
CITY OF JENNINGS, MISSOURI

FINANCIAL REPORT
(Audited)

Year Ended March 31, 2014

CITY OF JENNINGS, MISSOURI
FINANCIAL REPORT

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

INDEPENDENT AUDITOR'S REPORT

September 17, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of March 31, 2014, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

Basis of Accounting

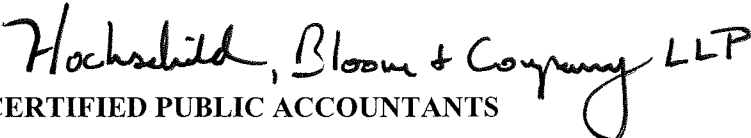
We draw attention to Note A-3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions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

Other 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 17, 2014 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

CITY OF JENNINGS, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2014

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, 2014. We encourage readers to consider the information presented here along with the City's financial statements, including the footnotes that follow this management's discussion and analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the City exceeded its liabilities for the most recent fiscal year by \$3,689,090. The City has a deficit in unrestricted net position totaling (\$8,455,372) primarily due to \$11,790,000 in Tax Increment and Community Improvement Refunding Revenue Bonds, Series 2006 (Northland Redevelopment Area Project) outstanding at year-end for infrastructure assets not owned by the City.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,225,764.
- At the end of the current fiscal year, the fund balance for the General Fund was \$3,282,826.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014**

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

The government-wide financial statements can be found on pages 11 and 12 of this report.

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.

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, Fire Protection 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.

The governmental funds financial statements can be found on pages 13 through 16 of this report.

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

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014**

resources of these funds are not available to support the City's own programs, and thus do not represent discretionary assets of the City. The fiduciary fund financial statements can be found on pages 17 and 18 of this report.

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. The notes to the basic financial statements can be found on pages 19 through 37 of this report.

Supplemental information. The budgetary comparison schedules and combining statements 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 Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

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

	March 31	
	2014	2013
ASSETS		
Cash and other assets	\$ 8,951,908	9,199,551
Capital assets	7,529,407	6,419,836
Total Assets	16,481,315	15,619,387
LIABILITIES		
Other liabilities	726,144	674,311
Noncurrent liabilities	12,066,081	12,387,840
Total Liabilities	12,792,225	13,062,151
NET POSITION		
Net investment in capital assets	7,201,524	6,419,836
Restricted	4,942,938	5,397,177
Unrestricted	(8,455,372)	(9,259,777)
Total Net Position	\$ 3,689,090	2,557,236

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets exceeded liabilities by \$3,689,090 at the close of March 31, 2014.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014**

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

The City's unrestricted net position represents a deficit balance of \$8,455,372 as of March 31, 2014. This deficit is primarily the result of the balance of \$11,790,000 in TIF bonds outstanding at year-end for infrastructure assets not owned by the City. The TIF bonds are limited obligations of the City and are funded only by incremental revenues generated within the TIF district.

Governmental activities. As illustrated below, governmental activities increased the City's net position by \$1,131,854. For 2014, the public health department was combined with the public works department. The increase in net position was largely attributable to revenues and expenses generally being consistent with the prior year.

CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014

	For The Years	
	Ended March 31	
	2014	2013
REVENUES		
Program revenues:		
Charges for services	\$ 2,469,162	2,381,251
Operating grants and contributions	658,349	624,777
Capital grants and contributions	272,372	55,680
General revenues:		
Taxes	7,798,592	7,882,278
License tax	186,806	170,543
Investment income	6,760	1,292
Miscellaneous	14,855	66,014
Total Revenues	<u>11,406,896</u>	<u>11,181,835</u>
EXPENSES		
Beautification	797	212
Building	247,403	286,431
City clerk	799,167	793,603
Collector	98,330	94,175
Court	262,509	230,195
Economic development	238,319	255,654
Federal jail	1,114,488	1,093,192
Fire protection	1,091,141	1,065,834
Legal	144,489	143,253
Public health	-	167,576
Public safety - police	3,541,020	3,485,517
Public works	1,216,127	844,275
Recreation	380,240	457,898
Sewer lateral	84,038	148,619
Special services	439,136	331,265
Interest and fiscal charges	617,838	644,395
Total Expenses	<u>10,275,042</u>	<u>10,042,094</u>
CHANGE IN NET POSITION	1,131,854	1,139,741
NET POSITION, APRIL 1	2,773,116	2,030,855
RESTATEMENT	<u>(215,880)</u>	<u>(397,480)</u>
NET POSITION, MARCH 31	<u><u>\$ 3,689,090</u></u>	<u><u>2,773,116</u></u>

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014**

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, 2014, the combined fund balance was \$8,225,764.

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund increased by \$154,763 from the prior year, mainly due to the increase in court receipts.

The Capital Improvement Fund is the City's primary fund for financing capital expenditures. Revenue for this fund is derived from a ½-cent sales tax. This is a restricted fund and can only be used for acquiring and maintaining capital assets. The fund balance in this fund increased by \$31,557 from the prior year. The change of the current year's fund balance is mainly due to a decrease in capital outlay 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 \$15,220 from the prior year. The decrease in this fund is due to an increase in debt service expenditures.

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, 2014, the net position of the Pension Trust Fund totaled \$5,200,643. This represents a decrease of \$403,622 in total net position over the last fiscal year. This change is primarily due to a decrease in the fair value of the investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City has invested \$7,529,407, net of accumulated depreciation, at March 31, 2014 in a broad range of capital assets, including land, buildings and improvements, equipment, and vehicles. The amount includes a net increase for the current fiscal year (including additions and retirements) of \$1,109,571.

CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014

Capital assets were as follows:

	March 31	
	2014	2013
Land	\$ 1,853,818	1,593,320
Construction in progress	636,218	43,535
Building and improvements	6,683,296	6,654,296
Equipment	1,553,633	1,542,945
Vehicles	1,121,710	705,749
	11,848,675	10,539,845
Less - Accumulated depreciation	4,319,268	4,120,009
Total Capital Assets, Net	\$ 7,529,407	6,419,836

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

Debt administration. At March 31, 2014, the City had total long-term debt obligations for governmental activities in the amount of \$12,117,883. None of the debt outstanding represents general obligation bonds.

	March 31	
	2014	2013
Tax increment financing refunding bonds	\$ 11,790,000	12,445,000
Capital lease	327,883	-
Total	\$ 12,117,883	12,445,000

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

At March 31, 2014, the City had a capital lease obligation in the amount of \$327,883 for the acquisition of a fire truck. Additional information regarding the City's long-term debt can be found in Note F in the notes to financial statements.

