



FINANCIAL REPORT
(Audited)

Year Ended March 31, 2018

CITY OF JENNINGS, MISSOURI
FINANCIAL REPORT

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	9
Statement of Activities - Modified Cash Basis	10
Fund Financial Statements:	
Balance Sheet - Modified Cash Basis - Governmental Funds	11
Reconciliation of the Balance Sheet - Modified Cash Basis - Governmental Funds to the Statement of Net Position - Modified Cash Basis	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds to the Statement of Activities - Modified Cash Basis	14
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary Fund	15
Statement of Changes in Fiduciary Net Position - Modified Cash Basis - Fiduciary Fund	16
Notes to Financial Statements	17
SUPPLEMENTAL INFORMATION	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis:	
General Fund	41
Capital Improvement Fund	48
Nonmajor Governmental Funds:	
Combining Balance Sheet - Modified Cash Basis	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis	50
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Sewer Lateral Fund	51
Park Sales Tax Fund	52
Economic Development Fund	53
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Modified Cash Basis	54
Missouri Local Government Employees Retirement System:	
Schedule of Changes in Net Pension Liability (Asset) and Ratios	55
Schedule of Pension Contributions	56
City of Jennings Police and Firemen's Retirement Fund:	
Schedule of Changes in Net Pension Liability (Asset) and Ratios	57
Schedule of Pension Contributions	58
Schedule of Annual Money-Weighted Rate of Return on Investments	59



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

INDEPENDENT AUDITOR'S REPORT

September 6, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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, 2018, 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.

Emphasis of Matter


As discussed in Note A to the financial statements, in December 2017, all assets of the Pension Trust Fund were transferred to the Missouri Local Government Employees Retirement System and the Pension Trust Fund was terminated. Our opinion is not modified with respect to that 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 September 6, 2018 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.


CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri

CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2018

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, 2018. 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 \$6,299,133. The City has a deficit in unrestricted net position totaling (\$6,902,736) primarily due to \$9,837,525 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 \$7,832,838.
- At the end of the current fiscal year, the fund balance for the General Fund was \$2,934,789.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2018

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, and Tax Increment Financing Area 3 Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section in this report.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2018**

	March 31	
	2018	2017
ASSETS		
Cash and other assets	\$ 8,068,149	8,633,659
Capital assets	8,303,820	7,622,228
Total Assets	16,371,969	16,255,887
LIABILITIES		
Other liabilities	235,311	292,410
Noncurrent liabilities	9,837,525	10,860,711
Total Liabilities	10,072,836	11,153,121
NET POSITION		
Investment in capital assets	8,303,820	7,622,228
Restricted	4,898,049	5,640,993
Unrestricted	(6,902,736)	(8,160,455)
Total Net Position	\$ 6,299,133	5,102,766

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 \$6,299,133 at the close of March 31, 2018.

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

The City's unrestricted net position represents a deficit balance of \$6,902,736 as of March 31, 2018. This deficit is primarily the result of the balance of \$9,837,525 in TIF debt outstanding at year-end for infrastructure assets not owned by the City. The TIF debt is a special limited obligation which is funded only by incremental revenues generated within the TIF districts.

Governmental activities. As illustrated on next page, governmental activities increased the City's net position by \$1,196,367. The increase in expenses was largely attributable to the closure of Tax Increment Financing Area 1. The increase in revenue is primarily due to increases in charges for services at the corrections facility, a park grant, and dedicated real estate parcels in capital grants and contributions. In addition, the City started receiving a new sales tax which is restricted for public safety.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2018**

	For The Years Ended March 31	
	2018	2017
REVENUES		
Program revenues:		
Charges for services	\$ 1,962,127	1,573,483
Operating grants and contributions	675,154	670,995
Capital grants and contributions	526,648	325,000
General revenues:		
Taxes	8,327,021	8,103,913
License tax	177,021	177,744
Investment income	36,813	28,247
Other	64,396	62,053
Total Revenues	11,769,180	10,941,435
EXPENSES		
Building	387,768	442,021
City clerk	644,039	849,135
Corrections	1,403,268	1,220,755
Court	254,798	263,684
Economic development	743,258	32,211
Finance	240,074	108,913
Legal	107,259	406,377
Prosecutor	21,536	-
Public safety	4,025,613	3,777,994
Public works	1,494,456	1,133,124
Recreation	586,865	524,824
Sewer lateral	134,838	135,130
Interest and other	529,041	616,729
Total Expenses	10,572,813	9,510,897
CHANGE IN NET POSITION	1,196,367	1,430,538
NET POSITION, APRIL 1	5,102,766	3,672,228
NET POSITION, MARCH 31	\$ 6,299,133	5,102,766

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City's governmental funds is to provide information on inflows, outflows, and balance of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's resources available for spending at the end of the fiscal year. At March 31, 2018, the combined fund balance was \$7,832,838.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2018**

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund increased by \$234,533 from the prior year, mainly due to the new sales tax which is restricted for public safety.

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 decreased by \$347,638 from the prior year. The change of the current year's fund balance is mainly due to an increase in capital expenditures.

The Tax Increment Financing Area 3 Fund is a restricted fund and can only be used for economic development in the fund-designated area. The fund balance in this fund decreased by \$145,218 from the prior year. The decrease in this fund is due to a decrease in tax receipts.

Fiduciary fund. The City maintains a fiduciary fund for the assets of the uniformed personnel through the Police and Firemen's Retirement Fund. As of the end of the current fiscal year ending March 31, 2018, the net position of the Pension Trust Fund totaled \$0. This represents a decrease of \$3,861,765 in total net position over the last fiscal year. This change is primarily due to dissolving this plan and having the assets transferred to LAGERS.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City has invested \$8,303,820, net of accumulated depreciation, at March 31, 2018 in a broad range of capital assets, including land, buildings, improvements and infrastructure, equipment, and vehicles. The amount includes a net increase for the current fiscal year (including additions and retirements) of \$681,592. Included in this increase is \$118,230 of dedicated real estate parcels.

Capital assets were as follows:

	March 31	
	2018	2017
Land	\$ 2,354,723	2,236,223
Construction in progress	2,500	104,003
Building, improvements and infrastructure	8,058,499	7,649,350
Equipment	1,311,077	1,259,623
Vehicles	1,199,396	700,274
	12,926,195	11,949,473
Less - Accumulated depreciation	4,622,375	4,327,245
Total Capital Assets, Net	\$ 8,303,820	7,622,228

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, 2018**

Debt administration. At March 31, 2018, the City had total long-term debt obligations for governmental activities in the amount of \$9,867,895. None of the debt outstanding represents general obligation bonds.

