



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended March 31, 2021

CITY OF JENNINGS, MISSOURI
FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

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, 2021, 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 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, 2021, 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, supplemental information, and statistical section, 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.

The supplemental 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.

The management's discussion and analysis and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021 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.

Sikich LLP

Chesterfield, Missouri
September 29, 2021

CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2021

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, 2021. 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 \$5,703,191. The City has a deficit in unrestricted net position totaling (\$9,194,172) primarily due to \$14,158,925 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 \$10,853,927.
- At the end of the current fiscal year, the fund balance for the General Fund was \$4,964,753.

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 are governmental funds. The City does not have any proprietary or fiduciary 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, 2021

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, Northland TIF Fund, Sewer Lateral Fund, Economic Development Fund, and Parks Sales Tax 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.

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, 2021

	March 31	
	2021	2020
ASSETS		
Cash and other assets	\$ 10,883,736	10,643,235
Capital assets	9,008,189	9,073,945
Total Assets	19,891,925	19,717,180
 LIABILITIES		
Other liabilities	29,809	43,959
Noncurrent liabilities	14,158,925	15,121,638
Total Liabilities	14,188,734	15,165,597
 NET POSITION		
Investment in capital assets	9,008,189	9,073,945
Restricted	5,889,174	5,098,598
Unrestricted	(9,194,172)	(9,620,960)
Total Net Position	\$ 5,703,191	4,551,583

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 \$5,703,191 at the close of March 31, 2021.

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 \$9,194,172 as of March 31, 2021. This deficit is primarily the result of the balance of \$14,158,925 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 \$1,151,608. The increase in program revenue is primarily due to the Koeneman Park grant and the CARES Act grant through St. Louis County in fiscal year 2021.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

	For The Years Ended March 31	
	2021	2020
REVENUES		
Program revenues:		
Charges for services	\$ 1,452,756	2,028,324
Operating grants and contributions	1,678,699	676,131
Capital grants and contributions	420,000	420,000
General revenues:		
Taxes	9,291,988	9,210,237
License tax	175,963	181,554
Insurance recoveries	127,621	-
Investment income	7,672	82,843
Other	36,866	16,238
Gain on sale of assets	269,012	502,447
Total Revenues	<u>13,460,577</u>	<u>13,117,774</u>
EXPENSES		
Building	528,381	431,048
City clerk	905,211	844,086
Corrections	1,226,662	1,256,209
Court	185,274	210,232
Economic development	553,356	308,061
Finance	280,275	296,443
Legal	86,281	81,357
Prosecutor	33,405	18,328
Public safety	4,992,290	3,639,195
Public works	1,991,269	1,406,273
Recreation	584,224	462,877
Sewer lateral	99,177	123,497
Interest and other	843,164	776,811
Total Expenses	<u>12,308,969</u>	<u>9,854,417</u>
CHANGE IN NET POSITION	1,151,608	3,263,357
NET POSITION, APRIL 1	<u>4,551,583</u>	<u>1,288,226</u>
NET POSITION, MARCH 31	<u>\$ 5,703,191</u>	<u>4,551,583</u>

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

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021, the combined fund balance was \$10,853,927.

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund decreased by \$535,925 from the prior year, mainly due to timing of expenditures for the public safety contract.

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 \$207,032 from the prior year. The change of the current year's fund balance is mainly due to transfers from the General Fund to pay for certain costs.

The Northland 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 \$503 from the prior year, therefore, no significant change.

The Park Sales Tax Fund is a restricted fund and can only be used for park-related expenditures. The fund balance in this fund increased \$289,262 primarily due to a decrease in certain expenditures.

The Sewer Lateral Fund increased \$47,812 due to less spending compared to the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City has invested \$9,008,189, net of accumulated depreciation, at March 31, 2021 in a broad range of capital assets, including land, construction in progress, buildings, improvements and infrastructure, equipment, and vehicles. The amount includes a net decrease for the current fiscal year (including additions and retirements) of \$65,756.

Capital assets were as follows:

	March 31	
	2021	2020
Land	\$ 2,125,752	2,305,623
Construction in progress	-	537,971
Building, improvements and infrastructure	9,594,761	8,725,293
Equipment	1,483,957	1,374,914
Vehicles	1,088,471	1,388,583
	14,292,941	14,332,384
Less - Accumulated depreciation	5,284,752	5,258,439
Total Capital Assets, Net	\$ 9,008,189	9,073,945

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, 2021, the City had total long-term debt obligations for governmental activities in the amount of \$14,173,221. None of the debt outstanding represents general obligation bonds.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

	March 31	
	2021	2020
Tax increment financing refunding bonds	\$ 6,555,000	7,440,000
Tax increment financing revenue notes	7,618,221	7,701,292
Total	<u>\$ 14,173,221</u>	<u>15,141,292</u>

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 2021 budget and actual amounts:

- Total collected revenues were \$220,172 less than budget primarily due to charges for services at the corrections facility, and the collection of sales and property taxes being less than anticipated.
- Total expenditures were \$73,215 under budget, therefore costs being within 1% of the final budgeted amount.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year ending March 31, 2022, the City projects General Fund revenues of \$9,502,135 and expenditures of \$9,421,347.

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, 2021

	Governmental Activities
ASSETS	
Cash	\$ 5,732,854
Investments	4,381,371
Restricted:	
Cash	1,386
Investments	768,125
Capital assets:	
Nondepreciable	2,125,753
Depreciable, net	6,882,436
Total Assets	19,891,925
 LIABILITIES	
Court bonds payable	1,300
Due to others	28,509
Noncurrent liabilities:	
Due within one year	960,000
Due in more than one year	13,198,925
Total Liabilities	14,188,734
 NET POSITION	
Investment in capital assets	9,008,189
Restricted for:	
Capital projects	1,673,143
Debt service	768,125
Economic development	2,266,675
Public safety	344,795
Sewer lateral	137,558
Parks and recreation	698,878
Unrestricted	(9,194,172)
Total Net Position	\$ 5,703,191