**CITY OF JENNINGS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014**

BUDGETARY HIGHLIGHTS

In the General Fund, the following significant variances occurred between 2014 budget and actual amounts:

- Total collected revenues were \$41,959 less than budgeted primarily due to tax revenues not being as high as anticipated.
- Total expenditures were \$313,171 under budget due to various departments spending less than budgeted.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year ending March 31, 2015, the City projects General Fund revenues of \$8,487,115 and expenditures of \$8,813,483.

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, 2014

	Governmental Activities
ASSETS	
Cash	\$ 1,491,808
Investments	6,078,270
Due from others	8,945
Restricted:	
Cash	352,090
Investments	1,020,795
Capital assets:	
Nondepreciable	2,490,036
Depreciable, net	5,039,371
Total Assets	16,481,315
 LIABILITIES	
Court bonds payable	550,661
Due to others	129,142
Unearned revenue	46,341
Noncurrent liabilities:	
Due within one year	773,885
Due in more than one year	11,292,196
Total Liabilities	12,792,225
 NET POSITION	
Net investment in capital assets	7,201,524
Restricted for:	
Capital projects	1,570,572
Debt service	768,163
Economic development	1,691,228
Public safety	158,832
Sewer lateral	225,186
Parks and recreation	528,957
Unrestricted	(8,455,372)
Total Net Position	\$ 3,689,090

CITY OF JENNINGS, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	
Governmental Activities				
Beautification	\$ 797	-	-	(797)
Building	247,403	191,476	-	(55,927)
City clerk	799,167	21,142	-	(778,025)
Collector	98,330	-	-	(98,330)
Court	262,509	-	-	(262,509)
Economic development	238,319	172,775	-	(65,544)
Federal jail	1,114,488	737,169	-	(377,319)
Fire protection	1,091,141	44,257	-	(1,046,884)
Legal	144,489	-	-	(144,489)
Public safety - police	3,541,020	1,105,722	-	(2,435,298)
Public works	1,216,127	65,027	623,349	(255,379)
Recreation	380,240	39,913	35,000	(305,327)
Sewer lateral	84,038	91,681	-	7,643
Special services	439,136	-	-	(439,136)
Interest and fiscal charges	617,838	-	-	(617,838)
Total Governmental Activities	<u>\$ 10,275,042</u>	<u>2,469,162</u>	<u>658,349</u>	<u>(6,875,159)</u>
General Revenues				
Taxes				5,918,729
Gross receipts taxes				1,879,863
License tax				186,806
Investment income				6,760
Miscellaneous				14,855
Total General Revenues				<u>8,007,013</u>
CHANGE IN NET POSITION				1,131,854
NET POSITION, APRIL 1				<u>2,557,236</u>
NET POSITION, MARCH 31				<u>\$ 3,689,090</u>

CITY OF JENNINGS, MISSOURI
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
MARCH 31, 2014

	<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	\$ 212,477	261,233	37,127	980,971	1,491,808
Investments	3,182,276	1,321,966	737,887	836,141	6,078,270
Due from others	8,945	-	-	-	8,945
Due from other funds	550	-	469	13,180	14,199
Restricted assets:					
Cash	352,090	-	-	-	352,090
Investments	252,632	-	768,163	-	1,020,795
Total Assets	<u>\$ 4,008,970</u>	<u>1,583,199</u>	<u>1,543,646</u>	<u>1,830,292</u>	<u>8,966,107</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Court bonds payable	\$ 550,661	-	-	-	550,661
Due to others	129,142	-	-	-	129,142
Due to other funds	-	12,627	-	1,572	14,199
Unearned revenue - protested taxes	46,341	-	-	-	46,341
Total Liabilities	<u>726,144</u>	<u>12,627</u>	<u>-</u>	<u>1,572</u>	<u>740,343</u>
Fund Balances					
Restricted for:					
Capital projects	-	1,570,572	-	-	1,570,572
Debt service	-	-	768,163	-	768,163
Economic development	-	-	775,483	915,745	1,691,228
Public safety	-	-	-	158,832	158,832
Sewer lateral	-	-	-	225,186	225,186
Parks and recreation	-	-	-	528,957	528,957
Assigned for subsequent year's budget	326,368	-	-	-	326,368
Unassigned	2,956,458	-	-	-	2,956,458
Total Fund Balances	<u>3,282,826</u>	<u>1,570,572</u>	<u>1,543,646</u>	<u>1,828,720</u>	<u>8,225,764</u>
Total Liabilities And Fund Balances	<u>\$ 4,008,970</u>	<u>1,583,199</u>	<u>1,543,646</u>	<u>1,830,292</u>	<u>8,966,107</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, 2014

Total Fund Balances - Governmental Funds	\$ 8,225,764
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$11,848,675 and the accumulated depreciation is \$4,319,268.	7,529,407
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Capital lease payable	(327,883)
Tax increment financing refunding bonds payable	(11,790,000)
Unamortized bond discount	51,802
	51,802

Total Net Position Of Governmental Activities	\$ 3,689,090
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CITY OF JENNINGS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2014

	General	Capital Improvement	Tax Increment Financing Area 3	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,574,936	899,942	1,054,772	1,104,109	6,633,759
Gross receipts taxes	1,879,863	-	-	-	1,879,863
License tax	186,806	-	-	-	186,806
Permits	191,476	-	-	-	191,476
Charges for services	1,058,685	-	-	-	1,058,685
Court receipts	894,924	-	-	-	894,924
Intergovernmental	12,000	8,000	-	5,000	25,000
Investment income	5,430	987	118	225	6,760
Other	83,721	-	172,775	755	257,251
Total Revenues	<u>7,887,841</u>	<u>908,929</u>	<u>1,227,665</u>	<u>1,110,089</u>	<u>11,134,524</u>
EXPENDITURES					
Current:					
Beautification	-	-	-	161	161
Building	247,403	-	-	-	247,403
City clerk	752,400	-	-	-	752,400
Collector	98,330	-	-	-	98,330
Court	262,461	-	-	-	262,461
Economic development	-	-	13,049	225,270	238,319
Federal jail	1,081,473	-	-	-	1,081,473
Fire protection	904,517	-	-	78,179	982,696
Legal	144,489	-	-	-	144,489
Public safety - police	3,277,016	-	-	117,202	3,394,218
Public works	812,156	-	-	-	812,156
Recreation	195,605	-	-	94,105	289,710
Sewer lateral	-	-	-	84,038	84,038
Special services	138,784	-	-	-	138,784
Capital outlay	-	877,372	-	762,510	1,639,882
Debt service:					
Principal	-	-	655,000	-	655,000
Interest	-	-	612,480	-	612,480
Total Expenditures	<u>7,914,634</u>	<u>877,372</u>	<u>1,280,529</u>	<u>1,361,465</u>	<u>11,434,000</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>(26,793)</u>	<u>31,557</u>	<u>(52,864)</u>	<u>(251,376)</u>	<u>(299,476)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	219,200	-	37,644	-	256,844
Transfers out	<u>(37,644)</u>	<u>-</u>	<u>-</u>	<u>(219,200)</u>	<u>(256,844)</u>
Total Other Financing Sources (Uses)	<u>181,556</u>	<u>-</u>	<u>37,644</u>	<u>(219,200)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	154,763	31,557	(15,220)	(470,576)	(299,476)
FUND BALANCES, APRIL 1	<u>3,128,063</u>	<u>1,539,015</u>	<u>1,558,866</u>	<u>2,299,296</u>	<u>8,525,240</u>
FUND BALANCES, MARCH 31	<u>\$ 3,282,826</u>	<u>1,570,572</u>	<u>1,543,646</u>	<u>1,828,720</u>	<u>8,225,764</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, 2014

