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1-1-1999

## Financial Statements, 1998

City of Jennings

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**CITY OF JENNINGS, MISSOURI,  
PRIMARY GOVERNMENT**

**FINANCIAL STATEMENTS**

**MARCH 31, 1998  
(WITH COMPARATIVE TOTALS FOR 1997)**

**HUBER  
RING  
HELM  
& CO.**

A PROFESSIONAL CORPORATION  
OF CERTIFIED PUBLIC ACCOUNTANTS

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A PROFESSIONAL CORPORATION  
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## **Independent Auditor's Report**

Honorable City Council  
City of Jennings, Missouri

We have audited the accompanying primary government financial statements - cash basis of the City of Jennings, Missouri as of and for the year ended March 31, 1998 as listed in the accompanying Table of Contents. We previously audited and reported upon the primary government financial statements - cash basis of the City of Jennings, Missouri for the year ended March 31, 1997, totals of which are included for comparative purposes only. These primary government financial statements are the responsibility of the City of Jennings, Missouri's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall primary government financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the primary government financial statements present only the general fund and account group and are not intended to present fairly the financial position and results of operations of the City of Jennings, Missouri in conformity with generally accepted accounting principles.

As described in Note 1, these primary government financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The City of Jennings, Missouri, primary government, also has not maintained a complete record of its general fixed assets as required by generally accepted accounting principles, and accordingly, the statement of general fixed assets only includes certain land, buildings, and improvements and excludes equipment (including capitalized leases of equipment) and depreciation of all assets.

Honorable City Council  
City of Jennings, Missouri

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of not maintaining a complete record of its general fixed assets, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the City of Jennings, Missouri as of March 31, 1998 and the results of its operations for the year then ended on the basis of accounting described in Note 1.

However, the primary government financial statements, because they do not include the financial data of component units of the City of Jennings, Missouri, do not purport to, and do not present fairly the financial position of the City of Jennings, Missouri as of March 31, 1998 and the results of its operations of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

*Huber, Ring, Helms & Co., P.C.*

St. Louis, Missouri  
June 22, 1998

**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT**

**COMBINED BALANCE SHEET - CASH BASIS  
GENERAL FUND AND ACCOUNT GROUP**

**MARCH 31, 1998**

**(WITH COMPARATIVE TOTALS FOR MARCH 31, 1997)**

ASSETS	General	Account Group	Total All Funds	
		General Fixed Assets	Memorandum Only 1998	1997
Cash	\$ 1,489,786		\$ 1,489,786	\$ 920,422
Certificates of deposit	983,016		983,016	590,544
Miscellaneous prepayments	22,873		22,873	141
Inventory (Net of rent received of \$8,272 in 1998 and \$15,842 in 1997)	98,363		98,363	198,927
<b>RESTRICTED ASSETS</b>				
Cash restricted	205,996		205,996	195,915
<b>PROPERTY, PLANT, AND EQUIPMENT, at cost</b>				
Land		\$ 220,914	220,914	220,914
Buildings and improvements		3,028,942	3,028,942	3,028,942
	<u>\$ 2,800,034</u>	<u>\$ 3,249,856</u>	<u>\$ 6,049,890</u>	<u>\$ 5,155,805</u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Note payable	\$ 16,406		\$ 16,406	\$ 20,892
Unearned revenue	477,269		477,269	430,761
Court bonds payable	201,127		201,127	171,703
Other funds escrow	4,888		4,888	2,070
Due to Police and Firemen's Retirement Fund	8,820		8,820	2,449
Due to (from) Jennings Special Business District	9,857		9,857	(425)
Payroll withholdings	6,316		6,316	604
Taxes paid under protest	4,141		4,141	4,141
Total liabilities	<u>728,824</u>	<u>-</u>	<u>728,824</u>	<u>632,195</u>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>EQUITY</b>				
Investment in general fixed assets		\$ 3,249,856	3,249,856	3,249,856
Fund balance	2,071,210		2,071,210	1,273,754
Total fund equity	<u>2,071,210</u>	<u>3,249,856</u>	<u>5,321,066</u>	<u>4,523,610</u>
	<u>\$ 2,800,034</u>	<u>\$ 3,249,856</u>	<u>\$ 6,049,890</u>	<u>\$ 5,155,805</u>

The accompanying notes are an integral part of these primary government financial statements.