CITY OF JENNINGS, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
Building	\$ 528,381	192,570	-	-	(335,811)
City clerk	905,211	22,777	-	-	(882,434)
Corrections	1,226,662	804,936	-	-	(421,726)
Court	185,274	-	-	-	(185,274)
Economic development	553,356	147,576	-	-	(405,780)
Finance	280,275	-	-	-	(280,275)
Legal	86,281	-	-	-	(86,281)
Prosecutor	33,405	-	-	-	(33,405)
Public safety	4,992,290	11,556	1,011,759	-	(3,968,975)
Public works	1,991,269	91,124	666,940	-	(1,233,205)
Recreation	584,224	35,228	-	420,000	(128,996)
Sewer lateral	99,177	146,989	-	-	47,812
Interest, fiscal charges, and discount credit	843,164	-	-	-	(843,164)
Total Governmental Activities	<u>\$ 12,308,969</u>	<u>1,452,756</u>	<u>1,678,699</u>	<u>420,000</u>	<u>(8,757,514)</u>
General Revenues					
Taxes					7,682,984
Gross receipts taxes					1,609,004
License tax					175,963
Insurance recoveries					127,621
Investment income					7,672
Other					36,866
Gain on sale of assets					269,012
Total General Revenues					<u>9,909,122</u>
CHANGE IN NET POSITION					1,151,608
NET POSITION, APRIL 1					<u>4,551,583</u>
NET POSITION, MARCH 31					<u>\$ 5,703,191</u>

CITY OF JENNINGS, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
MARCH 31, 2021

	<u>General</u>	<u>Capital Improvement</u>	<u>Northland TIF</u>	<u>Sewer Lateral</u>	<u>Economic Development</u>	<u>Park Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash	\$ 2,365,352	1,036,553	156,776	194,551	-	616,978	1,362,644	5,732,854
Investments	2,295,748	692,440	650,533	-	110,650	275,309	356,691	4,381,371
Due from other funds	272,076	-	-	3,007	-	-	43,584	318,667
Advance to other fund	60,000	-	-	-	-	-	-	60,000
Restricted assets:								
Cash	1,386	-	-	-	-	-	-	1,386
Investments	-	-	768,125	-	-	-	-	768,125
Total Assets	<u>\$ 4,994,562</u>	<u>1,728,993</u>	<u>1,575,434</u>	<u>197,558</u>	<u>110,650</u>	<u>892,287</u>	<u>1,762,919</u>	<u>11,262,403</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Court bonds payable	\$ 1,300	-	-	-	-	-	-	1,300
Due to others	28,509	-	-	-	-	-	-	28,509
Due to other funds	-	55,850	-	-	44,246	194,224	24,347	318,667
Advance from other fund	-	-	-	60,000	-	-	-	60,000
Total Liabilities	<u>29,809</u>	<u>55,850</u>	<u>-</u>	<u>60,000</u>	<u>44,246</u>	<u>194,224</u>	<u>24,347</u>	<u>408,476</u>
Fund Balances								
Nonspendable:								
Interfund advances	60,000	-	-	-	-	-	-	60,000
Restricted for:								
Capital projects	-	1,673,143	-	-	-	-	-	1,673,143
Debt service	-	-	768,125	-	-	-	-	768,125
Economic development	-	-	807,309	-	66,404	-	1,392,962	2,266,675
Public safety	-	-	-	-	-	-	344,795	344,795
Sewer lateral	-	-	-	137,558	-	-	-	137,558
Parks and recreation	-	-	-	-	-	698,063	815	698,878
Committed for:								
Contingencies	1,069,010	-	-	-	-	-	-	1,069,010
Unassigned	3,835,743	-	-	-	-	-	-	3,835,743
Total Fund Balances	<u>4,964,753</u>	<u>1,673,143</u>	<u>1,575,434</u>	<u>137,558</u>	<u>66,404</u>	<u>698,063</u>	<u>1,738,572</u>	<u>10,853,927</u>
Total Liabilities And Fund Balances	<u>\$ 4,994,562</u>	<u>1,728,993</u>	<u>1,575,434</u>	<u>197,558</u>	<u>110,650</u>	<u>892,287</u>	<u>1,762,919</u>	<u>11,262,403</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, 2021

Total Fund Balances - Governmental Funds \$ 10,853,927

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 \$14,292,940 and the accumulated depreciation is \$5,284,751. 9,008,189

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	(7,618,221)
Tax increment financing refunding bonds payable	(6,555,000)
Unamortized bond discount	<u>14,296</u>

Total Net Position Of Governmental Activities \$ 5,703,191

CITY OF JENNINGS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>General</u>	<u>Capital Improvement</u>	<u>Northland TIF</u>	<u>Sewer Lateral</u>	<u>Economic Development</u>	<u>Park Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES								
Taxes	\$ 4,498,570	944,504	1,013,389	146,989	-	415,096	1,478,365	8,496,913
Gross receipts taxes	1,609,004	-	-	-	-	-	-	1,609,004
License tax	175,963	-	-	-	-	-	-	175,963
Permits	208,870	-	-	-	-	-	-	208,870
Charges for services	921,237	-	-	-	-	-	-	921,237
Court receipts	11,556	-	-	-	-	-	-	11,556
Intergovernmental	1,011,759	-	128,776	-	-	420,000	-	1,560,535
Investment income	4,803	1,479	643	-	21	587	139	7,672
Other	50,666	233,708	-	-	-	19,028	2,500	305,902
Total Revenues	<u>8,492,428</u>	<u>1,179,691</u>	<u>1,142,808</u>	<u>146,989</u>	<u>21</u>	<u>854,711</u>	<u>1,481,004</u>	<u>13,297,652</u>
EXPENDITURES								
Current:								
Building	477,309	-	-	-	-	-	-	477,309
City clerk	870,178	86,178	-	-	-	-	-	956,356
Corrections	1,179,540	8,289	-	-	-	-	-	1,187,829
Court	177,989	6,579	-	-	-	-	-	184,568
Economic development	-	-	6,500	-	281,347	-	265,509	553,356
Finance	280,275	-	-	-	-	-	-	280,275
Legal	86,281	-	-	-	-	-	-	86,281
Prosecutor	33,405	-	-	-	-	-	-	33,405
Public safety	4,646,608	62,983	-	-	-	-	242,446	4,952,037
Public works	916,118	467,214	-	-	-	-	-	1,383,332
Recreation	249,138	19,387	-	-	-	18,523	-	287,048
Sewer lateral	-	-	-	99,177	-	-	-	99,177
Capital outlay	3,520	604,398	-	-	-	418,403	13,673	1,039,994
Debt service:								
Principal	-	-	885,000	-	-	-	83,071	968,071
Interest	-	-	371,294	-	-	-	466,512	837,806
Total Expenditures	<u>8,920,361</u>	<u>1,255,028</u>	<u>1,262,794</u>	<u>99,177</u>	<u>281,347</u>	<u>436,926</u>	<u>1,071,211</u>	<u>13,326,844</u>
REVENUES OVER (UNDER)	<u>(427,933)</u>	<u>(75,337)</u>	<u>(119,986)</u>	<u>47,812</u>	<u>(281,326)</u>	<u>417,785</u>	<u>409,793</u>	<u>(29,192)</u>
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	283,843	-	-	-	-	-	-	283,843
Transfers in	236,754	360,000	120,489	-	140,000	8,100	-	865,343
Transfers out	(628,589)	(77,631)	-	-	(22,500)	(136,623)	-	(865,343)
Total Other Financing Sources (Uses)	<u>(107,992)</u>	<u>282,369</u>	<u>120,489</u>	<u>-</u>	<u>117,500</u>	<u>(128,523)</u>	<u>-</u>	<u>283,843</u>
NET CHANGE IN FUND BALANCES	<u>(535,925)</u>	<u>207,032</u>	<u>503</u>	<u>47,812</u>	<u>(163,826)</u>	<u>289,262</u>	<u>409,793</u>	<u>254,651</u>
FUND BALANCES, APRIL 1	<u>5,500,678</u>	<u>1,466,111</u>	<u>1,574,931</u>	<u>89,746</u>	<u>230,230</u>	<u>408,801</u>	<u>1,328,779</u>	<u>10,599,276</u>
FUND BALANCES, MARCH 31	<u>\$ 4,964,753</u>	<u>1,673,143</u>	<u>1,575,434</u>	<u>137,558</u>	<u>66,404</u>	<u>698,063</u>	<u>1,738,572</u>	<u>10,853,927</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, 2021

