



**FINANCIAL REPORT**  
(Audited)

Year Ended March 31, 2016

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

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

## INDEPENDENT AUDITOR'S REPORT

August 22, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of March 31, 2016, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

### **Basis of Accounting**

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hochschild, Bloom & Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

# CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

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As management of the City of Jennings, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2016. 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 \$3,672,228. The City has a deficit in unrestricted net position totaling (\$8,729,567) primarily due to \$11,809,263 in tax increment debt outstanding at year-end for infrastructure assets not owned by the City.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,183,053.
- At the end of the current fiscal year, the fund balance for the General Fund was \$3,079,696.

## 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.

**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.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include beautification, building, city clerk, collector, court, economic development, federal jail, fire protection, legal, public safety, public works, recreation, sewer lateral, and special services. The City does not have any business-type activities.

The City has elected to utilize a modified cash basis of accounting as explained in Note A-3 of the notes to financial statements.

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

# CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

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**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.

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2016**

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

	March 31	
	2016	2015
<b>ASSETS</b>		
Cash and other assets	\$ 8,622,499	9,139,560
Capital assets	7,298,438	7,499,390
Total Assets	15,920,937	16,638,950
<b>LIABILITIES</b>		
Other liabilities	439,446	657,366
Noncurrent liabilities	11,809,263	12,833,556
Total Liabilities	12,248,709	13,490,922
<b>NET POSITION</b>		
Investment in capital assets	7,298,438	7,499,390
Restricted	5,103,357	5,147,282
Unrestricted	(8,729,567)	(9,498,644)
Total Net Position	\$ 3,672,228	3,148,028

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 \$3,672,228 at the close of March 31, 2016.

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

The City's unrestricted net position represents a deficit balance of \$8,729,567 as of March 31, 2016. This deficit is primarily the result of the balance of \$11,809,263 in TIF debt outstanding at year-end for infrastructure assets not owned by the City. The TIF debt is a special limited obligation of the City and 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 \$524,200. The decrease in total expenses was largely attributable to the fire department transfer in the prior year and a reduction in economic development expenses due to not issuing any TIF revenue notes in current year. The decrease in capital grants was largely attributable to a one time grant for park improvements in the prior year.

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2016**

	<b>For The Years Ended March 31</b>	
	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 1,384,876	2,102,280
Operating grants and contributions	666,172	654,903
Capital grants and contributions	38,400	490,778
General revenues:		
Taxes	8,128,864	8,363,208
License tax	190,571	183,697
Investment income	10,924	663
Miscellaneous	55,441	55,581
Total Revenues	10,475,248	11,851,110
<b>EXPENSES</b>		
Beautification	157	316
Building	301,581	287,746
City clerk	795,233	781,788
Collector	97,134	100,590
Court	308,826	303,270
Economic development	66,272	2,018,818
Federal jail	1,182,129	1,161,050
Fire protection	75,956	1,075,066
Legal	336,469	173,213
Public safety - police	3,389,793	3,491,130
Public works	1,233,220	1,353,851
Recreation	789,180	420,442
Sewer lateral	102,414	113,194
Special services	607,344	514,573
Interest and fiscal charges	665,340	597,125
Total Expenses	9,951,048	12,392,172
<b>CHANGE IN NET POSITION</b>	524,200	(541,062)
<b>NET POSITION, APRIL 1</b>	3,148,028	3,689,090
<b>NET POSITION, MARCH 31</b>	\$ 3,672,228	3,148,028

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

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on inflows, outflows, and balance of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's resources



**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2016**

available for spending at the end of the fiscal year. At March 31, 2016, the combined fund balance was \$8,183,053.

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund decreased by \$255,216 from the prior year, mainly due to decrease in court receipts.

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 \$240,033 from the prior year. The change of the current year's fund balance is mainly due to a decrease in capital expenditures and debt service payments.

The Tax Increment Financing Area 3 Fund is a restricted fund and can only be used for economic development in the fund-designated area. The fund balance in this fund decreased by \$127,976 from the prior year. The decrease in this fund is due to an increase in debt service payments.

The River Roads TIF Fund is a restricted fund and can only be used for economic development in the fund-designated area. The fund balance in this fund decreased by \$51,957 from the prior year. The decrease in this fund is due to an increase in debt service payments.

**Fiduciary fund.** The City maintains a fiduciary fund for the assets of the uniformed personnel through the Police and Firemen's Retirement Fund. As of the end of the current fiscal year ending March 31, 2016, the net position of the Pension Trust Fund totaled \$4,184,172. This represents a decrease of \$649,375 in total net position over the last fiscal year. This change is primarily due to a net depreciation in fair value of investments.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The City has invested \$7,298,438, net of accumulated depreciation, at March 31, 2016 in a broad range of capital assets, including land, buildings, improvements and infrastructure, equipment, and vehicles. The amount includes a net decrease for the current fiscal year (including additions and retirements) of \$200,952.

Capital assets were as follows:

	<b>March 31</b>	
	<b>2016</b>	<b>2015</b>
Land	\$ 1,983,823	2,109,312
Building, improvements and infrastructure	7,597,861	7,526,041
Equipment	1,135,708	1,128,904
Vehicles	672,013	681,711
	11,389,405	11,445,968
Less - Accumulated depreciation	4,090,967	3,946,578
Total Capital Assets, Net	\$ 7,298,438	7,499,390

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

**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2016**

**Debt administration.** At March 31, 2016, the City had total long-term debt obligations for governmental activities in the amount of \$11,850,349. None of the debt outstanding represents general obligation bonds.

	<b>March 31</b>	
	<b>2016</b>	<b>2015</b>
Tax increment financing refunding bonds	\$ 10,280,000	11,120,000
Tax increment financing revenue notes	1,570,349	1,760,000
Total	\$ 11,850,349	12,880,000

The tax increment financing (TIF) refunding bonds represent a special limited obligation of the City 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 in lieu of taxes 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 2016 budget and actual amounts:

- Total collected revenues were \$1,075,471 less than budget primarily due to tax revenues and court receipts not being as high as anticipated.
- Total expenditures were \$253,483 under budget due to various departments spending less than budgeted.

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

For the fiscal year ending March 31, 2017, the City projects General Fund revenues of \$8,022,500 and expenditures of \$7,905,462.

