prior to the end of the fiscal year.

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

	<b>For The Years Ended March 31</b>									
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Actuarially determined pension contribution	\$ 67,364	81,157	148,648	168,456	172,450	189,348	387,086	196,050	198,411	148,957
Contributions in relation to the actuarially determined contribution	<u>67,363</u>	<u>81,157</u>	<u>124,211</u>	<u>138,535</u>	<u>115,089</u>	<u>103,063</u>	<u>240,013</u>	<u>196,050</u>	<u>198,413</u>	<u>148,957</u>
Contribution Deficiency (Excess)	<u>\$ 1</u>	<u>-</u>	<u>24,437</u>	<u>29,921</u>	<u>57,361</u>	<u>86,285</u>	<u>147,073</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Covered Employee Payroll	\$ 1,772,732	1,726,737	1,973,613	2,147,168	2,014,661	2,192,938	3,820,906	3,850,735	3,622,988	3,465,282
Contributions as a Percentage of Covered Employee payroll	3.80 %	4.70	6.29	6.45	5.71	4.70	6.28	5.09	5.48	4.30

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 14 to 22 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

There were no benefit changes during the year.

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

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES IN**  
**NET PENSION LIABILITY (ASSET) AND RATIOS**  
**FOR THE YEARS ENDED MARCH 31**

**CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND**

	<b>2017</b>	<b>2016</b>
<b>Total Pension Liability</b>		
Service cost	\$ -	12,405
Interest on the total pension liability	463,972	460,876
Difference between expected and actual experience	(1,338,523)	1,817,000
Benefit payments, including refunds	(761,214)	(900,563)
Net Change In Total Pension Liability	(1,635,765)	1,389,718
Total Pension Liability Beginning	9,927,347	8,537,629
Total Pension Liability Ending (a)	\$ 8,291,582	9,927,347
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 189,890	194,976
Contributions - employee	-	4,898
Net investment income	(61,452)	348,874
Benefit payments, including refunds	(761,214)	(900,563)
Administrative expense	(16,599)	(15,281)
Net Change In Plan Fiduciary Net Position	(649,375)	(367,096)
Plan Fiduciary Net Position Beginning	4,833,547	5,200,643
Plan Fiduciary Net Position Ending (b)	\$ 4,184,172	4,833,547
 <b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<b>\$ 4,107,410</b>	<b>5,093,800</b>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.46 %	48.69
Covered Employee Payroll	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A

Notes:

Information is not available for fiscal years prior to 2016.

The amounts noted above are as of the measurement date which is March 31 prior to the end of the fiscal year.

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

**CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND**

	<b>For The Years Ended March 31</b>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined pension contribution	\$ 489,920	462,216	345,068	315,629	244,685	209,394	201,076	216,908	200,240	203,494
Contributions in relation to the actuarially determined contribution	<u>270,863</u>	<u>189,890</u>	<u>194,976</u>	<u>195,337</u>	<u>203,049</u>	<u>203,184</u>	<u>210,405</u>	<u>218,467</u>	<u>185,587</u>	<u>177,429</u>
Contribution Deficiency (Excess)	<u>\$ 219,057</u>	<u>272,326</u>	<u>150,092</u>	<u>120,292</u>	<u>41,636</u>	<u>6,210</u>	<u>(9,329)</u>	<u>(1,559)</u>	<u>14,653</u>	<u>26,065</u>
 Covered Employee Payroll	 N/A	 N/A	 \$ 218,346	 217,156	 281,414	 254,835	 472,928	 539,173	 545,306	 596,590
Contributions as a Percentage of Covered Employee payroll	N/A	N/A	89.30 %	89.95	72.15	79.73	44.49	40.52	34.03	29.74

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of March 31 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, fixed period
Remaining amortization period	12 years
Asset valuation method	Market value
Inflation	2.50%
Investment rate of return	6%, net of investment income
Mortality	RP-2014 Blue Collar Mortality Table with Generational Projection using Scale MP-2014 all except disability retirees. RP-2014 Disabled Mortality table with generational projection using MP-2014 for disability retirees.

Other information:

There were no benefit changes during the year.

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF ANNUAL**  
**MONEY-WEIGHTED RATE OF RETURN ON INVESTMENTS**

**CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND**

	<b>For The Years Ended March 31</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Annual money-weighted rate of return, net of investment expenses	(1.01) %	7.59	1.47	3.33	8.65	4.95	4.14	N/A	N/A	N/A