Net Change in Fund Balances - Governmental Funds \$ (299,476)

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 (\$1,249,526) exceeded depreciation (\$371,127) in the current period. 878,399

The net effect of various other transactions involving capital assets:

Contributed capital to City	272,372
Cost of disposals, net of accumulated depreciation	(41,200)

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:

Capital lease issued	(327,883)	
Amortization of discount on debt issuance	(5,358)	
Reduction of tax increment financing refunding bonds	655,000	321,759

Change In Net Position Of Governmental Activities \$ 1,131,854

CITY OF JENNINGS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUND
MARCH 31, 2014

	<u>Pension Trust Fund</u>
ASSETS	
Cash	\$ 59,058
Receivables:	
Interest and dividends	17,654
Other receivable	8,878
Contributions receivable - members	582
Total Receivables	<u>27,114</u>
Investments at fair value:	
Money market funds	180,849
Mortgage backed securities	1,281,480
Municipal bonds	505,303
Mutual funds	3,146,839
Total Investments	<u>5,114,471</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 5,200,643</u>

CITY OF JENNINGS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUND
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employer contributions	\$ 195,337
Member contributions	8,344
	<u>203,681</u>
Investment income:	
Interest	105,776
Dividends	60,731
Net depreciation in fair value of investments	<u>(87,549)</u>
	78,958
Less - Investment management and custodial fees	<u>14,465</u>
Net Investment Income	<u>64,493</u>
Total Additions	<u>268,174</u>
DEDUCTIONS	
Benefits paid to retirees and beneficiaries	658,608
Administrative expenses	13,188
Total Deductions	<u>671,796</u>
NET DECREASE	(403,622)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, APRIL 1	<u>5,604,265</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, MARCH 31	<u><u>\$ 5,200,643</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, fire protection, public safety, streets, sanitation and health services, public improvements, economic development, planning and zoning, parks, and general administrative services. The more significant accounting policies consistently applied by the City in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

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

2. Government-wide and Fund Financial Statements

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus

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

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

Basis of Accounting

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

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

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

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

The City reports the following major governmental funds:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Additionally, the City reports the following fiduciary fund:

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

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

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

4. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are reported at fair value.

5. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements where applicable. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets (Continued)

recorded at estimated fair value at the date of donation. 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.

The City has elected not to record the historical cost of infrastructure placed in service prior to April 1, 2004.

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

Assets	Years
Buildings and improvements	40
Equipment	7
Vehicles	5

6. Compensated Absences

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

7. Fund Balance Policies

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

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

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

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

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Long-term Liabilities

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

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

9. Property Taxes

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

10. Use of Estimates

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

11. Risk Management

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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, 2014, 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, 2014, the City had the following investments:

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
Governmental Funds							
Certificates of deposit	\$ 1,240,000	-	1,240,000	-	-	-	N/A
Federal obligation funds	1,506,050	-	1,506,050	-	-	-	AAA
Money market funds	2,361,004	2,361,004	-	-	-	-	Not rated
MOSIP	1,992,011	1,992,011	-	-	-	-	AAA
Total Primary Government	7,099,065	4,353,015	2,746,050	-	-	-	
Fiduciary Fund							
Money market funds	180,849	180,849	-	-	-	-	Not rated
Mortgage backed securities	1,281,480	-	15	658	52,441	1,228,366	AAA
Municipal bonds	505,303	-	-	-	-	505,303	AA
Mutual funds	3,146,839	3,146,839	-	-	-	-	N/A
Total Fiduciary Fund	5,114,471	3,327,688	15	658	52,441	1,733,669	
Total Investments	\$ 12,213,536	7,680,703	2,746,065	658	52,441	1,733,669	

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments Policies

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

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

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

Investment in Investment Pool

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

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

3. Restricted Assets

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

	For The Year Ended March 31, 2014			
	Balance March 31 2013	Additions	Retirements	Balance March 31 2014
	Governmental Activities			
Capital assets not being depreciated:				
Land	\$ 1,593,320	301,698	41,200	1,853,818
Construction in progress	43,535	592,683	-	636,218
Total Capital Assets Not Being Depreciated	1,636,855	894,381	41,200	2,490,036
Capital assets being depreciated				
Building and improvements	6,654,296	29,000	-	6,683,296
Equipment	1,542,945	175,634	164,946	1,553,633
Vehicles	705,749	422,883	6,922	1,121,710
Total Capital Assets Being Depreciated	8,902,990	627,517	171,868	9,358,639
Less - Accumulated depreciation for:				
Building and improvements	2,076,801	160,924	-	2,237,725
Equipment	1,375,174	106,897	164,946	1,317,125
Vehicles	668,034	103,306	6,922	764,418
Total Accumulated Depreciated	4,120,009	371,127	171,868	4,319,268
Total Capital Assets Being Depreciated, Net	4,782,981	256,390	-	5,039,371
Capital Assets, Net	\$ 6,419,836	1,150,771	41,200	7,529,407

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

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended March 31 2014
Governmental Activities	
City clerk	\$ 19,733
Federal jail	33,015
Fire protection	89,667
Public safety - police	62,120
Public works	83,328
Recreation	83,264
	<hr/>
Total	\$ 371,127

NOTE D - EMPLOYEE RETIREMENT SYSTEMS

Missouri Local Government Employees Retirement System

1. Plan Description

The City's full-time employees participate in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Section 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 it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 4.6% (general), 11.9% (police), and 12.8% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Annual Pension Cost (APC)

The City's APC and net pension obligation (NPO) for the current year were as follows:

Annual required contribution	\$ 120,124
Interest on NPO	1,671
Adjustment to annual required contribution	<u>(2,655)</u>
APC	119,140
Actual contributions	<u>119,043</u>
Decrease in NPO	97
NPO, beginning of year	<u>23,049</u>
NPO, End Of Year	<u><u>\$ 23,146</u></u>

The annual required contribution was determined as part of the February 28, 2011 and February 28, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per year, compounded annually attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women; and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2011 was 6 years for the General division, 24 years for the Police division, and 30 years for the Fire division. The amortization period as of February 28, 2012 was 8 years for the General division, 30 years for the Police division, and 5 years for the Fire division.