**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, 2016**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 1,707,772
Investments	5,763,929
Due from others	2,513
Restricted:	
Cash	109,282
Investments	1,039,003
Capital assets:	
Nondepreciable	1,983,823
Depreciable, net	5,314,615
Total Assets	15,920,937
<b>LIABILITIES</b>	
Court bonds payable	308,960
Due to others	130,486
Noncurrent liabilities:	
Due within one year	1,050,000
Due in more than one year	10,759,263
Total Liabilities	12,248,709
<b>NET POSITION</b>	
Investment in capital assets	7,298,438
Restricted for:	
Capital projects	1,661,765
Debt service	767,655
Economic development	1,951,567
Public safety	86,764
Sewer lateral	193,370
Parks and recreation	442,236
Unrestricted	(8,729,567)
Total Net Position	\$ 3,672,228

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
Beautification	\$ 157	-	-	-	(157)
Building	301,581	174,729	-	-	(126,852)
City clerk	795,233	21,700	-	-	(773,533)
Collector	97,134	-	-	-	(97,134)
Court	308,826	-	-	-	(308,826)
Economic development	66,272	187,229	-	-	120,957
Federal jail	1,182,129	550,918	-	-	(631,211)
Fire protection	75,956	-	-	-	(75,956)
Legal	336,469	-	-	-	(336,469)
Public safety - police	3,389,793	297,697	-	-	(3,092,096)
Public works	1,233,220	36,587	657,282	38,400	(500,951)
Recreation	789,180	25,576	8,890	-	(754,714)
Sewer lateral	102,414	90,440	-	-	(11,974)
Special services	607,344	-	-	-	(607,344)
Interest and fiscal charges	665,340	-	-	-	(665,340)
Total Governmental Activities	<u>\$ 9,951,048</u>	<u>1,384,876</u>	<u>666,172</u>	<u>38,400</u>	<u>(7,861,600)</u>
<b>General Revenues</b>					
Taxes					6,331,291
Gross receipts taxes					1,797,573
License tax					190,571
Investment income					10,924
Miscellaneous					55,441
Total General Revenues					<u>8,385,800</u>
<b>CHANGE IN NET POSITION</b>					524,200
NET POSITION, APRIL 1					<u>3,148,028</u>
<b>NET POSITION, MARCH 31</b>					<u>\$ 3,672,228</u>

**CITY OF JENNINGS, MISSOURI**  
**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**MARCH 31, 2016**

	<u>General</u>	<u>Capital Improvement</u>	<u>Tax Increment Financing Area 3</u>	<u>River Roads TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash	\$ 92,409	544,706	38,350	9,337	1,022,970	1,707,772
Investments	3,040,823	1,123,342	735,939	229,309	634,516	5,763,929
Due from others	2,513	-	-	-	-	2,513
Due from other funds	2,767	-	469	439	4,180	7,855
Restricted assets:						
Cash	109,282	-	-	-	-	109,282
Investments	271,348	-	767,655	-	-	1,039,003
Total Assets	<u>\$ 3,519,142</u>	<u>1,668,048</u>	<u>1,542,413</u>	<u>239,085</u>	<u>1,661,666</u>	<u>8,630,354</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Court bonds payable	\$ 308,960	-	-	-	-	308,960
Due to others	130,486	-	-	-	-	130,486
Due to other funds	-	6,283	-	-	1,572	7,855
Total Liabilities	<u>439,446</u>	<u>6,283</u>	<u>-</u>	<u>-</u>	<u>1,572</u>	<u>447,301</u>
<b>Fund Balances</b>						
Restricted for:						
Capital projects	-	1,661,765	-	-	-	1,661,765
Debt service	-	-	767,655	-	-	767,655
Economic development	-	-	774,758	239,085	937,724	1,951,567
Public safety	-	-	-	-	86,764	86,764
Sewer lateral	-	-	-	-	193,370	193,370
Parks and recreation	-	-	-	-	442,236	442,236
Unassigned	<u>3,079,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,079,696</u>
Total Fund Balances	<u>3,079,696</u>	<u>1,661,765</u>	<u>1,542,413</u>	<u>239,085</u>	<u>1,660,094</u>	<u>8,183,053</u>
Total Liabilities And Fund Balances	<u>\$ 3,519,142</u>	<u>1,668,048</u>	<u>1,542,413</u>	<u>239,085</u>	<u>1,661,666</u>	<u>8,630,354</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, 2016**

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Total Fund Balances - Governmental Funds	\$ 8,183,053
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$11,389,405 and the accumulated depreciation is \$4,090,967.	7,298,438
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Tax increment financing revenue notes payable	(1,570,349)
Tax increment financing refunding bonds payable	(10,280,000)
Unamortized bond discount	41,086

Total Net Position Of Governmental Activities	\$ 3,672,228
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**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>General</b>	<b>Capital Improvement</b>	<b>Tax Increment Financing Area 3</b>	<b>River Roads TIF</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Taxes	\$ 3,859,356	1,005,007	1,046,788	264,403	903,459	7,079,013
Gross receipts taxes	1,797,573	-	-	-	-	1,797,573
License tax	190,571	-	-	-	-	190,571
Permits	174,729	-	-	-	-	174,729
Charges for services	626,558	-	-	-	-	626,558
Court receipts	270,370	-	-	-	-	270,370
Intergovernmental	-	-	187,229	-	-	187,229
Investment income	4,165	823	5,594	14	342	10,938
Other	100,707	-	-	-	-	100,707
Total Revenues	<u>7,024,029</u>	<u>1,005,830</u>	<u>1,239,611</u>	<u>264,417</u>	<u>903,801</u>	<u>10,437,688</u>
<b>EXPENDITURES</b>						
Current:						
Building	301,581	-	-	-	-	301,581
City clerk	780,549	-	-	-	-	780,549
Collector	97,134	-	-	-	-	97,134
Court	308,826	-	-	-	-	308,826
Economic development	-	-	20,409	12,575	33,288	66,272
Fire protection	-	-	-	-	75,956	75,956
Federal jail	1,149,114	-	-	-	-	1,149,114
Legal	336,469	-	-	-	-	336,469
Public safety - police	3,131,812	-	-	-	113,934	3,245,746
Public works	617,717	-	-	-	-	617,717
Recreation	198,825	-	-	-	78,286	277,111
Sewer lateral	-	-	-	-	102,414	102,414
Special services	328,064	-	-	-	-	328,064
Capital outlay	-	765,797	-	-	594,446	1,360,243
Debt service:						
Principal	-	-	840,000	189,651	-	1,029,651
Interest	-	-	545,834	114,148	-	659,982
Total Expenditures	<u>7,250,091</u>	<u>765,797</u>	<u>1,406,243</u>	<u>316,374</u>	<u>998,324</u>	<u>10,736,829</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(226,062)</u>	<u>240,033</u>	<u>(166,632)</u>	<u>(51,957)</u>	<u>(94,523)</u>	<u>(299,141)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	9,502	-	38,656	-	-	48,158
Transfers out	(38,656)	-	-	-	(9,502)	(48,158)
Total Other Financing Sources (Uses)	<u>(29,154)</u>	<u>-</u>	<u>38,656</u>	<u>-</u>	<u>(9,502)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(255,216)</u>	<u>240,033</u>	<u>(127,976)</u>	<u>(51,957)</u>	<u>(104,025)</u>	<u>(299,141)</u>
FUND BALANCES, APRIL 1	<u>3,334,912</u>	<u>1,421,732</u>	<u>1,670,389</u>	<u>291,042</u>	<u>1,764,119</u>	<u>8,482,194</u>
<b>FUND BALANCES, MARCH 31</b>	<u>\$ 3,079,696</u>	<u>1,661,765</u>	<u>1,542,413</u>	<u>239,085</u>	<u>1,660,094</u>	<u>8,183,053</u>