Net Change in Fund Balances - Governmental Funds \$ 254,651

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 acquisitions over the capitalization threshold (\$697,292) exceeded depreciation (\$462,260) in the current period. 235,032

Cost of disposals, net of accumulated depreciation (300,788)

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	885,000	
Reduction of tax increment financing refunding notes	83,071	962,713

Change In Net Position Of Governmental Activities \$ 1,151,608

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 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 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. 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.

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 would be presented on the accrual basis of accounting.

The City reports the following major governmental funds:

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Northland TIF Fund -- The Northland TIF Fund is used to account for financial resources and expenditures for the Northland tax increment financing economic development area No. 3.

Sewer Lateral Fund -- The Sewer Lateral Fund is a special revenue fund used to account for financial resources to be used for sewer lateral repairs.

Parks Sales Tax Fund -- The Park Sales Tax Fund is used to account for financial resources to be used for parks expenditures.

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, certificates of deposit, collateralized public deposits, bankers' acceptance, federal agencies, commercial paper, and repurchase agreements. Investments are reported at fair value.

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.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets (Continued)

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

Assets	Years
Buildings, improvements and infrastructure	15 - 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.

Unassigned -- Amounts that are available for any purpose; deficit balances in other governmental funds are shown as unassigned and 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 indicates that a portion of the General Fund shall be set aside in a committed amount for contingencies of \$1,069,010. The related balance for the General Fund at March 31, 2021 including interest amounted to \$1,069,011.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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; employee health; 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 the pension, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Pension (Continued)

Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. LAGERS' 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 held by the pledging or financial institution's trust department or agent, but not in the City's, must amount to the total of the City's cash not insured by the Federal Deposit insurance Corporation.

As of March 31, 2021, the City's bank balances totaled \$6,100,574 and \$50,957 of that amount was exposed to custodial credit risk.

2. Investments

As of March 31, 2021, the City had the following investments:

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
Federal obligation funds	\$ 1,775,349	-	1,775,349	-	-	-	AAA
Money market funds	192,256	192,256	-	-	-	-	Not rated
MOSIP	3,181,891	3,181,891	-	-	-	-	AAA
Total Investments	\$ 5,149,496	3,374,147	1,775,349	-	-	-	

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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.

Custodial Credit Risk the custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased.

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 requirements 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 money market funds, investments in external investment pools, and investments in other pooled investments are exempt). At March 31, 2021, the City had the following investment concentrations:

Investments	Fair Value	Percent Of Investments
MOSIP	\$ 3,181,891	61.8 %
Federated government obligation	1,775,349	34.5

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 prices quoted in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. 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, 2021:

	Total	Level 1	Level 2
Investments by fair value level:			
MOSIP	\$ 3,181,891	-	3,181,891
Investments not subject to fair value level classification:			
Federal obligation funds	1,775,349		
Money market funds	192,256		
Total Investments	\$ 5,149,496		

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

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.

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets:

	For The Year Ended March 31, 2021			Balance March 31 2021
	Balance March 31 2020	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 2,305,623	-	179,870	2,125,753
Construction in progress	537,971	311,305	849,276	-
Total Capital Assets Not Being Depreciated	<u>2,843,594</u>	<u>311,305</u>	<u>1,029,146</u>	<u>2,125,753</u>
Capital assets being depreciated:				
Building, improvements and infrastructure	8,725,293	869,466	-	9,594,759
Equipment	1,374,914	238,795	129,752	1,483,957
Vehicles	1,388,583	127,002	427,114	1,088,471
Total Capital Assets Being Depreciated	<u>11,488,790</u>	<u>1,235,263</u>	<u>556,866</u>	<u>12,167,187</u>
Less - Accumulated depre- ciation for:				
Building, improvements and infrastructure	3,205,788	215,520	-	3,421,308
Equipment	1,217,311	59,579	128,970	1,147,920
Vehicles	835,340	187,161	306,978	715,523
Total Accumulated Depreciated	<u>5,258,439</u>	<u>462,260</u>	<u>435,948</u>	<u>5,284,751</u>
Total Capital Assets Being Depreciated, Net	<u>6,230,351</u>	<u>773,003</u>	<u>120,918</u>	<u>6,882,436</u>
Capital Assets, Net	<u>\$ 9,073,945</u>	<u>1,084,308</u>	<u>1,150,064</u>	<u>9,008,189</u>

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended March 31 2021
Governmental Activities	
Building	\$ 9,330
Court	1,006
City clerk	22,686
Corrections	35,013
Public safety	38,759
Public works	215,387
Recreation	140,079
Total	\$ 462,260

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.

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

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.

	2020 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.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	140
Inactive employees entitled to but not yet receiving benefits	68
Active employees	51
Total	259

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 5.4% for general employees, 11.0% for police, and 10.6% for fire.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2020.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the February 28, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% 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.