Three-year Trend Information

For The Plan Years Ended June 30	APC	Percentage Of APC Contributed	NPO
2013	\$ 119,140	99.9 %	\$ 23,146
2012	99,458	106.6	23,049
2011	218,012	91.1	29,635

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

3. Annual Pension Cost (APC) (Continued)

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Excess Actuarial Assets Over Liability
2013	\$ 7,163,479	\$ 5,936,416	\$ 1,227,063
2012	7,345,001	6,128,545	1,216,456
2011	7,175,265	6,861,892	313,373

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Excess Assets As A Percentage Of Covered Payroll
2013	121 %	\$ 2,105,653	58.3 %
2012	120	2,155,795	56.4
2011	105	3,435,407	9.1

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City, MO.

City of Jennings Police and Firemen's Retirement Fund

1. Plan Description

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

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Plan Description (Continued)

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

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

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

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

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

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

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

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.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Funding

The Plan is funded by a tax levy of \$0.245 per \$100 of the assessed value of all tangible real and personal property as may appear on the tax books of the City. Additional funding for the Plan is provided by payroll deductions at the rate of 3.39% of covered employees' salary. 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.

3. Annual Pension Cost (APC)

For the plan year ended March 31, 2014, the City's tax levy contribution was \$195,337. The required contribution was \$315,629 which was determined as part of the March 31, 2014 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include: a) a rate of return on the investment of present and future assets of 6% per year, compounded annually; b) projected salary increases of 3% per year, compounded annually attributable to inflation; and c) pre-retirement mortality based on the 1983 Group Annuity Mortality table. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at March 31, 2014 was 15 years and the amortization method is the level dollar, fixed period.

4. Employer Contributions

Schedule Of Employer Contributions

<u>For The Years Ended March 31</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2014	\$315,629	\$195,337	61.9%
2013	244,685	203,049	83.0
2012	209,394	203,184	97.0
2011	201,076	210,405	104.6
2010	216,908	218,467	100.7
2009	200,240	185,587	92.7

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

5. Scheduling of Funding Progress

For The Actuarial Valuation Years Ended March 31	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)
2013	\$ 5,604,265	\$ 8,554,488	\$ 2,950,223
2012	5,932,566	8,280,823	2,348,257
2011	5,983,697	8,033,427	2,049,730
2010	6,095,268	7,931,750	1,836,482
2009	6,178,758	8,212,347	2,033,589
2008	6,140,248	8,037,001	1,896,753

For The Actuarial Valuation Years Ended March 31	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2013	65.5 %	\$ 217,156	1,359 %
2012	71.6	281,414	834
2011	74.5	254,835	804
2010	76.9	472,928	388
2009	75.2	539,173	377
2008	76.4	545,306	348

6. Trend Information

Historical trend information about the Plan is presented herewith as required supplemental information. This information is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - EMPLOYEE RETIREMENT SYSTEMS (Continued)

6. Trend Information (Continued)

Valuation For The Actuarial Years Ended March 31	APC	Percentage Contributed	NPO
2014	\$ 322,504	60.6 %	\$ 554,101
2013	249,369	81.4	426,934
2012	212,703	95.5	380,614
2011	203,298	103.5	371,095
2008	218,093	100.2	378,202
2009	200,487	92.6	378,576

Valuation For The Actuarial Years Ended March 31	NPO Beginning Of Year	Annual Required Contribution	Interest On NPO	Adjustment To Annual Required Contribution	APC	Actual Contri- bution	NPO End Of Year
2014	\$ 426,934	\$ 315,629	\$ 25,616	\$ 32,491	\$ 322,504	\$ 195,337	\$ 554,101
2013	380,614	244,685	22,837	27,521	249,369	203,049	426,934
2012	371,095	209,394	22,266	25,575	212,703	203,184	380,614
2011	378,202	201,076	22,692	24,914	203,298	210,405	371,095
2010	378,576	216,908	22,715	23,900	218,093	218,467	378,202
2009	363,676	200,240	21,821	22,068	200,487	185,587	378,576

NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES

During fiscal year 1998, the City designated certain areas in the City as redevelopment areas eligible for TIF treatment. The City has pledged approximately \$8,000,000 in incremental tax revenue to reimburse local employers for redevelopment expenses incurred as well as reimbursing the City for expenses related to the TIF plans.

The City's TIF district has various tax appeals and resulting abatements which will adjust future receipts totaling \$165,921 at March 31, 2014.

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended March 31, 2014 amounted to \$2,954,183. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

The City is a defendant in various lawsuits pertaining to matters which are incidental to performing routine governmental functions. Based on the current status of these legal proceedings, it is the opinion of management that the cost of these claims will not be significant.

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The City has authorized the issuance of tax increment financing notes for the River Redevelopment Project.

NOTE F - LONG-TERM DEBT

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

	For The Year Ended March 31, 2014			Balance March 31 2014	Amounts Due Within One Year
	Balance March 31 2013	Additions	Retirements		
TIF refunding bonds	\$ 12,445,000	-	655,000	11,790,000	690,000
Less - Discount	(57,160)	-	(5,358)	(51,802)	-
Capital lease	-	327,883	-	327,883	83,885
Total Long-term Debt	<u>\$ 12,387,840</u>	<u>327,883</u>	<u>649,642</u>	<u>12,066,081</u>	<u>773,885</u>

The TIF refunding bonds are liquidated by the Tax Increment Financing Area 3 Fund and the capital lease is liquidated by the Capital Improvement Fund.