See notes to financial statements

**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, 2016**

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Net Change in Fund Balances - Governmental Funds \$ (299,141)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$580,231) exceeded depreciation (\$259,632) in the current period. 320,599

The net effect of various other transactions:

Contributed capital to City	38,400
Cost of disposals, net of accumulated depreciation	(559,951)

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	840,000	
Reduction of tax increment financing refunding notes	189,651	1,024,293

Change In Net Position Of Governmental Activities \$ 524,200



**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**MODIFIED CASH BASIS - FIDUCIARY FUND**  
**MARCH 31, 2016**

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	<u><b>Pension Trust Fund</b></u>
<b>ASSETS</b>	
Cash	<u>\$ 65,850</u>
Receivables:	
Interest and dividends	13,107
Other receivable	<u>6,576</u>
Total Receivables	<u>19,683</u>
Investments at fair value:	
Money market funds	197,410
Mortgage backed securities	831,280
Municipal bonds	417,935
Mutual funds	<u>2,652,014</u>
Total Investments	<u>4,098,639</u>
 <b>NET POSITION - RESTRICTED FOR PENSIONS</b>	 <u><u>\$ 4,184,172</u></u>

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**MODIFIED CASH BASIS - FIDUCIARY FUND**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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	<u><b>Pension Trust Fund</b></u>
<b>ADDITIONS TO NET POSITION ATTRIBUTED TO</b>	
Contributions:	
Employer contributions	\$ 189,890
Investment income:	
Interest and dividends	161,975
Net depreciation in fair value of investments	(207,946)
Total Investment Loss	<u>(45,971)</u>
Less - Investment management and custodial fees	15,481
Net Investment Loss	<u>(61,452)</u>
Total Additions	<u>128,438</u>
<b>DEDUCTIONS FROM NET POSITION ATTRIBUTED TO</b>	
Benefits paid to retirees and beneficiaries	761,214
Administrative expenses	16,599
Total Deductions	<u>777,813</u>
<b>CHANGE IN NET POSITION</b>	(649,375)
<b>NET POSITION - RESTRICTED FOR PENSIONS, BEGINNING OF YEAR</b>	<u>4,833,547</u>
<b>NET POSITION - RESTRICTED FOR PENSIONS, END OF YEAR</b>	<u><u>\$ 4,184,172</u></u>

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

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

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

**1. Reporting Entity**

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

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

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

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

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

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

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

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

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

**Measurement Focus**

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

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

**Basis of Accounting**

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

Additionally, the City reports the following fiduciary fund:

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

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

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

**4. Cash and Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, 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

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

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

**5. Capital Assets (Continued)**

or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The City has elected to report major general infrastructure assets prospectively from 2002.

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

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

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

**6. Compensated Absences**

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

**7. Fund Balance Policies**

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

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

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

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

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

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

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

**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; 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 liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans and additions to/ deductions from the Plans fiduciary net position have been determined on the same

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

**12. Pension (Continued)**

basis as they are reported by the Plans. For this purpose, benefit payments (including re-funds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

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

As of March 31, 2016, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of March 31, 2016, the City had the following investments:



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

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

**2. Investments (Continued)**

Investments	Fair Value	No Maturity	Maturities				Credit Risk
			Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
<b>Governmental Funds</b>							
Certificates of deposit	\$ 1,399,452	-	1,399,452	-	-	-	N/A
Federal obligation funds	1,077,450	-	1,077,450	-	-	-	AAA
Money market funds	1,852,409	1,852,409	-	-	-	-	Not rated
MOSIP	2,473,621	2,473,621	-	-	-	-	AAA
Total Primary Government	<u>6,802,932</u>	<u>4,326,030</u>	<u>2,476,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fiduciary Fund</b>							
Money market funds	197,410	197,410	-	-	-	-	Not rated
Mortgage backed securities	831,280	15	-	-	28,109	803,156	AAA
Municipal bonds	417,935	-	-	-	-	417,935	AA
Mutual funds	2,652,014	2,652,014	-	-	-	-	AAA
Total Fiduciary Fund	<u>4,098,639</u>	<u>2,849,439</u>	<u>-</u>	<u>-</u>	<u>28,109</u>	<u>1,221,091</u>	
Total Investments	<u>\$10,901,571</u>	<u>7,175,469</u>	<u>2,476,902</u>	<u>-</u>	<u>28,109</u>	<u>1,221,091</u>	

**Investments Policies**

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

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

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

**2. Investments (Continued)**

**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.

**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 & Pooors.

**3. 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:

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

**NOTE C - CAPITAL ASSETS (Continued)**

<b>For The Year Ended March 31, 2016</b>				
	<b>Balance March 31 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance March 31 2016</b>
Capital assets not being depreciated:				
Land	\$ 2,109,312	38,400	163,889	1,983,823
Capital assets being depreciated:				
Building, improvements and infrastructure	7,526,041	573,427	501,607	7,597,861
Equipment	1,128,904	6,804	-	1,135,708
Vehicles	681,711	-	9,698	672,013
Total Capital Assets Being Depreciated	9,336,656	580,231	511,305	9,405,582
Less - Accumulated depreciation for:				
Building, improvements and infrastructure	2,348,345	185,618	105,545	2,428,418
Equipment	943,218	60,219	-	1,003,437
Vehicles	655,015	13,795	9,698	659,112
Total Accumulated Depreciated	3,946,578	259,632	115,243	4,090,967
Total Capital Assets Being Depreciated, Net	5,390,078	320,599	396,062	5,314,615
Capital Assets, Net	\$ 7,499,390	358,999	559,951	7,298,438

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

	<b>For The Year Ended March 31 2016</b>
<b>Governmental Activities</b>	
City clerk	\$ 11,610
Federal jail	33,015
Public safety - police	56,406
Public works	80,735
Recreation	77,866
Total	\$ 259,632

**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's participates in the 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 supplementary information. This report may be obtained by accessing the LAGERS' website at [www.molagers.org](http://www.molagers.org).

*Benefits Provided*

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

	<b>2015</b> <b><u>Valuation</u></b>
Benefit multiplier	1.75%
Final average salary	3 Years
Member contributions	- %

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

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

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

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

***Employees Covered by Benefit Terms***

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	76
Inactive employees entitled to but not yet receiving benefits	69
Active employees	<u>55</u>
 Total	 <u>200</u>

***Contributions***

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 4.7% (General), 10.6% (Police), and 10.0% (Fire) of annual covered payroll.