	March 31	
	2018	2017
Tax increment financing refunding bonds	\$ 8,780,000	9,520,000
Tax increment financing revenue notes	1,087,895	1,376,439
Total	<u>\$ 9,867,895</u>	<u>10,896,439</u>

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

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

BUDGETARY HIGHLIGHTS

In the General Fund, the following significant variances occurred between 2018 budget and actual amounts:

- Total collected revenues were \$232,049 more than budget primarily due to charges for services at the corrections facility being more than anticipated.
- Total expenditures were \$268,020 under budget due to personnel costs being less than anticipated due to changes in staff.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year ending March 31, 2019, the City projects General Fund revenues of \$8,616,997 and expenditures of \$8,408,782.

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, 2018

	Governmental Activities
ASSETS	
Cash	\$ 2,592,634
Investments	4,411,742
Restricted:	
Cash	61,884
Investments	1,001,889
Capital assets:	
Nondepreciable	2,357,223
Depreciable, net	5,946,597
Total Assets	16,371,969
LIABILITIES	
Court bonds payable	211,943
Due to others	23,368
Noncurrent liabilities:	
Due within one year	1,000,000
Due in more than one year	8,837,525
Total Liabilities	10,072,836
NET POSITION	
Investment in capital assets	8,303,820
Restricted for:	
Capital projects	1,590,614
Debt service	770,221
Economic development	1,550,088
Public safety	146,617
Sewer lateral	102,685
Parks and recreation	737,824
Unrestricted	(6,902,736)
Total Net Position	\$ 6,299,133

CITY OF JENNINGS, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	
Governmental Activities				
Building	\$ 387,768	148,152	-	(239,616)
City clerk	644,039	26,648	-	(617,391)
Corrections	1,403,268	1,386,086	-	(17,182)
Court	254,798	-	-	(254,798)
Economic development	743,258	130,182	-	(613,076)
Finance	240,074	-	-	(240,074)
Legal	107,259	-	-	(107,259)
Prosecutor	21,536	-	-	(21,536)
Public safety	4,025,613	117,540	-	(3,908,073)
Public works	1,494,456	55,212	673,424	(647,590)
Recreation	586,865	9,256	1,730	(167,461)
Sewer lateral	134,838	89,051	-	(45,787)
Interest, fiscal charges, and discount credit	529,041	-	-	(529,041)
Total Governmental Activities	\$ 10,572,813	1,962,127	675,154	(7,408,884)
General Revenues				
Taxes				6,590,607
Gross receipts taxes				1,736,414
License tax				177,021
Investment income				36,813
Other				64,396
Total General Revenues				8,605,251
CHANGE IN NET POSITION				1,196,367
NET POSITION, APRIL 1				5,102,766
NET POSITION, MARCH 31				\$ 6,299,133

CITY OF JENNINGS, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
MARCH 31, 2018

	<u>General</u>	<u>Capital Improvement</u>	<u>Tax Increment Financing Area 3</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 680,268	752,696	43,999	1,115,671	2,592,634
Investments	2,204,146	833,750	525,682	848,164	4,411,742
Due from other funds	-	4,168	-	3,884	8,052
Restricted assets:					
Cash	61,884	-	-	-	61,884
Investments	231,668	-	770,221	-	1,001,889
Total Assets	<u>\$ 3,177,966</u>	<u>1,590,614</u>	<u>1,339,902</u>	<u>1,967,719</u>	<u>8,076,201</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Court bonds payable	\$ 211,943	-	-	-	211,943
Due to others	23,368	-	-	-	23,368
Due to other funds	7,866	-	-	186	8,052
Total Liabilities	<u>243,177</u>	<u>-</u>	<u>-</u>	<u>186</u>	<u>243,363</u>
Fund Balances					
Restricted for:					
Capital projects	-	1,590,614	-	-	1,590,614
Debt service	-	-	770,221	-	770,221
Economic development	-	-	569,681	980,407	1,550,088
Public safety	-	-	-	146,617	146,617
Sewer lateral	-	-	-	102,685	102,685
Parks and recreation	-	-	-	737,824	737,824
Committed for:					
Contingencies	1,022,000	-	-	-	1,022,000
Unassigned	1,912,789	-	-	-	1,912,789
Total Fund Balances	<u>2,934,789</u>	<u>1,590,614</u>	<u>1,339,902</u>	<u>1,967,533</u>	<u>7,832,838</u>
Total Liabilities And Fund Balances	<u>\$ 3,177,966</u>	<u>1,590,614</u>	<u>1,339,902</u>	<u>1,967,719</u>	<u>8,076,201</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, 2018

Total Fund Balances - Governmental Funds \$ 7,832,838

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 \$12,926,195 and the accumulated depreciation is \$4,622,375. 8,303,820

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	(1,087,895)
Tax increment financing refunding bonds payable	(8,780,000)
Unamortized bond discount	<u>30,370</u>