**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT**

**STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL**

**GENERAL FUND**

**YEAR ENDED MARCH 31, 1998  
(WITH COMPARATIVE TOTALS FOR MARCH 31, 1997)**

	General Fund			General Fund
	1998		Variance - Favorable	1997
	Budget	Actual	(Unfavorable)	Actual
<b>REVENUE</b>				
Taxes	\$ 4,657,544	\$ 5,473,472	\$ 815,928	\$ 4,443,139
License fees	124,450	130,291	5,841	131,168
Permits and fees	61,300	77,914	16,614	65,400
Police department/court	310,000	342,725	32,725	311,504
Loss on sale of houses		(40,738)	(40,738)	(67,242)
Cable TV franchise	75,000	61,698	(13,302)	79,011
Jail operations	985,000	1,093,383	108,383	1,003,612
Contracts and other receipts	205,000	273,399	68,399	204,809
Interest	35,000	61,397	26,397	37,112
Total revenue	<u>6,453,294</u>	<u>7,473,541</u>	<u>1,020,247</u>	<u>6,208,513</u>
<b>EXPENDITURES</b>	<u>6,709,679</u>	<u>6,676,085</u>	<u>33,594</u>	<u>5,951,755</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ (256,385)</u>	797,456	<u>\$ 1,053,841</u>	256,758
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>1,273,754</u>		<u>1,016,996</u>
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 2,071,210</u>		<u>\$ 1,273,754</u>

The accompanying notes are an integral part of these primary government financial statements.

**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT**

**STATEMENT OF EXPENDITURES - CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND**

**YEAR ENDED MARCH 31, 1998  
(WITH COMPARATIVE TOTALS FOR MARCH 31, 1997)**

	General Fund			General Fund
	1998		Variance - Favorable	1997
	Budget	Actual	(Unfavorable)	Actual
<b>EXPENDITURES</b>				
Building Department	\$ 461,597	\$ 428,212	\$ 33,385	\$ 308,209
Fire Department	763,569	730,891	32,678	668,446
City Clerk Department	550,129	525,444	24,685	501,393
Legal Department	95,911	153,571	(57,660)	109,068
Collector's Department	69,259	67,338	1,921	64,674
Maintenance Department	105,350	105,337	13	98,522
Police Department	2,164,333	2,116,706	47,627	1,897,346
Police Judges' Department	155,463	129,565	25,898	102,120
Public Works Department				
Public Works	425,275	353,397	71,878	532,044
Public Health and Lighting	175,374	172,586	2,788	171,736
Park	325,503	326,385	(882)	262,939
Recreation	115,897	108,271	7,626	94,172
Housing Referral Department	55,675	60,410	(4,735)	44,262
Capital Improvements	343,443	441,779	(98,336)	236,191
Federal Jail	902,901	909,685	(6,784)	860,633
Use Tax Refund		46,508	(46,508)	
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,709,679</b>	<b>\$6,676,085</b>	<b>\$ 33,594</b>	<b>\$5,951,755</b>

The accompanying notes are an integral part of these primary government financial statements.



**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 1998**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

The City of Jennings, Missouri (“City”) was incorporated by order of the St. Louis County Court, as a city of the third class with the Mayor-Council form of government under the statutes of the State of Missouri in December 1946. The City provides the following services: Public Safety - Police, Fire, and Corrections, Streets, Public Works, Housing, Public Improvements, Planning and Zoning, and General Administrative Services.

*Reporting Entity*

In evaluating how to define the City for financial reporting purposes, management has decided to include the primary government only. Financial activities of all component units of the reporting entity are not included.