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

The actuarial assumptions used in the February 28, 2020 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>Weighted Average Long-term Expected Real Rate Of Return</u>
Alpha	15.00 %	3.67 %
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash	10.00	-
Leverage	(35.00)	(0.51)

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

Discount Rate

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2019	\$ 20,284,654	21,865,112	(1,580,458)
Changes for the year			
Service cost	197,839	-	197,839
Interest	1,423,948	-	1,423,948
Difference between expected and actual experience	309,266	-	309,266
Contributions - employer	-	324,529	(324,529)
Net investment income	-	269,539	(269,539)
Benefit payments, includ- ing refunds	(1,508,773)	(1,508,773)	-
Administrative expense	-	(30,231)	30,231
Other changes	-	(51,155)	51,155
Net Changes	<u>422,280</u>	<u>(996,091)</u>	<u>1,418,371</u>
Balances at June 30, 2020	<u>\$ 20,706,934</u>	<u>20,869,021</u>	<u>(162,087)</u>

The funded status of the Plan at March 31, 2021 was 100.78%.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

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.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	\$ 2,183,385	(162,087)	(2,116,928)

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

For the year ended March 31, 2021, the City's actuarially determined pension expense was \$477,345. Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ 115,232	(37,055)	78,177
Net difference between projected and actual earnings on pension plan investments	480,948	-	480,948
Contributions subsequent to the measurement date*	<u>67,623</u>	<u>-</u>	<u>67,623</u>
Total	<u>\$ 663,803</u>	<u>(37,055)</u>	<u>626,748</u>

*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:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

**For The Plan
Years Ending
June 30**

2021	\$ (40,597)
2022	54,291
2023	299,210
2024	<u>246,221</u>
Total	<u>\$ 559,125</u>

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.

During the year ended March 31, 2019, the City approved the creation of the City of Jennings, Missouri, Redevelopment Project Area 8 (RPA 8) Tax Increment Financing Forgivable Loan Program. This program was established to fund the repair, rehabilitation, and or improvement of commercial properties within RPA 8. The loans are forgiven over 5 years in equal installments so long as the applicant remains in compliance with the Redevelopment Agreement. At March 31, 2021, the City had \$53,445 of these loans outstanding. An offsetting allowance for these amounts has been established.

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended March 31, 2021 amounted to \$4,621,658. 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. Although the outcome of these lawsuits is not presently determinable, City management believes the resolution of these matters will not have a material adverse effect on the financial condition of the City. However, the City will continue to monitor and evaluate these issues 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:

	For The Year Ended March 31, 2021			Balance March 31 2021	Amounts Due Within One Year
	Balance March 31 2020	Additions	Reductions		
TIF refunding bonds	\$ 7,440,000	-	885,000	6,555,000	880,000
Less - Discount	(19,654)	-	(5,358)	(14,296)	-
TIF revenue notes - direct placement	7,701,292	-	83,071	7,618,221	80,000
Total Long-term Debt	<u>\$ 15,121,638</u>	<u>-</u>	<u>962,713</u>	<u>14,158,925</u>	<u>960,000</u>

The TIF refunding bonds are liquidated by the Northland Tax Increment Financing Area 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 were issued in December 2014 and December 2017 for \$1,760,000 and \$6,743,250, respectively. The notes 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.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 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:

	March 31, 2021	
	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	\$ 272,076	-
Capital Improvement Fund	-	55,850
Sewer Lateral Fund	3,007	-
Economic Development Fund	-	44,246
Park Sales Tax Fund	-	194,224
Total Major Governmental Funds	275,083	294,320
Nonmajor governmental funds:		
Special Revenue Funds:		
Stout TIF Fund	-	169
Jennings Station TIF Fund	-	13,094
River Road TIF Fund	-	10,631
Fire Protection Fund	6,069	-
Beautification Fund	-	453
Pension Tax Fund	37,515	-
Total Nonmajor Governmental Funds	43,584	24,347
Total Major And Nonmajor Governmental Funds	\$ 318,667	318,667

To improve cash flow and minimize financing fees, the City loans money between funds for operating costs. In June 2019, the General Fund loaned the Sewer Lateral Fund \$60,000. The City charges 0% interest rate on the loan and the loans are to be paid back when funds are available. At March 31, 2021, the interfund loan balance was \$60,000.

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:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

		For The Year Ended March 31, 2021					
		Transfers In					
		General Fund	Capital Improvement	Northland TIF	Economic Development	Park Sales Tax	Total
Transfers out:							
General Fund	\$	-	360,000	120,489	140,000	8,100	628,589
Capital Improvement Fund		77,631	-	-	-	-	77,631
Park Sales Tax Fund		136,623	-	-	-	-	136,623
Economic Develop- ment Fund		22,500	-	-	-	-	22,500
Total	\$	236,754	360,000	120,489	140,000	8,100	865,343

NOTE H - 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 \$1,805,877 and \$1,441,049 respectively, for funds with incremental tax debt service expenditures.

NOTE I - TAX ABATEMENTS

Under the Missouri Chapter 100 Industrial Development Bond program, the City issued Taxable Industrial Development Revenue Bonds during 2011 to provide financial assistance to Louisa Food Products, Inc. (the Company) for construction of two new buildings totaling approximately 21,000 square feet to be used primarily for manufacturing purposes and equipping the site and project improvements with certain personal property. To finance the project, the Company passed title of the property and encompassing equipment to the City and will pay rent to the City under a lease agreement sufficient to pay the debt. Due to the City having title to the property, the property is tax exempt during the lease term thus resulting in a tax abatement for the Company. As part of the agreement, the Company is responsible for paying payments in lieu of taxes equal to fifty percent of the ad valorem taxes that would have otherwise been payable during the nineteen-year period. For the fiscal year ended March 31, 2021, the amount of abated property tax totaled \$1,010.

NOTE J - FUTURE ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

NOTE K - SUBSEQUENT EVENT

In June 2021, the City issued \$11,190,000 of certificates of participation to be used for construction of a new municipal complex and community center.

In July 2021, the City approved a street sweeper purchase and construction management services for \$267,162 and \$180,000, respectively.