TIF Refunding Bonds

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

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

Capital Lease

The City has entered into a lease agreements for financing the acquisition of a fire truck. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

Asset	
Truck	\$422,883
Less - Accumulated depreciation	<u>84,577</u>
 Total Asset	 <u>\$338,306</u>

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments is as follows:

For The Years Ended March 31

2015	\$ 95,000
2016	95,000
2017	95,000
2018	<u>69,893</u>
Total Minimum Lease Payments	354,893
Less - Amount representing interest	<u>27,010</u>
 Present Value Of Net Minimum Lease Payments	 <u>\$327,883</u>

NOTE G - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

RSMo 302.341.2 requires an accounting of the percentage of annual fines and courts costs for traffic violations, including amended charges from any charged traffic violation, occurring within the City to total general operating revenue, to be included in the annual financial report. At this point in time the City's court system is unable to provide the specific information necessary to separate the annual fines and court costs for traffic violations from total fines and court costs for all violations. During the year, the amount of fines, forfeitures and court costs of all types, the general operating revenue, and related percent amounted to \$894,924, \$7,248,392, and 12.35%, respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

NOTE H - 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 by March 31, 2015. The following is a reconciliation of internal receivables and payables:

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Due to/from other funds:

	March 31, 2014	
	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	\$ 550	-
Capital Improvement Fund	-	12,627
Tax Increment Financing Area 3 Fund	469	-
Total Major Governmental Funds	1,019	12,627
Nonmajor governmental funds:		
Special Revenue Funds:		
Justice Assistance Grant Fund	410	-
Sewer Lateral Fund	3,752	-
Park Sales Tax Fund	9,018	-
Tax Increment Financing Area 1 Fund	-	319
Tax Increment Financing Area 4 Fund	-	1,253
Total Nonmajor Governmental Funds	13,180	1,572
Total Major And Nonmajor Governmental Funds	\$ 14,199	14,199

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:

Interfund transfers:

	For The Year Ended March 31, 2014		
	Transfers In		
	General Fund	Tax Increment Financing Area 3 Fund	Total
Transfers out:			
General	\$ -	37,644	37,644
Nonmajor	219,200	-	219,200
Total	\$ 219,200	37,644	256,844

CITY OF JENNINGS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - RESTRICTED NET POSITION

The government-wide statements of net position reports \$4,942,938 of restricted net position, of which \$4,174,775 is restricted by enabling legislation.

NOTE J - TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds issued to finance certain improvements in the City. The bonds are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds per Note F is payable through November 2023. For the current year, principal and interest paid and total incremental tax revenues were \$1,267,480 and \$1,054,772, respectively.

NOTE K - PRIOR PERIOD ADJUSTMENT

The previously stated net position has been adjusted to account for property no longer listed in the City's name as follows:

	<u>Governmental Activities</u>
Net Position, March 31, 2013, as previously reported	\$ 2,773,116
Restatement for:	
Land	<u>(215,880)</u>
Net Position, March 31, 2013, As Restated	<u><u>\$ 2,557,236</u></u>

NOTE L - SUBSEQUENT EVENT

The City entered into an agreement in August 2014 to transfer the City's fire department personnel and assets to the Riverview Fire Protection District (RFPD). In addition, the agreement requires the City to pay the RFPD \$346,589 for services through December 31, 2014.

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, 2014

	<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	2,281,888	(268,112)
Property:				
Real estate	750,000	750,000	621,818	(128,182)
Personal property	139,000	139,000	136,207	(2,793)
Railroad	50,000	50,000	37,976	(12,024)
Gasoline	380,000	380,000	373,311	(6,689)
Cigarette	42,000	42,000	38,977	(3,023)
Road and bridge	75,000	75,000	84,759	9,759
Total Taxes	<u>3,986,000</u>	<u>3,986,000</u>	<u>3,574,936</u>	<u>(411,064)</u>
Gross Receipts Taxes				
Utilities	1,700,000	1,700,000	1,760,960	60,960
Cable	95,000	95,000	118,903	23,903
Total Gross Receipts Taxes	<u>1,795,000</u>	<u>1,795,000</u>	<u>1,879,863</u>	<u>84,863</u>
License Tax				
Merchants and manufacturers	140,000	140,000	150,328	10,328
Liquor	4,200	4,200	3,844	(356)
Coin vending machines	700	700	560	(140)
Vehicles	20,000	20,000	24,130	4,130
Dog tags	2,500	2,500	136	(2,364)
Miscellaneous	4,800	4,800	7,808	3,008
Total License Tax	<u>172,200</u>	<u>172,200</u>	<u>186,806</u>	<u>14,606</u>
Permits				
Building	10,000	10,000	10,961	961
Street excavating	5,000	5,000	13,020	8,020
Plumbing	15,000	19,000	11,806	(7,194)
Occupancy	40,000	40,000	33,950	(6,050)
Housing inspections	50,000	50,000	55,650	5,650
Heating	5,500	5,500	3,793	(1,707)
Other fees	45,000	41,000	62,296	21,296
Total Permits	<u>170,500</u>	<u>170,500</u>	<u>191,476</u>	<u>20,976</u>
Intergovernmental				
	-	-	12,000	12,000