Total Net Position Of Governmental Activities \$ 6,299,133

CITY OF JENNINGS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2018

	General	Capital Improvement	Tax Increment Financing Area 3	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 4,042,484	990,535	882,804	1,437,259	7,353,082
Gross receipts taxes	1,736,414	-	-	-	1,736,414
License tax	177,021	-	-	-	177,021
Permits	148,152	-	-	-	148,152
Charges for services	1,464,939	-	-	-	1,464,939
Court receipts	114,294	-	-	-	114,294
Intergovernmental	-	-	130,182	368,755	498,937
Investment income	22,555	6,949	3,951	3,358	36,813
Other	64,793	-	-	16,842	81,635
Total Revenues	<u>7,770,652</u>	<u>997,484</u>	<u>1,016,937</u>	<u>1,826,214</u>	<u>11,611,287</u>
EXPENDITURES					
Current:					
Building	332,146	-	-	-	332,146
City clerk	641,484	51,881	-	-	693,365
Corrections	1,367,759	-	-	-	1,367,759
Court	254,618	180	-	-	254,798
Economic development	-	-	7,055	736,203	743,258
Finance	240,074	-	-	-	240,074
Legal	107,529	-	-	-	107,529
Prosecutor	21,536	-	-	-	21,536
Public safety	3,612,143	241,422	-	187,709	4,041,274
Public works	851,292	10,488	-	-	861,780
Recreation	256,999	13,717	-	95,705	366,421
Sewer lateral	-	-	-	134,838	134,838
Capital outlay	2,494	920,499	-	479,700	1,402,693
Debt service:					
Principal	-	-	711,195	288,544	999,739
Interest	-	-	465,065	87,423	552,488
Total Expenditures	<u>7,688,074</u>	<u>1,238,187</u>	<u>1,183,315</u>	<u>2,010,122</u>	<u>12,119,698</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>82,578</u>	<u>(240,703)</u>	<u>(166,378)</u>	<u>(183,908)</u>	<u>(508,411)</u>
OTHER FINANCING SOURCES					
(USES)					
Transfers in	173,115	-	21,160	-	194,275
Transfers out	<u>(21,160)</u>	<u>(106,935)</u>	<u>-</u>	<u>(66,180)</u>	<u>(194,275)</u>
Total Other Financing Sources (Uses)	<u>151,955</u>	<u>(106,935)</u>	<u>21,160</u>	<u>(66,180)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	234,533	(347,638)	(145,218)	(250,088)	(508,411)
FUND BALANCES, APRIL 1	<u>2,700,256</u>	<u>1,938,252</u>	<u>1,485,120</u>	<u>2,217,621</u>	<u>8,341,249</u>
FUND BALANCES, MARCH 31	<u>\$ 2,934,789</u>	<u>1,590,614</u>	<u>1,339,902</u>	<u>1,967,533</u>	<u>7,832,838</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, 2018

Net Change in Fund Balances - Governmental Funds \$ (508,411)

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 (\$818,829) exceeded depreciation (\$295,130) in the current period. 523,699

The net effect of various other transactions:
 Contributed capital to City 157,893

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	740,000	
Reduction of tax increment financing refunding notes	288,544	1,023,186

Change In Net Position Of Governmental Activities \$ 1,196,367

CITY OF JENNINGS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUND
MARCH 31, 2018

	<u>Pension Trust Fund</u>
ASSETS	
Cash	<u>\$ -</u>
Receivables:	
Interest and dividends	-
Other receivable	-
Total Receivables	<u>-</u>
Investments at fair value:	
Money market funds	-
Municipal bonds	-
Government securities	-
Mutual funds	-
Total Investments	<u>-</u>
NET POSITION - RESTRICTED FOR PENSIONS	<u><u>\$ -</u></u>

CITY OF JENNINGS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUND
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Pension Trust Fund</u>
ADDITIONS TO NET POSITION ATTRIBUTED TO	
Contributions:	
Employer contributions	\$ 119,824
Investment income:	
Interest and dividends	57,489
Net appreciation in fair value of investments	191,583
Total Investment Income	<u>249,072</u>
Total Additions	<u>368,896</u>
 DEDUCTIONS FROM NET POSITION ATTRIBUTED TO	
Benefits paid to retirees and beneficiaries	467,050
Administrative expenses	9,353
Distributions	3,754,258
Total Deductions	<u>4,230,661</u>
 CHANGE IN NET POSITION	 (3,861,765)
 NET POSITION - RESTRICTED FOR PENSIONS, BEGINNING OF YEAR	 <u>3,861,765</u>
 NET POSITION - RESTRICTED FOR PENSIONS, END OF YEAR	 <u><u>\$ -</u></u>

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information 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.

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. In December 2017, all assets of the Pension Trust Fund were transferred to the Missouri Local Government Employee Retirement System and the Pension Trust Fund was terminated.

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

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

4. Cash and Investments

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets (Continued)

year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to report major general infrastructure assets prospectively from 2002.

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

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

Assets	Years
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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fund Balance Policies (Continued)

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

The City's budget indicates that a portion of the General and Capital Improvement Funds shall be set aside in a committed amount for contingencies of \$1,000,000 and \$500,000, respectively. The related balance for the General and Capital Improvement Funds at March 31, 2018 including interest amounted to \$1,022,000 and \$512,474, respectively.

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.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Risk Management (Continued)

The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims resulting in these risks have not exceeded coverage in the past three years.

12. Pension

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

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of March 31, 2018, 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, 2018, the City had the following investments:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>					<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	
Federal obligation funds	\$ 1,591,336	-	1,591,336	-	-	-	AAA
Money market funds	771,994	771,994	-	-	-	-	Not rated
MOSIP	3,050,301	3,050,301	-	-	-	-	AAA
Total Investments	<u>\$ 5,413,631</u>	<u>3,822,295</u>	<u>1,591,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Investments Policies

The City's formal investment policies are as follows:

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

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with the City's investment policy, the City will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity. Additionally, the City invests primarily in shorter-term securities.

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

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). At March 31, 2018, the City had the following investment concentrations:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Investments</u>
MOSIP	\$ 3,050,301	56.3 %
Federated government obligation	1,591,336	29.4
Money market funds	771,994	14.3

Investment in Investment Pool

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

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

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The City has the following recurring fair value level measurements as of March 31, 2018:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements (Continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments by fair value level:			
MOSIP	\$ 3,050,301	-	3,050,301
Investments not subject to fair value level classification:			
Federal obligation funds	1,591,336		
Money market funds	<u>771,994</u>		
Total Investments	<u>\$ 5,413,631</u>		

4. Restricted Assets

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

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended March 31, 2018			
	Balance March 31 2017	Increases	Decreases	Balance March 31 2018
Capital assets not being depreciated:				
Land	\$ 2,236,223	118,500	-	2,354,723
Construction in progress	104,003	351,714	453,217	2,500
Total Capital Assets Not Being Depreciated	<u>2,340,226</u>	<u>470,214</u>	<u>453,217</u>	<u>2,357,223</u>
Capital assets being depreciated:				
Building, improvements and infrastructure	7,649,350	409,149	-	8,058,499
Equipment	1,259,623	51,454	-	1,311,077
Vehicles	700,274	499,122	-	1,199,396
Total Capital Assets Being Depreciated	<u>9,609,247</u>	<u>959,725</u>	<u>-</u>	<u>10,568,972</u>
Less - Accumulated depre- ciation for:				
Building, improvements and infrastructure	2,615,326	194,542	-	2,809,868
Equipment	1,042,855	59,025	-	1,101,880
Vehicles	669,064	41,563	-	710,627
Total Accumulated Depreciated	<u>4,327,245</u>	<u>295,130</u>	<u>-</u>	<u>4,622,375</u>
Total Capital Assets Being Depreciated, Net	<u>5,282,002</u>	<u>664,595</u>	<u>-</u>	<u>5,946,597</u>
Capital Assets, Net	<u>\$ 7,622,228</u>	<u>1,134,809</u>	<u>453,217</u>	<u>8,303,820</u>

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

	For The Year Ended March 31 2018
Governmental Activities	
Building	\$ 3,271
City clerk	2,494
Corrections	33,015
Public safety	35,390
Public works	99,758
Recreation	121,202
Total	<u>\$ 295,130</u>

NOTE D - EMPLOYEE RETIREMENT SYSTEMS

1. Missouri Local Government Employees Retirement System

General Information about the Plan

Plan Description

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

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.