SUPPLEMENTAL INFORMATION SECTION

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes				
Sales	\$ 2,575,000	2,575,000	2,382,054	(192,946)
Public safety	803,000	803,000	753,424	(49,576)
Property:				
Real estate	900,000	900,000	694,230	(205,770)
Personal property	185,000	185,000	140,189	(44,811)
Railroad	45,000	45,000	41,716	(3,284)
Gasoline	400,000	400,000	369,392	(30,608)
Cigarette	30,000	30,000	30,671	671
Road and bridge	89,000	89,000	86,894	(2,106)
Total Taxes	<u>5,027,000</u>	<u>5,027,000</u>	<u>4,498,570</u>	<u>(528,430)</u>
Gross Receipts Taxes				
Utilities	1,502,000	1,502,000	1,494,104	(7,896)
Cable	120,000	120,000	114,900	(5,100)
Total Gross Receipts Taxes	<u>1,622,000</u>	<u>1,622,000</u>	<u>1,609,004</u>	<u>(12,996)</u>
License Tax				
Merchants and manufacturers	150,000	150,000	143,437	(6,563)
Liquor	4,000	4,000	5,723	1,723
Coin vending machines	600	600	160	(440)
Vehicles	22,000	22,000	22,622	622
Dog tags	50	50	21	(29)
Miscellaneous	4,500	4,500	4,000	(500)
Total License Tax	<u>181,150</u>	<u>181,150</u>	<u>175,963</u>	<u>(5,187)</u>
Permits				
Building	30,000	30,000	39,564	9,564
Street excavating	12,000	12,000	7,940	(4,060)
Plumbing	32,000	32,000	39,971	7,971
Occupancy	32,000	32,000	23,850	(8,150)
Housing inspections	48,000	48,000	39,410	(8,590)
Vacant property registration	13,000	13,000	18,800	5,800
Electrical	10,000	10,000	25,600	15,600
Heating	6,000	6,000	9,956	3,956
Other fees	6,000	6,000	3,779	(2,221)
Total Permits	<u>189,000</u>	<u>189,000</u>	<u>208,870</u>	<u>19,870</u>
Charges for Services				
Jail operations	1,320,000	1,320,000	801,347	(518,653)
Prisoner security	3,000	3,000	-	(3,000)
Commissary receipts	20,000	20,000	3,589	(16,411)
Rental	50,000	50,000	25,177	(24,823)
Weed cutting	56,000	56,000	91,124	35,124
Total Charges For Services	<u>1,449,000</u>	<u>1,449,000</u>	<u>921,237</u>	<u>(527,763)</u>

(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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES (Continued)				
Court Receipts				
Costs and fines	95,000	95,000	19,092	(75,908)
D.W.I. recoupment fee	-	-	170	170
Crime victims compensation	300	300	(8,159)	(8,459)
Inmate security fee	1,650	1,650	182	(1,468)
Judicial education fee	800	800	83	(717)
Officers training fund	1,600	1,600	188	(1,412)
Total Court Receipts	<u>99,350</u>	<u>99,350</u>	<u>11,556</u>	<u>(87,794)</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>1,011,759</u>	<u>1,011,759</u>
Investment Income	<u>45,000</u>	<u>45,000</u>	<u>4,803</u>	<u>(40,197)</u>
Other				
Telephone commission	5,000	5,000	-	(5,000)
Community programs	7,500	7,500	980	(6,520)
Trash stickers	2,000	2,000	1,810	(190)
Miscellaneous	85,600	85,600	47,876	(37,724)
Total Other	<u>100,100</u>	<u>100,100</u>	<u>50,666</u>	<u>(49,434)</u>
Total Revenues	<u>8,712,600</u>	<u>8,712,600</u>	<u>8,492,428</u>	<u>(220,172)</u>
EXPENDITURES				
Building				
Personnel costs:				
Salaries	407,152	407,152	375,092	(32,060)
Payroll tax	30,943	30,943	18,686	(12,257)
Employee insurance	23,876	23,876	37,010	13,134
Pension contribution	20,673	20,673	14,026	(6,647)
Total Personnel Costs	<u>482,644</u>	<u>482,644</u>	<u>444,814</u>	<u>(37,830)</u>
Dues	600	600	364	(236)
Licenses and fees	2,500	2,500	3,413	913
Supplies	6,000	6,000	6,858	858
Computer software	17,000	17,000	19,686	2,686
Map making	500	500	-	(500)
Problem properties program	34,100	34,100	-	(34,100)
Professional development	4,500	4,500	1,800	(2,700)
Repairs and maintenance	-	-	374	374
Total Building	<u>547,844</u>	<u>547,844</u>	<u>477,309</u>	<u>(70,535)</u>
City Clerk				
Personnel costs:				
Salaries	328,021	343,021	344,859	1,838
Payroll tax	25,094	26,241	24,948	(1,293)
Employee insurance	52,766	52,766	56,302	3,536
Pension contribution	17,713	17,713	12,080	(5,633)
Unemployment compensation	5,000	5,000	11,596	6,596
Total Personnel Costs	<u>428,594</u>	<u>444,741</u>	<u>449,785</u>	<u>5,044</u>

(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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
City Clerk (Continued)				
Dues	8,300	8,300	7,035	(1,265)
Utilities	-	-	-	-
Postage	8,500	8,500	7,339	(1,161)
Election costs	10,000	10,000	6,970	(3,030)
Supplies	12,000	13,000	12,692	(308)
Professional services	46,500	46,500	51,265	4,765
Personnel	16,500	16,500	10,937	(5,563)
Bonds and insurance	275,000	275,000	269,986	(5,014)
Hospitality	4,000	4,000	2,241	(1,759)
Wellness program	1,000	1,000	-	(1,000)
Publications	10,000	10,000	7,574	(2,426)
Advertising	7,000	7,000	10,706	3,706
Software	24,700	23,700	24,294	594
Insurance loss fund	5,000	5,000	1,376	(3,624)
Professional development	15,000	15,000	5,615	(9,385)
Ward funds	4,000	4,000	2,363	(1,637)
Total City Clerk	<u>876,094</u>	<u>892,241</u>	<u>870,178</u>	<u>(22,063)</u>
Legal				
Personnel costs:				
Salaries	70,380	70,380	73,087	2,707
Payroll tax	5,384	5,384	5,552	168
Employee insurance	162	162	241	79
Total Personnel Costs	<u>75,926</u>	<u>75,926</u>	<u>78,880</u>	<u>2,954</u>
Legal fees	<u>53,000</u>	<u>53,000</u>	<u>7,401</u>	<u>(45,599)</u>
Total Legal	<u>128,926</u>	<u>128,926</u>	<u>86,281</u>	<u>(42,645)</u>
Finance				
Personnel costs:				
Salaries	147,260	147,260	138,012	(9,248)
Payroll tax	10,952	10,952	8,545	(2,407)
Employee insurance	24,575	24,575	24,208	(367)
Pension contribution	6,872	6,872	5,482	(1,390)
Total Personnel Costs	<u>189,659</u>	<u>189,659</u>	<u>176,247</u>	<u>(13,412)</u>
Supplies	4,500	4,500	3,292	(1,208)
Utilities	24,000	24,000	26,728	2,728
Trash sticker	3,000	3,000	2,114	(886)
Accounting and data processing	59,000	59,000	62,551	3,551
Bank charges	5,600	5,600	4,581	(1,019)
Computer software	9,861	9,861	4,342	(5,519)
Professional development	4,000	4,000	420	(3,580)
Total Finance	<u>299,620</u>	<u>299,620</u>	<u>280,275</u>	<u>(19,345)</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, 2021