(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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES (Continued)				
Charges for Services				
Jail operations	700,000	700,000	621,588	(78,412)
Prisoner security	50,000	50,000	77,010	27,010
Bond forfeiture and fees	115,000	115,000	203,696	88,696
Fire contracts	80,000	80,000	38,532	(41,468)
Commissary receipts	35,000	35,000	30,445	(4,555)
Rental	28,500	28,500	22,387	(6,113)
Weed cutting	60,000	60,000	65,027	5,027
Total Charges For Services	<u>1,068,500</u>	<u>1,068,500</u>	<u>1,058,685</u>	<u>(9,815)</u>
Court Receipts				
Costs and fines	550,000	550,000	746,259	196,259
Traffic bureau	70,000	70,000	137,217	67,217
D.W.I. recoupment fee	700	700	954	254
Crime victims compensation	1,300	1,300	1,635	335
Training fund	6,800	6,800	8,859	2,059
Total Court Receipts	<u>628,800</u>	<u>628,800</u>	<u>894,924</u>	<u>266,124</u>
Investment Income	<u>2,000</u>	<u>2,000</u>	<u>5,430</u>	<u>3,430</u>
Other				
Telephone commission	15,000	15,000	8,126	(6,874)
Community programs	42,000	42,000	24,511	(17,489)
Trash stickers	1,800	1,800	2,605	805
Miscellaneous	73,000	48,000	48,479	479
Total Other	<u>131,800</u>	<u>106,800</u>	<u>83,721</u>	<u>(23,079)</u>
Total Revenues	<u>7,954,800</u>	<u>7,929,800</u>	<u>7,887,841</u>	<u>(41,959)</u>
EXPENDITURES				
Building				
Personnel costs:				
Salaries	216,309	216,309	188,894	(27,415)
Payroll tax	16,548	16,548	13,866	(2,682)
Employee insurance	29,410	29,410	27,970	(1,440)
Pension contribution	9,950	9,950	7,934	(2,016)
Total Personnel Costs	<u>272,217</u>	<u>272,217</u>	<u>238,664</u>	<u>(33,553)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Building (Continued)				
Dues	300	390	265	(125)
Special investigator	8,900	8,900	581	(8,319)
Supplies	5,000	4,910	4,475	(435)
Other	-	-	26	26
Radio	200	200	-	(200)
Map making	500	500	317	(183)
Professional development	2,500	2,500	2,374	(126)
Internet and cell phone	3,500	3,500	701	(2,799)
Total Building	<u>293,117</u>	<u>293,117</u>	<u>247,403</u>	<u>(45,714)</u>
City Clerk				
Personnel costs:				
Salaries	240,549	240,549	239,001	(1,548)
Payroll tax	18,402	18,402	17,836	(566)
Employee insurance	78,767	78,767	48,267	(30,500)
Pension contribution	9,713	9,713	9,551	(162)
Unemployment compensation	6,000	6,000	5,074	(926)
Total Personnel Costs	<u>353,431</u>	<u>353,431</u>	<u>319,729</u>	<u>(33,702)</u>
Maintenance and repairs	10,000	10,000	2,822	(7,178)
Dues	10,000	10,000	10,506	506
Utilities	27,000	27,000	25,567	(1,433)
Postage	7,000	7,000	3,536	(3,464)
Election costs	5,000	5,000	5,343	343
Supplies	10,000	10,000	12,476	2,476
Accounting and data processing	45,000	45,000	60,910	15,910
Bank charges	5,000	5,000	4,465	(535)
Personnel	12,500	12,500	11,916	(584)
Bonds and insurance	340,000	340,000	284,643	(55,357)
Hospitality	500	500	130	(370)
Wellness program	2,000	2,000	1,736	(264)
Car allowance	250	250	43	(207)
Publications	5,000	5,000	299	(4,701)
Advertising	5,000	5,000	7,315	2,315
Professional development	1,250	1,250	964	(286)
Total City Clerk	<u>838,931</u>	<u>838,931</u>	<u>752,400</u>	<u>(86,531)</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Fire Protection				
Personnel costs:				
Salaries	700,000	700,000	685,225	(14,775)
Payroll tax	53,550	53,550	51,751	(1,799)
Employee insurance	59,552	59,552	58,355	(1,197)
Pension contribution	55,092	55,092	62,156	7,064
Total Personnel Costs	<u>868,194</u>	<u>868,194</u>	<u>857,487</u>	<u>(10,707)</u>
Maintenance and repairs	1,350	1,350	70	(1,280)
Equipment replacement	1,000	1,000	938	(62)
Utilities	20,000	20,000	15,573	(4,427)
Dispatching	42,000	42,000	25,941	(16,059)
Uniforms	600	600	691	91
Supplies	2,500	2,500	1,762	(738)
Professional development	1,250	1,250	564	(686)
Community programs	3,000	3,000	1,491	(1,509)
Total Fire Protection	<u>939,894</u>	<u>939,894</u>	<u>904,517</u>	<u>(35,377)</u>
Legal				
Personnel costs:				
Salaries	33,673	33,673	33,847	174
Payroll tax	2,576	2,576	2,402	(174)
Employee insurance	6,221	6,221	297	(5,924)
Total Personnel Costs	<u>42,470</u>	<u>42,470</u>	<u>36,546</u>	<u>(5,924)</u>
Legal fees	100,500	100,500	107,943	7,443
Total Legal	<u>142,970</u>	<u>142,970</u>	<u>144,489</u>	<u>1,519</u>
Collector				
Personnel costs:				
Salaries	72,624	72,624	74,476	1,852
Payroll tax	5,556	5,556	5,479	(77)
Employee insurance	14,065	14,065	12,779	(1,286)
Pension contribution	3,341	3,341	3,284	(57)
Total Personnel Costs	<u>95,586</u>	<u>95,586</u>	<u>96,018</u>	<u>432</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Collector (Continued)				
Supplies	1,000	1,000	1,483	483
Trash sticker	1,500	1,500	553	(947)
County clerk	300	300	240	(60)
Professional development	125	125	36	(89)
Total Collector	<u>98,511</u>	<u>98,511</u>	<u>98,330</u>	<u>(181)</u>
Court				
Personnel costs:				
Salaries	182,048	182,048	175,657	(6,391)
Payroll tax	12,703	12,703	11,643	(1,060)
Employee insurance	15,244	15,244	13,953	(1,291)
Pension contribution	5,338	5,338	4,121	(1,217)
Total Personnel Costs	<u>215,333</u>	<u>215,333</u>	<u>205,374</u>	<u>(9,959)</u>
Utilities	22,000	22,000	28,904	6,904
Postage	3,000	3,000	2,883	(117)
Supplies	7,000	7,000	7,320	320
Interim judges	3,000	3,000	200	(2,800)
REJIS	18,000	18,000	14,938	(3,062)
Office equipment lease	-	-	539	539
Professional development	7,500	7,500	2,303	(5,197)
Total Court	<u>275,833</u>	<u>275,833</u>	<u>262,461</u>	<u>(13,372)</u>
Public Safety - Police				
Personnel costs:				
Salaries	107,089	107,089	112,425	5,336
Payroll tax	8,192	8,192	11,819	3,627
Employee insurance	2,997	2,997	1,483	(1,514)
Pension contribution	4,926	4,926	1,647	(3,279)
Total Personnel Costs	<u>123,204</u>	<u>123,204</u>	<u>127,374</u>	<u>4,170</u>
Contractual	2,940,138	2,940,138	2,954,183	14,045
Utilities	31,000	31,000	33,689	2,689
Postage	900	900	448	(452)
D.W.I. supplies	700	700	-	(700)

(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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Public Safety - Police (Continued)				
Office supplies	750	750	380	(370)
Prisoner	160,000	160,000	155,765	(4,235)
REJIS	5,000	5,000	5,177	177
Professional development	6,800	6,800	-	(6,800)
Total Public Safety	<u>3,268,492</u>	<u>3,268,492</u>	<u>3,277,016</u>	<u>8,524</u>
Public Works				
Personnel costs:				
Salaries	455,101	434,525	411,875	(22,650)
Payroll tax	32,520	32,520	28,722	(3,798)
Employee insurance	75,587	75,587	75,582	(5)
Pension contribution	20,538	20,538	17,096	(3,442)
Total Personnel Costs	<u>583,746</u>	<u>563,170</u>	<u>533,275</u>	<u>(29,895)</u>
Equipment rental	2,000	2,000	1,061	(939)
Utilities	26,000	26,000	22,370	(3,630)
Uniforms	6,400	9,900	10,617	717
Supplies	15,000	15,000	13,257	(1,743)
Explorers	-	-	1,001	1,001
Grass cutting	17,000	37,708	37,707	(1)
Hauling cost	15,000	14,917	14,365	(552)
Professional development	750	833	351	(482)
Vector control - mosquito	2,000	1,868	1,839	(29)
Street lights	200,000	196,500	176,313	(20,187)
Total Public Works	<u>867,896</u>	<u>867,896</u>	<u>812,156</u>	<u>(55,740)</u>
Recreation				
Personnel costs:				
Salaries	115,460	115,460	113,082	(2,378)
Payroll tax	8,833	8,833	17,326	8,493
Employee insurance	8,112	8,112	7,542	(570)
Pension contribution	4,621	4,621	4,545	(76)
Total Personnel Costs	<u>137,026</u>	<u>137,026</u>	<u>142,495</u>	<u>5,469</u>
Security	2,000	2,000	212	(1,788)
Dues	300	300	-	(300)
Utilities	15,000	15,000	16,224	1,224