***Net Pension Liability (Asset)***

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

***Actuarial Assumptions***

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

Inflation	3.5% wage inflation; 3% price inflation
Salary increase	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	48.5 %	5.50 %
Fixed income	25.0	2.25
Real assets	20.0	4.50
Strategic assets	6.5	7.50

***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.

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

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

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

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances at June 30, 2014</b>	\$ 11,838,170	16,098,570	(4,260,400)
<b>Changes for the year</b>			
Service cost	231,691	-	231,691
Interest	841,327	-	841,327
Difference between expected and actual experience	(102,864)	-	(102,864)
Contributions - employer	-	107,755	(107,755)
Net investment income	-	323,305	(323,305)
Benefit payments, includ- ing refunds	(707,311)	(707,311)	-
Administrative expense	-	(16,404)	16,404
Other changes	-	23,787	(23,787)
Net Changes	<u>262,843</u>	<u>(268,868)</u>	<u>531,711</u>
<b>Balances at June 30, 2015</b>	<u>\$ 12,101,013</u>	<u>15,829,702</u>	<u>(3,728,689)</u>

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

The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer'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)	\$ (2,122,470)	(3,728,689)	(5,055,358)

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

For the year ended March 31, 2016, the employer actuarially determined pension expense was \$38,374. Reported deferred outflows and inflows of resources are related to the following sources:

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

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

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

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Differences in experience	\$ 28,537	(85,645)	(57,108)
Excess (deficit) investment returns	658,200	-	658,200
Employer contributions subsequent to the measurement date*	61,078	-	61,078
Total	\$ 747,815	(85,645)	662,170

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

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

<b>For The Years Ending June 30</b>		
2016		\$ 228,433
2017		167,355
2018		158,326
2019		154,829
2020		(9,718)
Thereafter		(37,055)
Total		\$ 662,170

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

**General Information about the Plan**

*Plan Description*

The City of Jennings Police and Firemen's Retirement Fund (the Plan) is a defined benefit plan covering all full-time employees of the Police and Fire Departments of the City hired before April 1, 1987. The Plan provides retirement benefits based on service and salary with the City. The Plan also provides for disability payments and payments to the deceased member's spouse or children, based on the participant's service and salary with



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

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

the City. The Plan is considered part of the City's financial reporting entity. The Plan issues a financial report that includes financial statements and required supplemental information. That report may be obtained by contacting the City's Collector's office.

***Benefits Provided***

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

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

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

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

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

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

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

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

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

If a covered employee dies after normal retirement, 75% of the deceased employee's monthly benefit, but not less than \$100, shall be paid to the surviving spouse until death or remarriage.

***Employees Covered by Benefit Terms***

At March 31, 2015, the following employees were covered by the benefit terms:

Retired participants and beneficiaries 45

***Contributions***

The Plan is funded by a tax levy of \$0.245 per \$100 of the assessed value of all tangible real and personal property as may appear on the tax books of the City. The City is not required to contribute any amounts in excess of property tax assessment to the Plan and has no funding obligation relating to the Plan. Additional funds for the Plan were previously provided by payroll deductions at the rate of 3.39% of covered employees' salaries, however, there are no longer any active employees.

***Net Pension Liability***

The employer's net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the March 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Mortality Table projected using Scale AA for all except disability retirees. The 1994 Group Annuity Mortality Static table with age set forward five years for disability retirees.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major

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

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

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

asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

***Discount Rate***

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the muni-bond rate for periods after the PNP is exhausted. The Plan currently uses the long-term discount rate of 6% and expects assets will be sufficient to cover PNP until 2030. The muni-bond rate used in the valuation was estimated at 4%. Since the PNP was not projected to have sufficient fiduciary net position to make all projected benefit payments of current plan members, actuarially assumed long-term investment rate of return of 4.86% was used to calculate the Plan's present value of future benefits.

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

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

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

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at March 31, 2014</b>	\$ 8,537,629	5,200,643	3,336,986
<b>Changes for the year</b>			
Service cost	12,405	-	12,405
Interest	460,876	-	460,876
Difference between expected and actual experience	1,817,000	-	1,817,000
Contributions - employer	-	194,976	(194,976)
Contributions - employee	-	4,898	(4,898)
Net investment income	-	348,874	(348,874)
Benefit payments, including refunds	(900,563)	(900,563)	-
Administrative expense	-	(15,281)	15,281
Net Changes	<u>1,389,718</u>	<u>(367,096)</u>	<u>1,756,814</u>
<b>Balances at March 31, 2015</b>	<u>\$ 9,927,347</u>	<u>4,833,547</u>	<u>5,093,800</u>

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

The following presents the net pension liability of the employer, calculated using the discount rate of 4.86%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (3.86%) or 1% point higher (5.86%) than the current rate.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability	\$ 6,152,245	5,093,800	4,204,846

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

For the year ended March 31, 2016, the employer actuarially determined pension expense was \$1,998,876. Reported deferred outflows and inflows of resources are related to the following sources:

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

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

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

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Excess (deficit) investment returns	\$ -	(47,086)	(47,086)
Employer contributions subsequent to the measurement date *	189,890	-	189,890
Total	\$ 189,890	(47,086)	142,804

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

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

**For The  
Years Ending  
March 31**

2017	\$ 178,119
2018	(11,771)
2019	(11,771)
2020	(11,773)
Total	\$ 142,804

**NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES**

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

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended March 31, 2016 amounted to \$3,108,834. 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 pertaining to matters which are incidental to performing routine governmental functions. Based on the current status of these legal proceedings, it is the opinion of management that these claims will be further evaluated and monitored on an ongoing basis.

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

**NOTE F - LONG-TERM DEBT**

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

	<b>For The Year Ended March 31, 2016</b>			<b>Balance March 31 2016</b>	<b>Amounts Due Within One Year</b>
	<b>Balance March 31 2015</b>	<b>Additions</b>	<b>Reductions</b>		
TIF refunding bonds	\$ 11,120,000	-	840,000	10,280,000	850,000
Less - Discount	(46,444)	-	(5,358)	(41,086)	-
TIF revenue notes	1,760,000	-	189,651	1,570,349	200,000
 Total Long-term Debt	 \$ 12,833,556	 -	 1,024,293	 11,809,263	 1,050,000

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

**TIF Refunding Bonds**

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

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

**TIF Revenue Notes**

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

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

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

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

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

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

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

**Due to/from other funds**

	<b>March 31, 2016</b>	
	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
Major governmental funds:		
General Fund	\$ 2,767	-
Capital Improvement Fund	-	6,283
Tax Increment Financing Area 3 Fund	469	-
River Roads TIF Fund	439	-
Total Major Governmental Funds	3,675	6,283
Nonmajor governmental funds:		
Special Revenue Funds:		
Sewer Lateral Fund	3,038	-
Park Sales Tax Fund	1,142	-
Tax Increment Financing Area 1 Fund	-	319
Tax Increment Financing Area 4 Fund	-	1,253
Total Nonmajor Governmental Funds	4,180	1,572
Total Major And Nonmajor Governmental Funds	\$ 7,855	7,855

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)**

**Interfund transfers**

	<b>For The Year Ended March 31, 2016</b>		
	<b>Transfers In</b>		
	<b>Tax Increment</b>		
	<b>General</b>	<b>Financing</b>	
	<b>Fund</b>	<b>Area 3 Fund</b>	<b>Total</b>
Transfers out:			
General Fund	\$ -	38,656	38,656
Nonmajor funds	9,502	-	9,502
Total	\$ 9,502	38,656	48,158

**NOTE H - RESTRICTED NET POSITION**

The government-wide statements of net position reports \$5,103,357 of restricted net position, of which \$4,335,702 is restricted by enabling legislation.