*Basis of Accounting*

The accounts of the City are maintained using the cash basis of accounting. Consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenses and related liabilities are recognized when paid rather than when the obligation is incurred.

*Fund Accounting*

The accounts of the City are organized on the basis of funds and one account group, each of which is considered a separate accounting entity.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic types and broad fund categories as indicated on the following page.

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Fund Accounting (Continued)*

Governmental Funds

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

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized.

Such assets are normally immovable and of value only to the City, therefore, the purpose of stewardship for these items is satisfied without the recording of these assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Certain capital improvements and all furniture and equipment, including capitalized leases of equipment, are not included in the general fixed asset account group but have been charged to expense when acquired.

*Inventory*

Inventory is carried at cost and consists of houses purchased by the City for subsequent resale under its lease-option program. The purchase price and subsequent costs are accumulated for each house using the method of specific identification.

*Reclassifications*

Certain reclassifications have been made to prior year amounts to make them consistent with the 1998 presentation.

*Basis of Presentation*

The financial information for the year ended March 31, 1997 has been presented for comparative purposes and is not intended to be a complete financial statement presentation. The total columns are not intended to present consolidated financial information.

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Property Tax*

In 1997, the tax rate was \$1.18 per \$100.00 of assessed value including \$.18 for the Police and Firemen's Retirement Fund. The City's Property Tax is levied each year on assessed value listed as of the prior January 1st for all real property located in the City. The County Assessment Board establishes assessed values. The assessed value at January 1, 1997, upon which the 1997 levy was based for real property, was \$54,368,450.

Property taxes are recorded as revenue when collected. Taxes are due on October 1st and delinquent after December 31st.

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

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**NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS**

At March 31, 1998 and 1997, deposits with financial institutions, including restricted, consisted of:

	<u>1998</u>	<u>1997</u>
Unrestricted cash	\$1,489,786	\$ 920,422
Certificates of deposit	983,016	590,544
Restricted cash	<u>205,996</u>	<u>195,915</u>
Total deposits with financial institutions	<u>\$2,678,798</u>	<u>\$1,706,881</u>

*Risk Category (Bank Balances)*

	<u>1998</u>	<u>1997</u>
1. Insured or collateralized with securities held by the City or by its agent in the City's name.	\$ 100,000	\$ 115,230
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.	2,601,115	1,572,932
3. Uncollateralized	<u>68,992</u>	<u>95,306</u>
Total	<u>\$2,770,107</u>	<u>\$1,783,468</u>

Restricted cash consists of cash restricted for taxes paid under protest, court appearance bonds, prisoner funds, and crime victims' compensation.

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**NOTE 3 – INVENTORY**

Under a comprehensive housing plan for the City of Jennings, the City may choose to purchase property from the Department of HUD or through conventional real estate sources. Any property throughout the City that is advertised on the open market may be considered for purchase and the lease-option program by the City. The City enters into a special lease-option agreement with an individual who agrees to lease the property for a specified period of time. At the end of that period, the house is sold to that individual and the total rental payments received by the City become the down payment on the sale. This down payment enables individuals who might otherwise be unable to secure financing to do so. If the individual subsequently desires to resell the property within a specified time period, the City has the right to purchase it before all others. During the time that the City holds title to the property, it is included in inventory at actual cost. Rent received from tenants, to be applied to their down payment, is a reduction of inventory until the sale is completed. During 1994, the City Council voted to terminate the housing program and sell the current inventory of houses.