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Recreation (Continued)				
Concession stand supplies	5,000	5,000	5,444	444
Grant expenses	-	-	5,000	5,000
Supplies	6,800	6,800	7,985	1,185
Community program	33,500	45,500	17,132	(28,368)
Professional development	750	750	1,113	363
Total Recreation	<u>200,376</u>	<u>212,376</u>	<u>195,605</u>	<u>(16,771)</u>
Federal Jail				
Personnel costs:				
Salaries	673,000	673,000	657,926	(15,074)
Payroll tax	51,485	51,485	45,543	(5,942)
Employee insurance	89,993	89,993	75,587	(14,406)
Pension contribution	26,656	26,656	22,234	(4,422)
Total Personnel Costs	<u>841,134</u>	<u>841,134</u>	<u>801,290</u>	<u>(39,844)</u>
Utilities	25,000	25,000	29,514	4,514
Uniforms	5,100	5,100	4,179	(921)
Supplies	2,000	2,000	1,862	(138)
Commissary	30,000	30,000	37,472	7,472
Meals and coffee	131,000	131,000	135,982	4,982
Laundry	10,000	10,000	11,300	1,300
Medical	60,000	60,000	59,874	(126)
Radio	200	200	-	(200)
Total Federal Jail	<u>1,104,434</u>	<u>1,104,434</u>	<u>1,081,473</u>	<u>(22,961)</u>
Special Services				
Personnel costs:				
Salaries	138,872	138,872	103,389	(35,483)
Payroll tax	10,624	10,624	8,253	(2,371)
Employee insurance	15,097	15,097	13,818	(1,279)
Pension contribution	5,008	5,008	4,653	(355)
Total Personnel Costs	<u>169,601</u>	<u>169,601</u>	<u>130,113</u>	<u>(39,488)</u>

(Continued)

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Special Services (Continued)				
Dues	100	100	65	(35)
Utilities	2,850	2,850	1,250	(1,600)
Supplies	1,300	1,300	1,256	(44)
Insurance deductible	10,000	9,793	5,371	(4,422)
Licenses and fees	500	500	-	(500)
Safety equipment	200	200	-	(200)
Mileage	50	50	-	(50)
Publications	250	457	457	-
Professional development	500	500	272	(228)
Total Special Services	<u>185,351</u>	<u>185,351</u>	<u>138,784</u>	<u>(46,567)</u>
Total Expenditures	<u>8,215,805</u>	<u>8,227,805</u>	<u>7,914,634</u>	<u>(313,171)</u>
 REVENUES UNDER EXPENDI-				
TURES	<u>(261,005)</u>	<u>(298,005)</u>	<u>(26,793)</u>	<u>271,212</u>
 OTHER FINANCING SOURCES				
(USES)				
Transfers in	210,000	210,000	219,200	9,200
Transfers out	<u>(516,100)</u>	<u>(516,100)</u>	<u>(37,644)</u>	<u>(478,456)</u>
Total Other Financing Sources (Uses)	<u>(306,100)</u>	<u>(306,100)</u>	<u>181,556</u>	<u>487,656</u>
 NET CHANGE IN FUND BALANCE	<u>\$ (567,105)</u>	<u>(604,105)</u>	<u>154,763</u>	<u>758,868</u>
 FUND BALANCE, APRIL 1			<u>3,128,063</u>	
 FUND BALANCE, MARCH 31			<u>\$ 3,282,826</u>	

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, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 850,000	850,000	899,942	49,942
Intergovernmental	-	-	8,000	8,000
Investment income	-	-	987	987
Total Revenues	850,000	850,000	908,929	58,929
EXPENDITURES				
Capital outlay	1,503,320	1,541,320	877,372	(663,948)
NET CHANGE IN FUND BALANCE				
	\$ (653,320)	(691,320)	31,557	722,877
FUND BALANCE, APRIL 1			1,539,015	
FUND BALANCE, MARCH 31			\$ 1,570,572	

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2014

	<u>Tax Increment Financing Area 1</u>	<u>Tax Increment Financing Area 2</u>	<u>Tax Increment Financing Area 4</u>	<u>Fire Protection</u>	<u>Sewer Lateral</u>	<u>Justice Assistance Grant</u>	<u>Police Seizure</u>	<u>Beautifi- cation</u>	<u>Park Sales Tax</u>	<u>Economic Development</u>	<u>Total</u>
ASSETS											
Cash	\$ 297,990	26,847	396,271	29,080	-	-	120,250	1,564	108,969	-	980,971
Investments	-	-	-	-	221,434	9,092	-	-	409,406	196,209	836,141
Due from other funds	-	-	-	-	3,752	410	-	-	9,018	-	13,180
Total Assets	<u>\$ 297,990</u>	<u>26,847</u>	<u>396,271</u>	<u>29,080</u>	<u>225,186</u>	<u>9,502</u>	<u>120,250</u>	<u>1,564</u>	<u>527,393</u>	<u>196,209</u>	<u>1,830,292</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Due to other funds	\$ 319	-	1,253	-	-	-	-	-	-	-	1,572
Fund Balances											
Restricted for:											
Economic development	297,671	26,847	395,018	-	-	-	-	-	-	196,209	915,745
Public safety	-	-	-	29,080	-	9,502	120,250	-	-	-	158,832
Sewer lateral	-	-	-	-	225,186	-	-	-	-	-	225,186
Parks and recreation	-	-	-	-	-	-	-	1,564	527,393	-	528,957
Total Fund Balances	<u>297,671</u>	<u>26,847</u>	<u>395,018</u>	<u>29,080</u>	<u>225,186</u>	<u>9,502</u>	<u>120,250</u>	<u>1,564</u>	<u>527,393</u>	<u>196,209</u>	<u>1,828,720</u>
Total Liabilities And Fund Balances	<u>\$ 297,990</u>	<u>26,847</u>	<u>396,271</u>	<u>29,080</u>	<u>225,186</u>	<u>9,502</u>	<u>120,250</u>	<u>1,564</u>	<u>527,393</u>	<u>196,209</u>	<u>1,830,292</u>