EXPENDITURES (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Court				
Personnel costs:				
Salaries	192,839	192,839	121,962	(70,877)
Payroll tax	12,907	12,907	8,595	(4,312)
Employee insurance	7,067	7,067	9,312	2,245
Pension contribution	6,789	6,789	4,412	(2,377)
Total Personnel Costs	<u>219,602</u>	<u>219,602</u>	<u>144,281</u>	<u>(75,321)</u>
Dues	-	-	240	240
Utilities	20,000	20,000	14,181	(5,819)
Supplies	8,200	8,200	4,838	(3,362)
Interim judges	3,500	3,500	1,242	(2,258)
Public defender	750	750	-	(750)
REJIS	9,000	9,000	7,473	(1,527)
Software	7,920	7,920	5,019	(2,901)
Professional development	4,000	4,000	715	(3,285)
Total Court	<u>272,972</u>	<u>272,972</u>	<u>177,989</u>	<u>(94,983)</u>
Prosecutor				
Personnel costs:				
Salaries	33,700	33,700	28,558	(5,142)
Payroll tax	2,578	2,578	2,003	(575)
Employee insurance	162	162	198	36
Total Personnel Costs	<u>36,440</u>	<u>36,440</u>	<u>30,759</u>	<u>(5,681)</u>
Dues	150	150	-	(150)
REJIS	150	150	54	(96)
Software	2,000	2,000	2,480	480
Supplies	500	500	112	(388)
Professional development	1,500	1,500	-	(1,500)
Total Prosecutor	<u>40,740</u>	<u>40,740</u>	<u>33,405</u>	<u>(7,335)</u>
Public Safety				
Contractual	3,964,804	3,964,804	4,619,187	654,383
Utilities	31,300	20,000	24,666	4,666
D.W.I. supplies	255	255	255	-
Professional development	2,500	2,500	2,500	-
Total Public Safety	<u>3,998,859</u>	<u>3,987,559</u>	<u>4,646,608</u>	<u>659,049</u>
Public Works				
Personnel costs:				
Salaries	713,002	713,002	629,279	(83,723)
Payroll tax	54,162	54,162	43,847	(10,315)
Employee insurance	111,650	111,650	110,062	(1,588)
Pension contribution	29,146	29,146	26,513	(2,633)
Total Personnel Costs	<u>907,960</u>	<u>907,960</u>	<u>809,701</u>	<u>(98,259)</u>

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Public Works (Continued)				
Bank charges	-	-	328	328
Community programs	-	-	551	551
Equipment rental	2,500	2,500	831	(1,669)
Utilities	25,000	25,000	21,316	(3,684)
Uniforms	29,000	29,000	26,606	(2,394)
Supplies	6,000	6,000	15,030	9,030
Safety equipment	3,100	3,100	6,508	3,408
Software	2,807	2,807	2,397	(410)
Hauling cost	10,000	10,000	6,076	(3,924)
Capital outlay	-	-	25,222	25,222
Professional development	2,500	2,500	191	(2,309)
Vector control	3,500	3,500	1,361	(2,139)
Total Public Works	<u>992,367</u>	<u>992,367</u>	<u>916,118</u>	<u>(76,249)</u>
Recreation				
Personnel costs:				
Salaries	199,645	199,645	146,522	(53,123)
Payroll tax	15,273	15,273	9,100	(6,173)
Employee insurance	35,249	35,249	46,031	10,782
Pension contribution	7,454	7,454	8,799	1,345
Total Personnel Costs	<u>257,621</u>	<u>257,621</u>	<u>210,452</u>	<u>(47,169)</u>
Dues	2,200	2,200	1,028	(1,172)
Utilities	18,000	18,000	11,945	(6,055)
Concession stand supplies	2,000	2,000	1,134	(866)
Equipment	2,000	2,000	2,493	493
Software	4,800	4,800	2,790	(2,010)
Supplies	4,000	4,000	2,179	(1,821)
Community program	18,000	18,000	12,987	(5,013)
Youth commission	1,500	1,500	1,245	(255)
Senior commission	1,500	1,500	604	(896)
Professional development	3,500	3,500	2,281	(1,219)
Total Recreation	<u>315,121</u>	<u>315,121</u>	<u>249,138</u>	<u>(65,983)</u>
Corrections				
Personnel costs:				
Salaries	828,992	828,992	686,682	(142,310)
Payroll tax	59,593	59,593	37,954	(21,639)
Employee insurance	115,737	115,737	101,935	(13,802)
Pension contribution	36,944	36,944	21,686	(15,258)
Total Personnel Costs	<u>1,041,266</u>	<u>1,041,266</u>	<u>848,257</u>	<u>(193,009)</u>
Utilities	40,000	40,000	32,207	(7,793)
Uniforms	8,000	8,000	7,174	(826)
Supplies	2,000	2,000	3,143	1,143
Emergency management	2,500	2,500	-	(2,500)
Equipment	12,000	12,000	7,374	(4,626)
Commissary	9,000	9,000	3,574	(5,426)

(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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Corrections (Continued)				
Meals and coffee	260,000	260,000	181,880	(78,120)
Prisoner	30,000	30,000	10,134	(19,866)
Laundry	17,000	17,000	10,623	(6,377)
Software	4,920	4,920	3,607	(1,313)
Medical	75,000	75,000	71,567	(3,433)
Capital outlay	12,000	12,000	3,520	(8,480)
Professional development	2,500	2,500	-	(2,500)
Total Corrections	1,516,186	1,516,186	1,183,060	(333,126)
Total Expenditures	8,988,729	8,993,576	8,920,361	(73,215)
 REVENUES OVER (UNDER) EXPENDITURES	 (276,129)	 (280,976)	 (427,933)	 (146,957)
 OTHER FINANCING SOURCES (USES)				
Sale of capital assets	300,000	300,000	283,843	(16,157)
Transfers in	391,286	391,286	236,754	(154,532)
Transfers out	-	-	(628,589)	(628,589)
Total Other Financing Sources (Uses)	691,286	691,286	(107,992)	(799,278)
 NET CHANGE IN FUND BALANCE	 \$ 415,157	 410,310	 (535,925)	 (946,235)
 FUND BALANCE, APRIL 1			 5,500,678	
 FUND BALANCE, MARCH 31			 \$ 4,964,753	