2017 Valuation

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

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	71
Active employees	<u>53</u>
 Total	 <u>215</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 4.2% for general employees.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

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

The 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:

Asset Class	Target Allocation	Long-term Expected Real Rate Of Return
Equity	43.0 %	5.29 %
Fixed income	26.0	2.93
Real assets	21.0	3.31
Strategic assets	10.0	5.73

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 (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2016	\$ 12,803,919	15,159,809	(2,355,890)
Changes for the year			
Service cost	192,264	-	192,264
Interest	908,250	-	908,250
Difference between expected and actual experience	67,847	-	67,847
Contributions - employer	-	67,376	(67,376)
Net investment income	-	1,852,199	(1,852,199)
Benefit payments, includ- ing refunds	(754,758)	(754,758)	-
Administrative expense	-	(15,168)	15,168
Other changes	-	105,305	(105,305)
Net Changes	<u>413,603</u>	<u>1,254,954</u>	<u>(841,351)</u>
Balances at June 30, 2017	<u>\$ 13,217,522</u>	<u>16,414,763</u>	<u>(3,197,241)</u>

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

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

	Current Single Discount Rate Assumption		
	1% Decrease		1% Increase
Net pension liability (asset)	\$ (1,419,706)	(3,197,241)	(4,654,786)

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Missouri Local Government Employees Retirement System (Continued)

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

For the year ended March 31, 2018, the City's actuarially determined pension expense was \$299,529. Reported deferred outflows and inflows of resources are related to the following sources:

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 25,530	(104,094)	(78,564)
Assumption changes	124,433	-	124,433
Excess (deficit) investment returns	416,544	-	416,544
Contributions subsequent to the measurement date*	51,516	-	51,516
Total	\$ 618,023	(104,094)	513,929

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

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

**For The Plan
Years Ending
June 30**

2018	\$ 324,138
2019	259,152
2020	71,055
2021	(164,595)
2022	(9,718)
Thereafter	(17,619)
Total	\$ 462,413

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. City of Jennings Police and Firemen's Retirement Fund (the Plan)

Plan Termination

In June 2017, the Pension Board of Trustees approved an agreement between LAGERS and the City for LAGERS to take over the pension plan and have all assets belonging to the Plan transferred to LAGERS. As of December 2017, all the assets of the Plan were transferred into LAGERS and the Plan was terminated.

General Information about the Plan (Prior to Termination)

Plan Description

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

Benefits Provided

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

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

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

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

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

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Participants Covered by Benefit Terms

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

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

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

Net Pension Liability

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

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)

Actuarial Assumptions

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

Inflation	2.5%
Salary increase	Not applicable
Investment rate of return	6.0%, net of investment expense

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

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

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

Discount Rate

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at March 31, 2016	<u>\$ 9,927,347</u>	<u>4,833,547</u>	<u>5,093,800</u>
Changes for the year			
Interest	463,972	-	463,972
Difference between expected and actual experience	(1,338,523)	-	(1,338,523)
Contributions - employer	-	189,890	(189,890)
Net investment income	-	(61,452)	61,452
Benefit payments, including refunds	(761,214)	(761,214)	-
Administrative expense	-	(16,599)	16,599
Net Changes	<u>(1,635,765)</u>	<u>(649,375)</u>	<u>(986,390)</u>
Balances at March 31, 2017	<u>\$ 8,291,582</u>	<u>4,184,172</u>	<u>4,107,410</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 6%, as well as what the City's net pension liability would be using a discount rate that is 1% point lower (5%) or 1% point higher (7%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability	\$ 4,896,637	4,107,410	3,433,997

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

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

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

**For The
Years Ending
March 31**

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

NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES

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

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended March 31, 2018 amounted to \$3,577,498. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT

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

	For The Year Ended March 31, 2018			Balance March 31 2018	Amounts Due Within One Year
	Balance March 31 2017	Additions	Reductions		
	TIF refunding bonds	\$ 9,520,000	-		
Less - Discount	(35,728)	-	(5,358)	(30,370)	-
TIF revenue notes	1,376,439	-	288,544	1,087,895	200,000
 Total Long-term Debt	 \$ 10,860,711	 -	 1,023,186	 9,837,525	 1,000,000

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. The bonds reductions include \$28,805 of additional discount credited by the trustee, for the TIF refunding bonds.

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.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the normal course of business, the City has numerous transactions between funds. The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. These balances are expected to be repaid in the next fiscal year. The following is a reconciliation of internal receivables and payables:

	March 31, 2018	
	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	\$ -	7,866
Capital Improvement Fund	4,168	-
Total Major Governmental Funds	4,168	7,866
Nonmajor governmental funds:		
Special Revenue Funds:		
Tax Increment Financing Area 1 Fund	-	168
Police Seizure Fund	-	18
Park Sales Tax Fund	3,884	-
Total Nonmajor Governmental Funds	3,884	186
Total Major And Nonmajor Governmental Funds	\$ 8,052	8,052

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:

	For The Year Ended March 31, 2018		
	Transfers In		
	General Fund	Tax Increment Financing Area 3 Fund	Total
Transfers out:			
General Fund	\$ -	21,160	21,160
Capital Improvement	106,935	-	106,935
Nonmajor	66,180	-	66,180
Total	\$ 173,115	21,160	194,275

NOTE H - RESTRICTED NET POSITION

The government-wide statements of net position reports \$4,898,049 of restricted net position, of which \$4,127,828 is restricted by enabling legislation.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes issued to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. For the current year, principal, interest and other related amounts paid and total incremental tax revenues were \$1,552,227 and \$1,260,471, respectively, for funds with incremental tax debt service expenditures.