**NOTE I - TAX INCREMENT REVENUES PLEDGED**

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes issued to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. For the current year, principal and interest paid and total incremental tax revenues were \$1,689,633 and \$1,311,191, respectively, for funds with incremental tax debt service expenditures.

**NOTE J - SUBSEQUENT EVENTS**

The City passed an ordinance approving 12.5 cent property tax increase for the City's Police and Firemen's Retirement Fund.

The City settled a lawsuit related to improper incarceration concerning traffic and minor offenses amounting to \$4,750,000 which will be paid by the insurance company. Another case is pending settlement and the potential liability is not known.

In May 2016, a major retail business announced it would be closing its store in the City. This could have a significant affect on the revenue for the Tax Increment Financing Area 3 Fund.



**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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
<b>Taxes</b>				
Sales	\$ 2,900,000	2,900,000	2,575,120	(324,880)
Property:				
Real estate	750,000	750,000	602,488	(147,512)
Personal property	155,000	155,000	127,526	(27,474)
Railroad	45,000	45,000	42,770	(2,230)
Gasoline	375,000	375,000	388,028	13,028
Cigarette	35,000	35,000	42,272	7,272
Road and bridge	85,000	85,000	81,152	(3,848)
Total Taxes	<u>4,345,000</u>	<u>4,345,000</u>	<u>3,859,356</u>	<u>(485,644)</u>
<b>Gross Receipts Taxes</b>				
Utilities	1,690,000	1,690,000	1,634,112	(55,888)
Cable	120,000	120,000	163,461	43,461
Total Gross Receipts Taxes	<u>1,810,000</u>	<u>1,810,000</u>	<u>1,797,573</u>	<u>(12,427)</u>
<b>License Tax</b>				
Merchants and manufacturers	155,000	155,000	157,224	2,224
Liquor	4,000	4,000	4,450	450
Coin vending machines	700	700	690	(10)
Vehicles	22,000	22,000	22,737	737
Dog tags	1,500	1,500	190	(1,310)
Miscellaneous	4,600	4,600	5,280	680
Total License Tax	<u>187,800</u>	<u>187,800</u>	<u>190,571</u>	<u>2,771</u>
<b>Permits</b>				
Building	10,000	10,000	39,905	29,905
Street excavating	12,000	12,000	4,320	(7,680)
Plumbing	14,500	14,500	11,151	(3,349)
Occupancy	35,000	35,000	37,300	2,300
Housing inspections	55,000	55,000	51,450	(3,550)
Electrical	6,000	6,000	8,986	2,986
Heating	4,500	4,500	5,163	663
Other fees	25,000	25,000	16,454	(8,546)
Total Permits	<u>162,000</u>	<u>162,000</u>	<u>174,729</u>	<u>12,729</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES (Continued)</b>				
<b>Charges for Services</b>				
Jail operations	550,000	550,000	487,060	(62,940)
Prisoner security	30,000	30,000	6,860	(23,140)
Bond forfeiture and fees	190,000	190,000	23,602	(166,398)
Fire contracts	15,000	15,000	-	(15,000)
Commissary receipts	30,000	30,000	50,749	20,749
Rental	22,000	22,000	21,700	(300)
Weed cutting	40,000	40,000	36,587	(3,413)
Total Charges For Services	<u>877,000</u>	<u>877,000</u>	<u>626,558</u>	<u>(250,442)</u>
<b>Court Receipts</b>				
Costs and fines	580,000	580,000	264,115	(315,885)
D.W.I. recoupment fee	1,200	1,200	1,456	256
Crime victims compensation	1,400	1,400	751	(649)
Training fund	7,800	7,800	4,048	(3,752)
Total Court Receipts	<u>590,400</u>	<u>590,400</u>	<u>270,370</u>	<u>(320,030)</u>
<b>Investment Income</b>	<u>1,000</u>	<u>1,000</u>	<u>4,165</u>	<u>3,165</u>
<b>Other</b>				
Telephone commission	2,300	2,300	6,249	3,949
Community programs	20,000	20,000	20,922	922
Trash stickers	2,200	2,200	2,298	98
Miscellaneous	101,800	101,800	71,238	(30,562)
Total Other	<u>126,300</u>	<u>126,300</u>	<u>100,707</u>	<u>(25,593)</u>
Total Revenues	<u>8,099,500</u>	<u>8,099,500</u>	<u>7,024,029</u>	<u>(1,075,471)</u>
<b>EXPENDITURES</b>				
<b>Building</b>				
Personnel costs:				
Salaries	249,430	249,430	230,377	(19,053)
Payroll tax	19,081	19,081	16,660	(2,421)
Employee insurance	37,809	37,809	33,981	(3,828)
Pension contribution	10,764	10,764	9,766	(998)
Total Personnel Costs	<u>317,084</u>	<u>317,084</u>	<u>290,784</u>	<u>(26,300)</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Building (Continued)</b>				
Dues	550	550	329	(221)
Supplies	4,000	4,000	3,984	(16)
Computer software	6,600	6,600	5,725	(875)
Radio	100	100	-	(100)
Map making	500	500	50	(450)
Professional development	2,500	2,500	709	(1,791)
Total Building	<u>331,334</u>	<u>331,334</u>	<u>301,581</u>	<u>(29,753)</u>
<b>City Clerk</b>				
Personnel costs:				
Salaries	251,507	251,507	251,488	(19)
Payroll tax	18,797	18,797	18,676	(121)
Employee insurance	32,833	32,833	27,602	(5,231)
Pension contribution	11,172	11,172	10,078	(1,094)
Unemployment compensation	19,240	19,240	5,212	(14,028)
Total Personnel Costs	<u>333,549</u>	<u>333,549</u>	<u>313,056</u>	<u>(20,493)</u>
Dues	10,000	10,000	10,620	620
Utilities	23,000	23,000	23,429	429
Postage	10,000	10,000	8,468	(1,532)
Election costs	5,000	5,000	2,975	(2,025)
Supplies	12,000	12,000	10,667	(1,333)
Accounting and data processing	50,000	50,000	58,171	8,171
Bank charges	3,500	3,500	3,166	(334)
Personnel	17,000	17,000	28,355	11,355
Bonds and insurance	320,000	294,500	304,211	9,711
Hospitality	3,000	3,000	2,806	(194)
Wellness program	4,000	4,000	4,389	389
Car allowance	500	500	220	(280)
Publications	40,000	38,500	10	(38,490)
Advertising	10,000	10,000	4,630	(5,370)
Professional development	3,000	4,500	5,376	876
Total City Clerk	<u>844,549</u>	<u>819,049</u>	<u>780,549</u>	<u>(38,500)</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, 2016**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Legal</b>				
Personnel costs:				
Salaries	33,593	33,593	34,464	871
Payroll tax	2,570	2,570	2,426	(144)
Employee insurance	300	300	294	(6)
Total Personnel Costs	<u>36,463</u>	<u>36,463</u>	<u>37,184</u>	<u>721</u>
Legal fees	150,500	150,500	299,285	148,785
Total Legal	<u>186,963</u>	<u>186,963</u>	<u>336,469</u>	<u>149,506</u>
<b>Collector</b>				
Personnel costs:				
Salaries	88,819	88,819	79,543	(9,276)
Payroll tax	6,794	6,794	5,879	(915)
Employee insurance	8,065	8,065	5,251	(2,814)
Pension contribution	3,704	3,704	3,743	39
Total Personnel Costs	<u>107,382</u>	<u>107,382</u>	<u>94,416</u>	<u>(12,966)</u>
Supplies	1,500	1,500	768	(732)
Trash sticker	2,000	2,000	1,750	(250)
County clerk	300	300	200	(100)
Professional development	125	125	-	(125)
Total Collector	<u>111,307</u>	<u>111,307</u>	<u>97,134</u>	<u>(14,173)</u>
<b>Court</b>				
Personnel costs:				
Salaries	228,801	228,801	213,443	(15,358)
Payroll tax	15,208	15,208	14,013	(1,195)
Employee insurance	23,087	23,087	22,348	(739)
Pension contribution	6,538	6,538	6,119	(419)
Total Personnel Costs	<u>273,634</u>	<u>273,634</u>	<u>255,923</u>	<u>(17,711)</u>
Utilities	22,000	22,000	30,010	8,010
Supplies	8,500	8,500	7,992	(508)
Interim judges	3,000	3,000	-	(3,000)
Public defender	5,000	5,000	-	(5,000)
REJIS	22,000	22,000	11,154	(10,846)
Professional development	8,000	8,000	3,747	(4,253)
Total Court	<u>342,134</u>	<u>342,134</u>	<u>308,826</u>	<u>(33,308)</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety - Police</b>				
Contractual	3,099,834	3,099,834	3,092,136	(7,698)
Utilities	40,000	40,000	29,829	(10,171)
D.W.I. supplies	1,200	1,200	1,200	-
Police seizure purchases	-	-	447	447
Professional development	7,800	7,800	8,200	400
Total Public Safety - Police	<u>3,148,834</u>	<u>3,148,834</u>	<u>3,131,812</u>	<u>(17,022)</u>
<b>Public Works</b>				
Personnel costs:				
Salaries	450,701	450,701	424,623	(26,078)
Payroll tax	34,479	34,479	35,522	1,043
Employee insurance	60,750	60,750	62,307	1,557
Pension contribution	21,183	21,183	17,034	(4,149)
Total Personnel Costs	<u>567,113</u>	<u>567,113</u>	<u>539,486</u>	<u>(27,627)</u>
Equipment rental	2,500	2,500	560	(1,940)
Utilities	23,000	23,000	19,089	(3,911)
Uniforms	20,000	20,000	29,266	9,266
Supplies	15,000	15,000	3,620	(11,380)
Hauling cost	15,000	30,000	22,925	(7,075)
Professional development	2,500	2,500	894	(1,606)
Vector control	2,000	2,000	1,877	(123)
Total Public Works	<u>647,113</u>	<u>662,113</u>	<u>617,717</u>	<u>(44,396)</u>
<b>Recreation</b>				
Personnel costs:				
Salaries	121,574	121,574	111,223	(10,351)
Payroll tax	9,300	9,300	8,100	(1,200)
Employee insurance	8,065	8,065	17,173	9,108
Pension contribution	5,126	5,126	5,104	(22)
Total Personnel Costs	<u>144,065</u>	<u>144,065</u>	<u>141,600</u>	<u>(2,465)</u>
Security	1,000	1,000	1,515	515
Dues	400	400	434	34
Utilities	15,000	15,000	14,493	(507)
Concession stand supplies	4,500	4,500	2,268	(2,232)
Grant expenses	-	-	4,983	4,983