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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 960,000	960,000	944,504	(15,496)
Investment income	-	-	1,479	1,479
Other	-	-	233,708	233,708
Total Revenues	960,000	960,000	1,179,691	219,691
EXPENDITURES				
Current:				
City clerk	130,536	128,036	86,178	(44,358)
Corrections	12,000	12,000	8,289	(3,711)
Court	7,384	7,384	6,579	(805)
Public safety	97,416	97,416	62,983	(34,433)
Public works	185,000	185,000	467,214	282,214
Recreation	23,700	23,700	19,387	(4,313)
Capital outlay	835,695	835,695	604,398	(231,297)
Total Expenditures	1,291,731	1,289,231	1,255,028	(36,703)
REVENUES OVER (UNDER) EXPENDITURES				
	(331,731)	(329,231)	(75,337)	(256,394)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	360,000	(360,000)
Transfer out	(220,440)	(220,440)	(77,631)	(142,809)
Total Other Financing Sources (Uses)	(220,440)	(220,440)	282,369	(502,809)
NET CHANGE IN FUND BALANCE				
	\$ (552,171)	(549,671)	207,032	(759,203)
FUND BALANCE, APRIL 1			1,466,111	
FUND BALANCE, MARCH 31			\$ 1,673,143	

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, 2021

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 140,000	146,989	6,989
EXPENDITURES			
Sewer lateral	150,000	99,177	(50,823)
NET CHANGE IN FUND BALANCE	\$ (10,000)	47,812	57,812
FUND BALANCE, APRIL 1		89,746	
FUND BALANCE, MARCH 31		\$ 137,558	

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, 2021

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	\$ -	21	21
EXPENDITURES			
Economic development	173,000	281,347	108,347
REVENUES OVER (UNDER) EXPENDITURES	(173,000)	(281,326)	(108,326)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	140,000	(140,000)
Transfer out	(30,000)	(22,500)	(7,500)
Total Other Financing Sources (Uses)	(30,000)	117,500	(147,500)
NET CHANGE IN FUND BALANCE	\$ (203,000)	(163,826)	(39,174)
FUND BALANCE, APRIL 1		230,230	
FUND BALANCE, MARCH 31		\$ 66,404	

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, 2021

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 380,000	415,096	35,096
Intergovernmental	420,000	420,000	-
Investment income	-	587	587
Other	-	19,028	19,028
Total Revenues	800,000	854,711	54,711
EXPENDITURES			
Recreation	20,000	18,523	(1,477)
Capital outlay	380,000	418,403	38,403
Total Expenditures	400,000	436,926	36,926
REVENUES OVER (UNDER) EXPENDITURES	400,000	417,785	17,785
OTHER FINANCING SOURCES (USES)			
Transfers in	-	8,100	(8,100)
Transfers out	(140,846)	(136,623)	(4,223)
Total Other Financing Sources (Uses)	(140,846)	(128,523)	(12,323)
NET CHANGE IN FUND BALANCE	\$ 259,154	289,262	30,108
FUND BALANCE, APRIL 1		408,801	
FUND BALANCE, MARCH 31		\$ 698,063	

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2021

	<u>Stout TIF</u>	<u>Jennings Station TIF</u>	<u>River Roads TIF</u>	<u>Fire Protection</u>	<u>Police Seizure</u>	<u>Beautifi- cation</u>	<u>Pension Tax</u>	<u>Economic Development Sales Tax</u>	<u>Total</u>
ASSETS									
Cash	\$ 169	612,727	20,339	-	-	1,268	301,211	426,930	1,362,644
Investments	-	-	356,691	-	-	-	-	-	356,691
Due from other funds	-	-	-	6,069	-	-	37,515	-	43,584
	<hr/>								
Total Assets	<u>\$ 169</u>	<u>612,727</u>	<u>377,030</u>	<u>6,069</u>	<u>-</u>	<u>1,268</u>	<u>338,726</u>	<u>426,930</u>	<u>1,762,919</u>
 LIABILITIES AND FUND BALANCES									
Liabilities									
Due to other funds	\$ 169	13,094	10,631	-	-	453	-	-	24,347
Fund Balances									
Restricted for:									
Economic development	-	599,633	366,399	-	-	-	-	426,930	1,392,962
Public safety	-	-	-	6,069	-	-	338,726	-	344,795
Parks and recreation	-	-	-	-	-	815	-	-	815
Total Fund Balances	<u>-</u>	<u>599,633</u>	<u>366,399</u>	<u>6,069</u>	<u>-</u>	<u>815</u>	<u>338,726</u>	<u>426,930</u>	<u>1,738,572</u>
	<hr/>								
Total Liabilities And Fund Balances	<u>\$ 169</u>	<u>612,727</u>	<u>377,030</u>	<u>6,069</u>	<u>-</u>	<u>1,268</u>	<u>338,726</u>	<u>426,930</u>	<u>1,762,919</u>