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Tax Increment Financing Area 1</u>	<u>Tax Increment Financing Area 2</u>	<u>Tax Increment Financing Area 4</u>	<u>Fire Protection</u>	<u>Sewer Lateral</u>	<u>Justice Assistance Grant</u>	<u>Police Seizure</u>	<u>Beautifi- cation</u>	<u>Park Sales Tax</u>	<u>Economic Development</u>	<u>Pension Tax</u>	<u>Total</u>
REVENUES												
Taxes	\$ 33,406	969	184,056	218,359	91,681	-	-	-	380,301	-	195,337	1,104,109
Intergovernmental	-	-	-	-	-	-	-	-	5,000	-	-	5,000
Investment income	-	-	-	-	20	-	-	-	185	20	-	225
Other	-	-	-	-	-	-	-	-	755	-	-	755
Total Revenues	<u>33,406</u>	<u>969</u>	<u>184,056</u>	<u>218,359</u>	<u>91,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,241</u>	<u>20</u>	<u>195,337</u>	<u>1,110,089</u>
EXPENDITURES												
Beautification	-	-	-	-	-	-	-	161	-	-	-	161
Economic development	5,724	-	208,276	-	-	-	-	-	-	11,270	-	225,270
Fire protection	-	-	-	44	-	-	-	-	-	-	78,135	78,179
Public safety - police	-	-	-	-	-	-	-	-	-	-	117,202	117,202
Recreation	-	-	-	-	-	-	-	-	94,105	-	-	94,105
Sewer lateral	-	-	-	-	84,038	-	-	-	-	-	-	84,038
Capital outlay	-	-	-	-	-	-	25,520	636	736,354	-	-	762,510
Total Expenditures	<u>5,724</u>	<u>-</u>	<u>208,276</u>	<u>44</u>	<u>84,038</u>	<u>-</u>	<u>25,520</u>	<u>797</u>	<u>830,459</u>	<u>11,270</u>	<u>195,337</u>	<u>1,361,465</u>
REVENUES OVER (UNDER) EXPENDITURES	27,682	969	(24,220)	218,315	7,663	-	(25,520)	(797)	(444,218)	(11,250)	-	(251,376)
OTHER FINANCING USES												
Transfers out	-	-	-	(219,200)	-	-	-	-	-	-	-	(219,200)
NET CHANGE IN FUND BALANCES	27,682	969	(24,220)	(885)	7,663	-	(25,520)	(797)	(444,218)	(11,250)	-	(470,576)
FUND BALANCES, APRIL 1	269,989	25,878	419,238	29,965	217,523	9,502	145,770	2,361	971,611	207,459	-	2,299,296
FUND BALANCES, MARCH 31	<u>\$ 297,671</u>	<u>26,847</u>	<u>395,018</u>	<u>29,080</u>	<u>225,186</u>	<u>9,502</u>	<u>120,250</u>	<u>1,564</u>	<u>527,393</u>	<u>196,209</u>	<u>-</u>	<u>1,828,720</u>

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MODIFIED CASH BASIS - FIRE PROTECTION FUND
FOR THE YEAR ENDED MARCH 31, 2014

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 210,000	218,359	8,359
EXPENDITURES			
Bank charges	-	44	44
REVENUES OVER EXPENDITURES	210,000	218,315	8,315
OTHER FINANCING USES			
Transfers out	(210,000)	(219,200)	9,200
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(885)	<u>(885)</u>
FUND BALANCE, APRIL 1		<u>29,965</u>	
FUND BALANCE, MARCH 31		<u>\$ 29,080</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, 2014

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 95,000	91,681	(3,319)
Investment income	-	20	20
Total Revenues	<u>95,000</u>	<u>91,701</u>	<u>(3,299)</u>
EXPENDITURES			
Sewer lateral	<u>88,000</u>	<u>84,038</u>	<u>(3,962)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 7,000</u></u>	<u>7,663</u>	<u><u>663</u></u>
FUND BALANCE, APRIL 1		<u>217,523</u>	
FUND BALANCE, MARCH 31		<u><u>\$ 225,186</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, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 340,000	340,000	380,301	40,301
Intergovernmental	-	-	5,000	5,000
Investment income	-	-	185	185
Other	-	-	755	755
Total Revenues	340,000	340,000	386,241	46,241
EXPENDITURES				
Security	54,250	54,250	72,185	17,935
Community program	16,000	21,000	21,920	920
Capital outlay	730,000	1,080,000	736,354	(343,646)
Total Expenditures	800,250	1,155,250	830,459	(324,791)
NET CHANGE IN FUND BALANCE	\$ (460,250)	(815,250)	(444,218)	371,032
FUND BALANCE, APRIL 1			971,611	
FUND BALANCE, MARCH 31			\$ 527,393	

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, 2014

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ -	20	20
EXPENDITURES			
Economic development	<u>27,000</u>	<u>11,270</u>	<u>(15,730)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (27,000)</u>	<u>(11,250)</u>	<u>15,750</u>
FUND BALANCE, APRIL 1		<u>207,459</u>	
FUND BALANCE, MARCH 31		<u>\$ 196,209</u>	

CITY OF JENNINGS, MISSOURI
SUPPLEMENTAL INFORMATION - NOTES TO SCHEDULES
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2014

Budgets and Budgetary Accounting

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

- a. The proposed budget on the modified cash basis of accounting is submitted to the City Council for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues of the preceding year plus any fund balance at the end of such year. Sources from capital leases are not budgeted, if any.
- b. Public meetings are conducted in the City to obtain taxpayer input and comments.
- c. The budget must be adopted by the affirmative vote of a majority of the City Council for each fiscal year.
- d. The City Council may transfer budgeted amounts between departments to alter the total expenditures. All appropriations not spent or legally encumbered at year-end lapse.
- e. The City adopts a budget for the General Fund, Capital Improvement Fund, Fire Protection 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, 2014, expenditures exceeded appropriations as follows:

	Original Budget	Final Budget	Actual	Over Budget
General Fund:				
Legal	\$ 142,970	142,970	144,489	1,519
Public safety - police	3,268,492	3,268,492	3,277,016	8,524
Fire Protection Fund:				
Bank charges	-	-	44	44
Transfers out	210,000	210,000	219,200	9,200

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%.