NOTE J - TAX ABATEMENTS

Under the Missouri Chapter 100 Industrial Development Bond program, the City issued Taxable Industrial Development Revenue Bonds during 2011 to provide financial assistance to Louisa Food Products, Inc. (the Company) for construction of two new buildings totaling approximately 21,000 square feet to be used primarily for manufacturing purposes and equipping the site and project improvements with certain personal property. To finance the project, the Company passed title of the property and encompassing equipment to the City and will pay rent to the City under a lease agreement sufficient to pay the debt. Due to the City having title to the property, the property is tax exempt during the lease term thus resulting in a tax abatement for the Company. As part of the agreement, the Company is responsible for paying payments in lieu of taxes equal to fifty percent of the ad valorem taxes that would have otherwise been payable during the nineteen year period. For the fiscal year ended March 31, 2018, the amount of abated property tax totaled \$35,931.

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes				
Sales	\$ 2,550,000	2,550,000	2,496,722	(53,278)
Prop P	-	257,603	257,603	-
Property:				
Real estate	610,000	610,000	607,673	(2,327)
Personal property	160,000	160,000	128,869	(31,131)
Railroad	55,000	55,000	39,328	(15,672)
Gasoline	400,000	400,000	396,902	(3,098)
Cigarette	38,000	38,000	36,381	(1,619)
Road and bridge	80,000	80,000	79,006	(994)
Total Taxes	<u>3,893,000</u>	<u>4,150,603</u>	<u>4,042,484</u>	<u>(108,119)</u>
Gross Receipts Taxes				
Utilities	1,650,000	1,650,000	1,599,234	(50,766)
Cable	160,000	160,000	137,180	(22,820)
Total Gross Receipts Taxes	<u>1,810,000</u>	<u>1,810,000</u>	<u>1,736,414</u>	<u>(73,586)</u>
License Tax				
Merchants and manufacturers	145,000	145,000	145,017	17
Liquor	4,500	4,500	4,100	(400)
Coin vending machines	700	700	580	(120)
Vehicles	23,000	23,000	23,114	114
Dog tags	1,200	1,200	23	(1,177)
Miscellaneous	4,500	4,500	4,187	(313)
Total License Tax	<u>178,900</u>	<u>178,900</u>	<u>177,021</u>	<u>(1,879)</u>
Permits				
Building	40,000	40,000	11,063	(28,937)
Street excavating	15,000	15,000	12,480	(2,520)
Plumbing	15,000	15,000	21,854	6,854
Occupancy	35,000	35,000	35,450	450
Housing inspections	50,000	50,000	47,700	(2,300)
Electrical	7,000	7,000	11,729	4,729
Heating	6,000	6,000	6,167	167
Other fees	20,000	20,000	1,709	(18,291)
Total Permits	<u>188,000</u>	<u>188,000</u>	<u>148,152</u>	<u>(39,848)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES (Continued)				
Charges for Services				
Jail operations	850,000	850,000	1,346,814	496,814
Prisoner security	2,200	2,200	5,745	3,545
Bond forfeiture and fees	1,000	1,000	950	(50)
Commissary receipts	45,000	45,000	29,170	(15,830)
Rental	22,500	22,500	27,048	4,548
Weed cutting	35,000	35,000	55,212	20,212
Total Charges For Services	<u>955,700</u>	<u>955,700</u>	<u>1,464,939</u>	<u>509,239</u>
Court Receipts				
Costs and fines	150,000	150,000	111,314	(38,686)
D.W.I. recoupment fee	100	100	340	240
Crime victims compensation	1,000	1,000	960	(40)
Training fund	2,000	2,000	1,680	(320)
Total Court Receipts	<u>153,100</u>	<u>153,100</u>	<u>114,294</u>	<u>(38,806)</u>
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>22,555</u>	<u>12,555</u>
Other				
Telephone commission	8,000	8,000	4,357	(3,643)
Community programs	20,000	20,000	7,925	(12,075)
Trash stickers	2,500	2,500	2,190	(310)
Miscellaneous	61,800	61,800	50,321	(11,479)
Total Other	<u>92,300</u>	<u>92,300</u>	<u>64,793</u>	<u>(27,507)</u>
Total Revenues	<u>7,281,000</u>	<u>7,538,603</u>	<u>7,770,652</u>	<u>232,049</u>
EXPENDITURES				
Building				
Personnel costs:				
Salaries	309,758	348,758	248,606	(100,152)
Payroll tax	23,697	27,140	18,732	(8,408)
Employee insurance	45,875	43,834	37,567	(6,267)
Pension contribution	12,153	13,162	8,547	(4,615)
Total Personnel Costs	<u>391,483</u>	<u>432,894</u>	<u>313,452</u>	<u>(119,442)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Building (Continued)				
Dues	550	644	594	(50)
Supplies	4,000	4,000	4,032	32
Computer software	10,200	12,247	12,247	-
Map making	400	400	220	(180)
Professional development	1,500	2,500	1,601	(899)
Total Building	<u>408,133</u>	<u>452,685</u>	<u>332,146</u>	<u>(120,539)</u>
City Clerk				
Personnel costs:				
Salaries	188,442	244,031	218,726	(25,305)
Payroll tax	14,416	17,173	14,946	(2,227)
Employee insurance	27,977	28,065	27,230	(835)
Pension contribution	7,915	5,973	4,963	(1,010)
Unemployment compensation	7,000	9,771	9,771	-
Total Personnel Costs	<u>245,750</u>	<u>305,013</u>	<u>275,636</u>	<u>(29,377)</u>
Dues	11,000	11,000	11,611	611
Utilities	-	-	612	612
Postage	8,500	8,500	8,841	341
Election costs	10,000	10,000	8,351	(1,649)
Supplies	11,000	11,000	11,494	494
Accounting and data processing	-	-	1,257	1,257
Bank charges	-	-	2,667	2,667
Personnel	16,000	12,729	12,729	-
Bonds and insurance	275,000	275,000	292,228	17,228
Hospitality	2,000	2,000	1,506	(494)
Wellness program	1,000	1,000	625	(375)
Publications	15,000	99	99	-
Advertising	5,000	8,718	8,718	-
Professional development	10,000	5,100	5,100	-
Ward funds	-	-	10	10
Total City Clerk	<u>610,250</u>	<u>650,159</u>	<u>641,484</u>	<u>(8,675)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