**(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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Recreation (Continued)</b>				
Supplies	6,300	6,300	7,042	742
Community program	28,500	28,500	25,281	(3,219)
Professional development	1,000	1,000	1,209	209
Total Recreation	<u>200,765</u>	<u>200,765</u>	<u>198,825</u>	<u>(1,940)</u>
<b>Federal Jail</b>				
Personnel costs:				
Salaries	716,845	716,845	696,260	(20,585)
Payroll tax	54,839	54,839	51,293	(3,546)
Employee insurance	112,320	112,320	103,726	(8,594)
Pension contribution	29,932	29,932	23,292	(6,640)
Total Personnel Costs	<u>913,936</u>	<u>913,936</u>	<u>874,571</u>	<u>(39,365)</u>
Utilities	30,000	30,000	30,743	743
Uniforms	5,100	5,100	4,677	(423)
Supplies	2,000	2,000	1,640	(360)
Prisoner	125,000	125,000	32,466	(92,534)
Commissary	30,000	30,000	29,144	(856)
Meals and coffee	125,000	125,000	105,716	(19,284)
Laundry	10,000	10,000	6,460	(3,540)
Medical	65,000	65,000	62,082	(2,918)
Equipment	-	-	153	153
Professional development	3,500	3,500	1,462	(2,038)
Total Federal Jail	<u>1,309,536</u>	<u>1,309,536</u>	<u>1,149,114</u>	<u>(160,422)</u>
<b>Special Services</b>				
Personnel costs:				
Salaries	201,074	201,074	176,317	(24,757)
Payroll tax	14,464	14,464	9,530	(4,934)
Employee insurance	15,660	15,660	11,726	(3,934)
Pension contribution	7,241	7,241	6,534	(707)
Total Personnel Costs	<u>238,439</u>	<u>238,439</u>	<u>204,107</u>	<u>(34,332)</u>
Dues	100	100	100	-
Utilities	1,850	1,850	1,179	(671)
Supplies	1,500	1,500	1,663	163
Insurance deductible	10,000	10,000	3,002	(6,998)