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, 2021

	Stout TIF	Jennings Station TIF	River Roads TIF	Fire Protection	Police Seizure	Beautifi- cation	Pension Tax	Economic Development Sales Tax	Total
REVENUES									
Taxes	\$ -	294,109	427,660	-	-	-	329,666	426,930	1,478,365
Investment income	-	-	139	-	-	-	-	-	139
Other	-	-	-	-	-	2,500	-	-	2,500
Total Revenues	<u>-</u>	<u>294,109</u>	<u>427,799</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>329,666</u>	<u>426,930</u>	<u>1,481,004</u>
EXPENDITURES									
Economic development	-	257,389	8,120	-	-	-	-	-	265,509
Public safety	-	-	-	-	-	-	242,446	-	242,446
Capital outlay	-	-	-	-	11,492	2,181	-	-	13,673
Debt service:									
Principal	-	-	83,071	-	-	-	-	-	83,071
Interest	-	-	466,512	-	-	-	-	-	466,512
Total Expenditures	<u>-</u>	<u>257,389</u>	<u>557,703</u>	<u>-</u>	<u>11,492</u>	<u>2,181</u>	<u>242,446</u>	<u>-</u>	<u>1,071,211</u>
REVENUES OVER (UNDER)									
EXPENDITURES	<u>-</u>	<u>36,720</u>	<u>(129,904)</u>	<u>-</u>	<u>(11,492)</u>	<u>319</u>	<u>87,220</u>	<u>426,930</u>	<u>409,793</u>
OTHER FINANCING SOURCES (USES)									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>36,720</u>	<u>(129,904)</u>	<u>-</u>	<u>(11,492)</u>	<u>319</u>	<u>87,220</u>	<u>426,930</u>	<u>409,793</u>
FUND BALANCES, APRIL 1	<u>-</u>	<u>562,913</u>	<u>496,303</u>	<u>6,069</u>	<u>11,492</u>	<u>496</u>	<u>251,506</u>	<u>-</u>	<u>1,328,779</u>
FUND BALANCES, MARCH 31	<u><u>\$ -</u></u>	<u><u>599,633</u></u>	<u><u>366,399</u></u>	<u><u>6,069</u></u>	<u><u>-</u></u>	<u><u>815</u></u>	<u><u>338,726</u></u>	<u><u>426,930</u></u>	<u><u>1,738,572</u></u>

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - ECONOMIC DEVELOPMENT SALES TAX FUND
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 450,000	426,930	(23,070)
EXPENDITURES			
Economic development	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 450,000</u>	426,930	<u>(23,070)</u>
FUND BALANCE, APRIL 1		-	
FUND BALANCE, MARCH 31		<u>\$ 426,930</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, 2020

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.
- 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.

For the year ended March 31, 2021, expenditures exceeded the budget by \$108,347 and \$36,926 in the Economic Development and Park Sales Tax Funds, respectively.

STATISTICAL INFORMATION SECTION
(UNAUDITED)

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

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability						
Service cost	\$ 197,839	187,377	190,920	192,264	189,745	231,691
Interest on the total pension liability	1,423,948	1,417,559	925,981	908,250	861,635	841,327
Benefit changes	-	-	7,290,249	-	-	-
Difference between expected and actual experience	309,266	(48,040)	(359,146)	67,847	(101,560)	(102,864)
Changes of assumptions	-	-	-	-	383,340	-
Benefit payments, including refunds	(1,508,773)	(1,440,264)	(1,097,504)	(754,758)	(630,254)	(707,311)
Net Change In Total Pension Liability	<u>422,280</u>	<u>116,632</u>	<u>6,950,500</u>	<u>413,603</u>	<u>702,906</u>	<u>262,843</u>
Total Pension Liability Beginning	<u>20,284,654</u>	<u>20,168,022</u>	<u>13,217,522</u>	<u>12,803,919</u>	<u>12,101,013</u>	<u>11,838,170</u>
Total Pension Liability Ending (a)	<u>\$ 20,706,934</u>	<u>20,284,654</u>	<u>20,168,022</u>	<u>13,217,522</u>	<u>12,803,919</u>	<u>12,101,013</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 324,529	332,417	3,961,696	67,376	78,669	107,755
Net investment income	269,539	1,385,276	2,767,507	1,852,199	(52,590)	323,305
Benefit payments, including refunds	(1,508,773)	(1,440,264)	(1,097,504)	(754,758)	(630,254)	(707,311)
Administrative expense	(30,231)	(27,265)	(18,179)	(15,168)	(15,222)	(16,404)
Other changes	(51,155)	(3,596,551)	3,183,216	105,305	(50,496)	23,787
Net Change In Plan Fiduciary Net Position	<u>(996,091)</u>	<u>(3,346,387)</u>	<u>8,796,736</u>	<u>1,254,954</u>	<u>(669,893)</u>	<u>(268,868)</u>
Plan Fiduciary Net Position Beginning	<u>21,865,112</u>	<u>25,211,499</u>	<u>16,414,763</u>	<u>15,159,809</u>	<u>15,829,702</u>	<u>16,098,570</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 20,869,021</u>	<u>21,865,112</u>	<u>25,211,499</u>	<u>16,414,763</u>	<u>15,159,809</u>	<u>15,829,702</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (162,087)</u>	<u>(1,580,458)</u>	<u>(5,043,477)</u>	<u>(3,197,241)</u>	<u>(2,355,890)</u>	<u>(3,728,689)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.78 %	107.79	125.01	124.19	118.40	130.81
Covered Payroll (for February 28/29 Actuarial Valuation)	\$ 1,692,529	1,681,495	1,597,305	1,683,831	1,697,042	1,726,245
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(9.58) %	(93.99)	(315.75)	(189.88)	(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.
In December 2017 LAGERS took over the former City of Jennings Police and Firemen's Retirement Fund which is reflected in the 2019 reporting period.
New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015 which are reflected in the 2017 reporting period.

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

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

	For The Years Ended March 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined pension contribution	\$ 95,820	77,624	108,500	71,076	67,300	81,186	148,632	168,416	172,421	189,356
Contributions in relation to the actuarially determined contribution	92,398	77,624	95,627	71,076	67,300	81,186	124,198	138,507	115,075	103,066
Contribution Deficiency (Excess)	<u>\$ 3,422</u>	<u>-</u>	<u>12,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,434</u>	<u>29,909</u>	<u>57,346</u>	<u>86,290</u>
Covered Payroll	\$ 1,711,069	1,764,190	1,838,989	1,692,296	1,771,049	1,727,352	1,973,386	2,146,550	2,014,249	2,193,046
Contributions as a Percentage of Covered Payroll	5.40 %	4.40	5.20	4.20	3.80	4.70	6.29	6.45	5.71	4.70

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:

<p>Actuarial cost method</p> <p>Amortization method</p> <p>Remaining amortization period</p> <p>Asset valuation method</p> <p>Inflation</p> <p>Salary increases</p> <p>Investment rate of return</p> <p>Retirement age</p> <p>Mortality</p>	<p>Entry age normal and modified terminal funding</p> <p>A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.</p> <p>Multiple bases from 15 to 17 years</p> <p>5 years smoothed market; 20% corridor</p> <p>3.25% wage inflation; 2.50% price inflation</p> <p>3.25% to 6.55% including wage inflation</p> <p>7.25%, net of investment expenses</p> <p>Experience-based table of rates that are specific to the type of eligibility condition</p> <p>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.</p>
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Other information:

There were no benefit changes during the year.