EXPENDITURES (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Legal				
Personnel costs:				
Salaries	69,000	69,000	62,097	(6,903)
Payroll tax	6,120	6,120	4,573	(1,547)
Employee insurance	150	150	146	(4)
Total Personnel Costs	<u>75,270</u>	<u>75,270</u>	<u>66,816</u>	<u>(8,454)</u>
Legal fees	53,000	53,000	40,713	(12,287)
Professional development	750	750	-	(750)
Total Legal	<u>129,020</u>	<u>129,020</u>	<u>107,529</u>	<u>(21,491)</u>
Finance				
Personnel costs:				
Salaries	123,696	104,039	99,858	(4,181)
Payroll tax	9,463	9,463	7,468	(1,995)
Employee insurance	15,502	15,502	11,925	(3,577)
Pension contribution	4,985	4,985	3,305	(1,680)
Total Personnel Costs	<u>153,646</u>	<u>133,989</u>	<u>122,556</u>	<u>(11,433)</u>
Supplies	1,500	2,500	2,104	(396)
Utilities	23,000	23,000	19,930	(3,070)
Trash sticker	3,000	3,000	2,402	(598)
Accounting and data processing	55,000	69,396	69,396	-
Bank charges	3,500	3,500	2,001	(1,499)
Mileage	100	100	-	(100)
Computer software	15,000	19,261	20,261	1,000
County clerk	300	300	220	(80)
Professional development	300	300	-	(300)
Ward funds	4,000	4,000	1,204	(2,796)
Total Finance	<u>259,346</u>	<u>259,346</u>	<u>240,074</u>	<u>(19,272)</u>
Court				
Personnel costs:				
Salaries	176,708	176,708	181,131	4,423
Payroll tax	12,179	12,179	12,639	460
Employee insurance	29,893	29,893	22,369	(7,524)
Pension contribution	6,225	6,225	5,292	(933)
Total Personnel Costs	<u>225,005</u>	<u>225,005</u>	<u>221,431</u>	<u>(3,574)</u>
Utilities	20,000	20,000	15,973	(4,027)
Supplies	6,900	6,900	3,747	(3,153)

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

EXPENDITURES (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Court (Continued)				
Interim judges	1,500	1,500	350	(1,150)
Public defender	1,500	1,500	-	(1,500)
REJIS	15,000	15,000	9,894	(5,106)
Computer software	-	-	342	342
Professional development	5,500	5,500	2,881	(2,619)
Total Court	<u>275,405</u>	<u>275,405</u>	<u>254,618</u>	<u>(20,787)</u>
Prosecutor				
Personnel costs:				
Salaries	16,037	24,037	19,977	(4,060)
Payroll tax	1,227	1,227	1,528	301
Employee insurance	150	150	31	(119)
Total Prosecutor	<u>17,414</u>	<u>25,414</u>	<u>21,536</u>	<u>(3,878)</u>
Public Safety				
Personnel costs:				
Salaries	51,675	43,675	-	(43,675)
Payroll tax	3,953	3,953	722	(3,231)
Employee insurance	7,436	7,436	1,114	(6,322)
Pension contribution	2,170	1,896	241	(1,655)
Total Personnel Costs	<u>65,234</u>	<u>56,960</u>	<u>2,077</u>	<u>(54,883)</u>
Contractual	3,200,000	3,580,000	3,577,498	(2,502)
Utilities	31,300	31,300	29,209	(2,091)
Supplies	750	750	70	(680)
D.W.I. supplies	-	100	100	-
Police seizure purchases	-	-	15	15
Professional development	8,700	8,874	3,174	(5,700)
Total Public Safety	<u>3,305,984</u>	<u>3,677,984</u>	<u>3,612,143</u>	<u>(65,841)</u>
Public Works				
Personnel costs:				
Salaries	491,996	608,803	587,607	(21,196)
Payroll tax	37,638	43,935	41,612	(2,323)
Employee insurance	96,665	112,678	107,125	(5,553)
Pension contribution	19,194	22,651	20,962	(1,689)
Total Personnel Costs	<u>645,493</u>	<u>788,067</u>	<u>757,306</u>	<u>(30,761)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Public Works (Continued)				
Equipment rental	2,000	2,000	-	(2,000)
Utilities	20,000	44,073	44,073	-
Uniforms	37,000	43,130	43,131	1
Supplies	5,000	5,000	3,742	(1,258)
Hauling cost	5,000	5,000	1,202	(3,798)
Professional development	1,500	1,838	1,838	-
Vector control	3,500	3,500	-	(3,500)
Total Public Works	<u>719,493</u>	<u>892,608</u>	<u>851,292</u>	<u>(41,316)</u>
Recreation				
Personnel costs:				
Salaries	148,022	163,334	166,058	2,724
Payroll tax	11,324	11,324	12,501	1,177
Employee insurance	15,502	7,535	7,534	(1)
Pension contribution	4,222	3,021	3,021	-
Total Personnel Costs	<u>179,070</u>	<u>185,214</u>	<u>189,114</u>	<u>3,900</u>
Dues	450	450	411	(39)
Utilities	15,000	15,000	16,036	1,036
Concession stand supplies	4,000	2,052	2,051	(1)
Grant expenses	-	-	800	800
Equipment	1,000	1,177	1,177	-
Supplies	7,500	7,156	7,205	49
Other	-	-	22,683	22,683
Community program	20,000	17,221	17,221	-
Youth commission	-	500	151	(349)
Senior commission	-	500	-	(500)
Professional development	1,400	150	150	-
Total Recreation	<u>228,420</u>	<u>229,420</u>	<u>256,999</u>	<u>27,579</u>
Corrections				
Personnel costs:				
Salaries	657,693	715,145	715,145	-
Payroll tax	50,313	55,491	55,491	-
Employee insurance	133,844	117,813	117,814	1
Pension contribution	27,623	25,066	24,356	(710)
Total Personnel Costs	<u>869,473</u>	<u>913,515</u>	<u>912,806</u>	<u>(709)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Corrections (Continued)				
Utilities	45,000	38,000	37,759	(241)
Uniforms	5,400	5,400	5,371	(29)
Supplies	2,000	3,462	3,462	-
Prisoner	35,000	36,000	38,597	2,597
Emergency management	2,500	1,230	1,223	(7)
Commissary	5,000	7,300	6,944	(356)
Meals and coffee	160,000	281,046	281,620	574
Laundry	10,000	18,500	17,991	(509)
Medical	55,000	55,000	60,003	5,003
Capital outlay	-	2,500	2,494	(6)
Professional development	2,500	2,100	1,983	(117)
Total Corrections	1,191,873	1,364,053	1,370,253	6,200
Total Expenditures	7,145,338	7,956,094	7,688,074	(268,020)
 REVENUES OVER (UNDER)				
EXPENDITURES	135,662	(417,491)	82,578	500,069
 OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	223,115	173,115	(50,000)
Transfers out	-	-	(21,160)	(21,160)
Total Other Financing Sources (Uses)	20,000	223,115	151,955	(71,160)
 NET CHANGE IN FUND BALANCE	\$ 155,662	(194,376)	234,533	428,909
 FUND BALANCE, APRIL 1			2,700,256	
 FUND BALANCE, MARCH 31			\$ 2,934,789	