**(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, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>Special Services (Continued)</b>				
Licenses and fees	500	500	106	(394)
Safety equipment	150	150	181	31
Mileage	2,500	2,500	-	(2,500)
Publications	500	500	-	(500)
Professional development	500	500	309	(191)
Special projects	30,000	40,500	40,500	-
Grass cutting	95,000	95,000	76,917	(18,083)
Total Special Services	381,039	391,539	328,064	(63,475)
Total Expenditures	7,503,574	7,503,574	7,250,091	(253,483)
 <b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	595,926	595,926	(226,062)	(821,988)
 <b>OTHER FINANCING SOURCES</b>				
<b>(USES)</b>				
Transfers in	85,000	85,000	9,502	(75,498)
Transfers out	(516,100)	(516,100)	(38,656)	(477,444)
Total Other Financing Sources (Uses)	(431,100)	(431,100)	(29,154)	401,946
 <b>NET CHANGE IN FUND</b>				
<b>BALANCE</b>	\$ 164,826	164,826	(255,216)	(420,042)
 FUND BALANCE, APRIL 1			3,334,912	
<b>FUND BALANCE, MARCH 31</b>			<b>\$ 3,079,696</b>	



**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, 2016**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 900,000	1,005,007	105,007
Investment income	-	823	823
Total Revenues	900,000	1,005,830	105,830
<b>EXPENDITURES</b>			
Capital outlay	1,528,436	765,797	(762,639)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (628,436)</b>	<b>240,033</b>	<b>868,469</b>
FUND BALANCE, APRIL 1		1,421,732	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 1,661,765</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -**  
**MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**  
**MARCH 31, 2016**

	<u>Tax Increment Financing Area 1</u>	<u>Tax Increment Financing Area 2</u>	<u>Tax Increment Financing Area 4</u>	<u>Fire Protection</u>	<u>Sewer Lateral</u>	<u>Justice Assistance Grant</u>	<u>Police Seizure</u>	<u>Beautifi- cation</u>	<u>Park Sales Tax</u>	<u>Economic Development</u>	<u>Total</u>
<b>ASSETS</b>											
Cash	\$ 343,148	-	407,461	3,424	4,325	-	83,340	1,091	180,181	-	1,022,970
Investments	-	-	-	-	186,007	-	-	-	259,822	188,687	634,516
Due from other funds	-	-	-	-	3,038	-	-	-	1,142	-	4,180
Total Assets	<u>\$ 343,148</u>	<u>-</u>	<u>407,461</u>	<u>3,424</u>	<u>193,370</u>	<u>-</u>	<u>83,340</u>	<u>1,091</u>	<u>441,145</u>	<u>188,687</u>	<u>1,661,666</u>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Due to other funds	\$ 319	-	1,253	-	-	-	-	-	-	-	1,572
<b>Fund Balances</b>											
Restricted for:											
Economic development	342,829	-	406,208	-	-	-	-	-	-	188,687	937,724
Public safety	-	-	-	3,424	-	-	83,340	-	-	-	86,764
Sewer lateral	-	-	-	-	193,370	-	-	-	-	-	193,370
Parks and recreation	-	-	-	-	-	-	-	1,091	441,145	-	442,236
Total Fund Balances	<u>342,829</u>	<u>-</u>	<u>406,208</u>	<u>3,424</u>	<u>193,370</u>	<u>-</u>	<u>83,340</u>	<u>1,091</u>	<u>441,145</u>	<u>188,687</u>	<u>1,660,094</u>
Total Liabilities And Fund Balances	<u>\$ 343,148</u>	<u>-</u>	<u>407,461</u>	<u>3,424</u>	<u>193,370</u>	<u>-</u>	<u>83,340</u>	<u>1,091</u>	<u>441,145</u>	<u>188,687</u>	<u>1,661,666</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, 2016**

	<b>Tax Increment Financing Area 1</b>	<b>Tax Increment Financing Area 2</b>	<b>Tax Increment Financing Area 4</b>	<b>Fire Protection</b>	<b>Sewer Lateral</b>	<b>Justice Assistance Grant</b>	<b>Police Seizure</b>	<b>Beautifi- cation</b>	<b>Park Sales Tax</b>	<b>Economic Development</b>	<b>Pension Tax</b>	<b>Total</b>
<b>REVENUES</b>												
Taxes	\$ 15,874	495	179,116	1,255	90,440	-	-	-	426,389	-	189,890	903,459
Investment income	-	-	-	-	15	-	-	-	308	19	-	342
Total Revenues	<u>15,874</u>	<u>495</u>	<u>179,116</u>	<u>1,255</u>	<u>90,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,697</u>	<u>19</u>	<u>189,890</u>	<u>903,801</u>
<b>EXPENDITURES</b>												
Economic development	600	27,803	1,200	-	-	-	-	-	-	3,685	-	33,288
Fire protection	-	-	-	-	-	-	-	-	-	-	75,956	75,956
Public safety - police	-	-	-	-	-	-	-	-	-	-	113,934	113,934
Recreation	-	-	-	-	-	-	-	-	78,286	-	-	78,286
Sewer lateral	-	-	-	-	102,414	-	-	-	-	-	-	102,414
Capital outlay	-	-	-	-	-	-	13,315	157	580,974	-	-	594,446
Total Expenditures	<u>600</u>	<u>27,803</u>	<u>1,200</u>	<u>-</u>	<u>102,414</u>	<u>-</u>	<u>13,315</u>	<u>157</u>	<u>659,260</u>	<u>3,685</u>	<u>189,890</u>	<u>998,324</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	15,274	(27,308)	177,916	1,255	(11,959)	-	(13,315)	(157)	(232,563)	(3,666)	-	(94,523)
<b>OTHER FINANCING USES</b>												
Transfers out	-	-	-	-	-	(9,502)	-	-	-	-	-	(9,502)
<b>NET CHANGE IN FUND BALANCES</b>	15,274	(27,308)	177,916	1,255	(11,959)	(9,502)	(13,315)	(157)	(232,563)	(3,666)	-	(104,025)
FUND BALANCES, APRIL 1	<u>327,555</u>	<u>27,308</u>	<u>228,292</u>	<u>2,169</u>	<u>205,329</u>	<u>9,502</u>	<u>96,655</u>	<u>1,248</u>	<u>673,708</u>	<u>192,353</u>	<u>-</u>	<u>1,764,119</u>
<b>FUND BALANCES, MARCH 31</b>	<u>\$ 342,829</u>	<u>-</u>	<u>406,208</u>	<u>3,424</u>	<u>193,370</u>	<u>-</u>	<u>83,340</u>	<u>1,091</u>	<u>441,145</u>	<u>188,687</u>	<u>-</u>	<u>1,660,094</u>