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 980,000	980,000	990,535	10,535
Investment income	-	-	6,949	6,949
Total Revenues	980,000	980,000	997,484	17,484
EXPENDITURES				
Current:				
City clerk	107,500	105,000	51,881	(53,119)
Court	-	-	180	180
Public safety	361,935	293,500	241,422	(52,078)
Public works	162,000	109,000	10,488	(98,512)
Recreation	13,500	16,000	13,717	(2,283)
Capital outlay	951,252	965,752	920,499	(45,253)
Total Expenditures	1,596,187	1,489,252	1,238,187	(251,065)
REVENUES UNDER EXPENDI-				
TURES	(616,187)	(509,252)	(240,703)	(268,549)
OTHER FINANCING USES				
Transfer out	-	(106,935)	(106,935)	-
NET CHANGE IN FUND				
BALANCE	\$ (616,187)	(616,187)	(347,638)	(268,549)
FUND BALANCE, APRIL 1			1,938,252	
FUND BALANCE, MARCH 31			\$ 1,590,614	

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2018

	Tax Increment Financing Area 1	Tax Increment Financing Area 4	River Road TIF	Fire Protection	Sewer Lateral	Police Seizure	Beautifi- cation	Park Sales Tax	Pension Tax	Economic Development	Total
ASSETS											
Cash	\$ 168	487,428	11,423	6,056	-	41,039	244	469,773	99,540	-	1,115,671
Investments	-	-	295,433	-	102,685	-	-	263,923	-	186,123	848,164
Due from other funds	-	-	-	-	-	-	-	3,884	-	-	3,884
Total Assets	\$ 168	487,428	306,856	6,056	102,685	41,039	244	737,580	99,540	186,123	1,967,719
LIABILITIES AND FUND BALANCES											
Liabilities											
Due to other funds	\$ 168	-	-	-	-	18	-	-	-	-	186
Fund Balances											
Restricted for:											
Economic development	-	487,428	306,856	-	-	-	-	-	-	186,123	980,407
Public safety	-	-	-	6,056	-	41,021	-	-	99,540	-	146,617
Sewer lateral	-	-	-	-	102,685	-	-	-	-	-	102,685
Parks and recreation	-	-	-	-	-	-	244	737,580	-	-	737,824
Total Fund Balances	-	487,428	306,856	6,056	102,685	41,021	244	737,580	99,540	186,123	1,967,533
Total Liabilities And Fund Balances	\$ 168	487,428	306,856	6,056	102,685	41,039	244	737,580	99,540	186,123	1,967,719

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, 2018

	Tax Increment Financing Area 1	Tax Increment Financing Area 4	River Road TIF	Fire Protection	Sewer Lateral	Police Seizure	Beautifi- cation	Park Sales Tax	Pension Tax	Economic Development	Total
REVENUES											
Taxes	\$ 20,006	235,521	377,667	1,792	89,051	-	-	435,579	277,643	-	1,437,259
Intergovernmental	-	-	-	-	-	-	-	368,755	-	-	368,755
Investment income	-	-	263	-	4	-	-	2,745	327	19	3,358
Other	-	7,563	-	-	-	-	-	-	9,279	-	16,842
Total Revenues	<u>20,006</u>	<u>243,084</u>	<u>377,930</u>	<u>1,792</u>	<u>89,055</u>	<u>-</u>	<u>-</u>	<u>807,079</u>	<u>287,249</u>	<u>19</u>	<u>1,826,214</u>
EXPENDITURES											
Economic development	381,793	352,168	2,242	-	-	-	-	-	-	-	736,203
Public safety	-	-	-	-	-	-	-	-	187,709	-	187,709
Recreation	-	-	-	-	-	-	-	95,705	-	-	95,705
Sewer lateral	-	-	-	-	134,838	-	-	-	-	-	134,838
Capital outlay	-	-	-	-	-	27,015	531	452,154	-	-	479,700
Debt service:											
Principal	-	-	288,544	-	-	-	-	-	-	-	288,544
Interest	-	-	87,423	-	-	-	-	-	-	-	87,423
Total Expenditures	<u>381,793</u>	<u>352,168</u>	<u>378,209</u>	<u>-</u>	<u>134,838</u>	<u>27,015</u>	<u>531</u>	<u>547,859</u>	<u>187,709</u>	<u>-</u>	<u>2,010,122</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(361,787)</u>	<u>(109,084)</u>	<u>(279)</u>	<u>1,792</u>	<u>(45,783)</u>	<u>(27,015)</u>	<u>(531)</u>	<u>259,220</u>	<u>99,540</u>	<u>19</u>	<u>(183,908)</u>
OTHER FINANCING SOURCES (USES)											
Transfer in	-	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	(66,180)	-	-	(66,180)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,180)</u>	<u>-</u>	<u>-</u>	<u>(66,180)</u>
NET CHANGE IN FUND BALANCES	<u>(361,787)</u>	<u>(109,084)</u>	<u>(279)</u>	<u>1,792</u>	<u>(45,783)</u>	<u>(27,015)</u>	<u>(531)</u>	<u>193,040</u>	<u>99,540</u>	<u>19</u>	<u>(250,088)</u>
FUND BALANCES, APRIL 1	<u>361,787</u>	<u>596,512</u>	<u>307,135</u>	<u>4,264</u>	<u>148,468</u>	<u>68,036</u>	<u>775</u>	<u>544,540</u>	<u>-</u>	<u>186,104</u>	<u>2,217,621</u>
FUND BALANCES, MARCH 31	<u>\$ -</u>	<u>487,428</u>	<u>306,856</u>	<u>6,056</u>	<u>102,685</u>	<u>41,021</u>	<u>244</u>	<u>737,580</u>	<u>99,540</u>	<u>186,123</u>	<u>1,967,533</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, 2018

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 90,000	89,051	(949)
Investment income	-	4	4
Total Revenues	<u>90,000</u>	<u>89,055</u>	<u>(945)</u>
EXPENDITURES			
Sewer lateral	<u>103,000</u>	<u>134,838</u>	<u>31,838</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (13,000)</u></u>	<u>(45,783)</u>	<u><u>(32,783)</u></u>
FUND BALANCE, APRIL 1		<u>148,468</u>	
FUND BALANCE, MARCH 31		<u><u>\$ 102,685</u></u>	

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 360,000	360,000	435,579	75,579
Intergovernmental	368,755	368,755	368,755	-
Investment income	-	-	2,745	2,745
Total Revenues	728,755	728,755	807,079	78,324
EXPENDITURES				
Security	113,430	47,250	87,434	40,184
Community program	20,000	20,000	8,271	(11,729)
Capital outlay	446,678	446,678	452,154	5,476
Total Expenditures	580,108	513,928	547,859	33,931
REVENUES OVER EXPENDITURES	148,647	214,827	259,220	44,393
OTHER FINANCING USES				
Transfers out	-	(66,180)	(66,180)	-
NET CHANGE IN FUND BALANCE	\$ 148,647	148,647	193,040	44,393
FUND BALANCE, APRIL 1			544,540	
FUND BALANCE, MARCH 31			\$ 737,580	

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	-	19	19
EXPENDITURES				
Economic development	75,000	45,000	-	(45,000)
REVENUES OVER (UNDER) EX- PENDITURES	(75,000)	(45,000)	19	45,019
OTHER FINANCING USES				
Transfer out	-	(30,000)	-	(30,000)
NET CHANGE IN FUND BALANCE	\$ (75,000)	(75,000)	19	75,019
FUND BALANCE, APRIL 1			186,104	
FUND BALANCE, MARCH 31			\$ 186,123	

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, 2018

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, 2018, expenditures exceeded appropriations as follows:

	Original Budget	Final Budget	Actual	Over Budget
General Fund:				
Recreation	\$ 228,420	229,420	256,999	27,579
Corrections	1,191,873	1,364,053	1,370,253	6,200
Sewer Lateral Fund	103,000	103,000	134,838	31,838
Park Sales Tax Fund	580,108	513,928	547,859	33,931

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

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

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 192,264	189,745	231,691
Interest on the total pension liability	908,250	861,635	841,327
Difference between expected and actual experience	67,847	(101,560)	(102,864)
Changes of assumptions	-	383,340	-
Benefit payments, including refunds	<u>(754,758)</u>	<u>(630,254)</u>	<u>(707,311)</u>
Net Change In Total Pension Liability	413,603	702,906	262,843
Total Pension Liability Beginning	<u>12,803,919</u>	<u>12,101,013</u>	<u>11,838,170</u>
Total Pension Liability Ending (a)	<u>\$ 13,217,522</u>	<u>12,803,919</u>	<u>12,101,013</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 67,376	78,669	107,755
Net investment income	1,852,199	(52,590)	323,305
Benefit payments, including refunds	(754,758)	(630,254)	(707,311)
Administrative expense	(15,168)	(15,222)	(16,404)
Other changes	<u>105,305</u>	<u>(50,496)</u>	<u>23,787</u>
Net Change In Plan Fiduciary Net Position	1,254,954	(669,893)	(268,868)
Plan Fiduciary Net Position Beginning	<u>15,159,809</u>	<u>15,829,702</u>	<u>16,098,570</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 16,414,763</u>	<u>15,159,809</u>	<u>15,829,702</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (3,197,241)</u>	<u>(2,355,890)</u>	<u>(3,728,689)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	124.19 %	118.40	130.81
Covered Employee Payroll (for February 28/29 Actuarial Valuation)	\$ 1,683,831	1,697,042	1,726,245
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	(189.88) %	(138.82)	(216.00)

Notes:

Information is not available for fiscal years prior to 2016.

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

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

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

	For The Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined pension contribution	\$ 71,037	67,337	81,157	148,648	168,434	172,421	189,350	387,086	196,050	198,411
Contributions in relation to the actuarially determined contribution	71,037	67,336	81,157	124,211	138,520	115,074	103,064	240,013	196,050	198,413
Contribution Deficiency (Excess)	\$ -	1	-	24,437	29,914	57,347	86,286	147,073	-	(2)
Covered Employee Payroll	\$ 1,691,350	1,772,008	1,726,737	1,973,613	2,146,828	2,014,238	2,192,961	3,820,906	3,850,735	3,622,988
Contributions as a Percentage of Covered Employee payroll	4.20 %	3.80	4.70	6.29	6.45	5.71	4.70	6.28	5.09	5.48

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

<p>Actuarial cost method</p> <p>Amortization method</p> <p>Remaining amortization period</p> <p>Asset valuation method</p> <p>Inflation</p> <p>Salary increases</p> <p>Investment rate of return</p> <p>Retirement age</p> <p>Mortality</p>	<p>Entry age normal and modified terminal funding</p> <p>A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.</p> <p>Multiple bases from 15 to 20 years</p> <p>5 years smoothed market; 20% corridor</p> <p>3.25% wage inflation; 2.5% price inflation</p> <p>3.25% to 6.55% including wage inflation</p> <p>7.25%, net of investment expenses</p> <p>Experience-based table of rates that are specific to the type of eligibility condition</p> <p>The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
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Other information:

There were no benefit changes during the year.

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

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

CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND

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

Notes:

Information is not available for fiscal years prior to 2016.

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

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

CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND

	For The Years Ended March 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined pension contribution	N/A	\$ 489,920	462,216	345,068	315,629	244,685	209,394	201,076	216,908	200,240
Contributions in relation to the actuarially determined contribution	N/A	270,863	189,890	194,976	195,337	203,049	203,184	210,405	218,467	185,587
Contribution Deficiency (Excess)	N/A	<u>\$ 219,057</u>	<u>272,326</u>	<u>150,092</u>	<u>120,292</u>	<u>41,636</u>	<u>6,210</u>	<u>(9,329)</u>	<u>(1,559)</u>	<u>14,653</u>
Covered Employee Payroll	N/A	N/A	N/A	\$ 218,346	217,156	281,414	254,835	472,928	539,173	545,306
Contributions as a Percentage of Covered Employee payroll	N/A	N/A	N/A	89.30 %	89.95	72.15	79.73	44.49	40.52	34.03

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

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

Other information:

There were no benefit changes during the year.

The Plan assets were transferred to another pension plan in December 2017.

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

CITY OF JENNINGS POLICE AND FIREMEN'S RETIREMENT FUND

	For The Years Ended March 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Annual money-weighted rate of return, net of investment expenses	N/A	(1.01) %	7.59	1.47	3.33	8.65	4.95	4.14	N/A	N/A