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - SEWER LATERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 94,200	90,440	(3,760)
Investment income	-	15	15
Total Revenues	94,200	90,455	(3,745)
<b>EXPENDITURES</b>			
Sewer lateral	103,000	102,414	(586)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,800)</b>	<b>(11,959)</b>	<b>(3,159)</b>
FUND BALANCE, APRIL 1		205,329	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 193,370</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - PARK SALES TAX FUND**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 370,000	426,389	56,389
Investment income	-	308	308
Total Revenues	370,000	426,697	56,697
<b>EXPENDITURES</b>			
Security	103,000	69,742	(33,258)
Community program	20,000	8,544	(11,456)
Capital outlay	566,500	580,974	14,474
Total Expenditures	689,500	659,260	(30,240)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (319,500)</b>	<b>(232,563)</b>	<b>86,937</b>
<b>FUND BALANCE, APRIL 1</b>		<b>673,708</b>	
<b>FUND BALANCE, MARCH 31</b>		<b>\$ 441,145</b>	

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-**  
**TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -**  
**MODIFIED CASH BASIS - ECONOMIC DEVELOPMENT FUND**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ -	19	19
<b>EXPENDITURES</b>			
Economic development	<u>100,000</u>	<u>3,685</u>	<u>(96,315)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (100,000)</u></u>	<u>(3,666)</u>	<u>96,334</u>
<b>FUND BALANCE, APRIL 1</b>		<u>192,353</u>	
<b>FUND BALANCE, MARCH 31</b>		<u><u>\$ 188,687</u></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, 2016**

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**Budgets and Budgetary Accounting**

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

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

**Expenditures**

For the year ended March 31, 2016, expenditures exceeded appropriations as follows:

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over Budget</b>
General Fund:				
Legal	\$ 186,963	186,963	336,469	149,506

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

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES IN**  
**NET PENSION LIABILITY (ASSET) AND RATIOS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**MISOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

**Total Pension Liability**

Service cost	\$ 231,691
Interest on the total pension liability	841,327
Difference between expected and actual experience	(102,864)
Benefit payments	(707,311)
Net Change In Total Pension Liability	262,843
Pension Liability Beginning	11,838,170
Total Pension Liability Ending (a)	\$ 12,101,013

**Plan Fiduciary Net Position**

Contributions - employer	\$ 107,755
Pension plan net investment income	323,305
Benefit payments	(707,311)
Pension plan administrative expense	(16,404)
Other	23,787
Net Change In Plan Fiduciary Net Position	(268,868)
Plan Fiduciary Net Position Beginning	16,098,570
Plan Fiduciary Net Position Ending (b)	\$ 15,829,702

**Net Pension Liability (Asset) Ending (a-b)** \$ (3,728,689)

Plan Fiduciary Net Position as a Percentage  
of the Total Pension Liability 130.81 %

Covered Employee Payroll (for February 28 Actuarial Valuation) \$ 1,726,245

Net Pension Liability (Asset) as a Percentage  
of Covered Employee Payroll (216.00) %

Notes:

Information is not available for fiscal years prior to 2016.

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



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

**MISOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

	<b>For The Years Ended March 31</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Actuarially determined pension contribution	\$ 65,008	104,856	172,611	154,384	187,506	376,547	385,392	182,710	142,399	145,624
Contributions in relation to the actuarially determined contribution	80,405	124,217	138,536	115,083	103,064	240,013	196,050	198,413	148,957	165,517
Contribution Deficiency (Excess)	<u>\$ (15,397)</u>	<u>(19,361)</u>	<u>34,075</u>	<u>39,301</u>	<u>84,442</u>	<u>136,534</u>	<u>189,342</u>	<u>(15,703)</u>	<u>(6,558)</u>	<u>(19,893)</u>
Covered Employee Payroll	\$ 1,710,739	1,973,724	2,147,187	2,014,481	2,192,972	3,820,904	3,850,733	3,622,988	3,465,282	3,483,770
Contributions as a Percentage of Covered Employee payroll	4.70 %	6.29	6.45	5.71	4.70	6.28	5.09	5.48	4.30	4.75

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28, 2015 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 14 to 16 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.5% wage inflation; 3% price inflation
Salary increases	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	105% of the 1994 Group Annuity Mortality Table set back zero years for men and zero years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other information:

There were no benefit changes during the year.

**CITY OF JENNINGS, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES IN**  
**NET PENSION LIABILITY (ASSET) AND RATIOS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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

**Total Pension Liability**

Service cost	\$ 12,405
Interest on the total pension liability	460,876
Difference between expected and actual experience	1,817,000
Benefit payments	<u>(900,563)</u>
Net Change In Total Pension Liability	1,389,718
Pension Liability Beginning	<u>8,537,629</u>
Total Pension Liability Ending (a)	<u><u>\$ 9,927,347</u></u>

**Plan Fiduciary Net Position**

Contributions - employer	\$ 194,976
Contributions - employee	4,898
Pension plan net investment income	348,874
Benefit payments	(900,563)
Pension plan administrative expense	<u>(15,281)</u>
Net Change In Plan Fiduciary Net Position	(367,096)
Plan Fiduciary Net Position Beginning	<u>5,200,643</u>
Plan Fiduciary Net Position Ending (b)	<u><u>\$ 4,833,547</u></u>

**Net Pension Liability (Asset) Ending (a-b)**

\$ 5,093,800

Plan Fiduciary Net Position as a Percentage  
of the Total Pension Liability

48.69 %

Covered Employee Payroll

\$ -

Net Pension Liability (Asset) as a Percentage  
of Covered Employee Payroll

- %

Notes:

Information is not available for fiscal years prior to 2016.

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

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

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

	<b>For The Years Ended March 31</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Actuarially determined pension contribution	\$ -	345,068	315,629	244,685	209,394	201,076	216,908	200,240	203,494	214,005
Contributions in relation to the actuarially determined contribution	-	194,976	195,337	203,049	203,184	210,405	218,467	185,587	177,429	212,956
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>150,092</u>	<u>120,292</u>	<u>41,636</u>	<u>6,210</u>	<u>(9,329)</u>	<u>(1,559)</u>	<u>14,653</u>	<u>26,065</u>	<u>1,049</u>
Covered Employee Payroll	\$ -	218,346	217,156	281,414	254,835	472,928	539,173	545,306	596,590	652,747
Contributions as a Percentage of Covered Employee payroll	- %	89.30	89.95	72.15	79.73	44.49	40.52	34.03	29.74	32.62

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of March 31, 2015 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, fixed period
Remaining amortization period	14 years (as of 4/1/2014)
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3%
Investment rate of return	6%, net of investment income
Retirement age	Varies by age and service
Mortality	Fully generational RP-2000 Combined Mortality Table projected using Scale AA for all except disability retirees. The 1994 Group Annuity Mortality Static table with age set forward five years for disability retirees.

Other information:

There were no benefit changes during the year.