The gain or loss on sale of houses is calculated by subtracting the original cost of the houses from the gross proceeds from the sale (including rent payments applied to purchase). For the years ended March 31, 1998 and 1997, the loss was:

	<u>1998</u>	<u>1997</u>
Gross proceeds	\$ 67,396	\$ 30,607
Cost	<u>(108,134)</u>	<u>(97,849)</u>
Gain (loss)	<u><u>\$ (40,738)</u></u>	<u><u>\$ (67,242)</u></u>

---

**NOTE 4 – NOTE PAYABLE**

	<u>1998</u>	<u>1997</u>
Promissory note dated May 26, 1993, with the Missouri Department of Natural Resources, payable semi-annually with payments of \$2,440, including interest at 2%, due October 1, 2001.	<u>\$16,406</u>	<u>\$20,892</u>

Current maturities of long-term debt for the four years succeeding March 31, 1998 are as follows:

<u>Year Ending</u> <u>March 31,</u>	<u>Amount</u>
1999	\$ 2,276
2000	4,621
2001	4,714
2002	<u>4,795</u>
	<u><u>\$16,406</u></u>

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**NOTE 5 – PENSION PLAN**

The City adopted the City of Jennings Police and Firemen's Retirement Fund at the regular election, April 3, 1962. This plan covers the salaried members of the Police and Fire Departments of the City of Jennings, Missouri, hired before April 1, 1987, and provides for payments for retirement, disability, and death.

The plan is funded through a tax levied on the assessed value of all taxable real and tangible personal property as may appear on the tax books for the City and mandatory contributions paid into the Fund by covered employees (3.39% of salaries).

All salaried members of the Police and Fire Departments of the City of Jennings, Missouri, hired subsequent to April 1, 1987 are covered under the Missouri Local Government Employees Retirement System (LAGERS) (see Note 6).

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the Fund on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other plans.

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money. The following information is presented as of March 31, 1998.

Significant actuarial assumptions that have been used are as follows:

Rate of return on invested assets:	7.00% per annum, compounded
Projected salary increases:	4.00% per annum, compounded
Mortality:	In accordance with the 1983 Group Annuity Mortality Table

As of March 31, 1998, 1997, and 1996, the pension benefit obligation consisted of the following components:

	<u>1997</u>	<u>1996</u>	<u>1995</u>
Actuarial Present Value of Accumulated Plan Benefits			
Terminated vested members	\$ 104,803	\$ 86,174	\$ 83,863
Retirees, disabled members, and beneficiaries	2,365,082	2,207,528	2,035,231
Current members	<u>2,653,178</u>	<u>2,275,375</u>	<u>2,318,048</u>
Total actuarial present value of accumulated plan benefits	<u>\$5,123,063</u>	<u>\$4,569,077</u>	<u>\$4,437,142</u>
Net assets available for plan benefits	<u>\$5,178,663</u>	<u>\$5,037,351</u>	<u>\$4,729,005</u>
Assets in excess of pension benefit obligation	<u>\$ 55,600</u>	<u>\$ 468,274</u>	<u>\$ 291,863</u>

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## NOTE 6 – LAGERS PENSION PLAN

### *Plan Description*

The City of Jennings participates 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 statute, Section RSMo. 70.600 - 70.755. As such, it is the system's 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.

The Missouri Local Government Employees Retirement System 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.

### *Funding Status*

The City of Jennings' full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 2.9% (general), 8.1% (police), and 10.4% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

### *Annual Pension Cost*

For 1997, the political subdivision's annual pension cost of \$102,888 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 1995 and/or 1996 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.0% per year, compounded annually, before retirement and 4.0% per year, compounded annually, after retirement, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the 1984 Group Annuity Mortality table set back no years for men and 6 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, 1997 was 15 years.

**NOTE 6 – LAGERS PENSION PLAN (CONTINUED)**

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/95	\$ 69,154	100%	\$ 0
06/30/96	\$ 90,790	100%	\$ 0
06/30/97	\$ 102,888	100%	\$ 0

**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll
02/28/95	\$2,500,067	\$1,902,250	\$(597,817)	131%	\$1,998,886
02/29/96	\$2,820,651	\$2,103,001	\$(717,650)	134%	\$2,034,333
02/28/97	\$3,082,592	\$2,225,580	\$(857,012)	139%	\$2,050,813

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 29, 1996 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

*Leases*

The City leases various pieces of office equipment and has also contracted for communication services under operating leases.

Future minimum lease payments due over the term of the contracts are as follows:

Year Ending March 31,	Amount
1999	\$ 3,981
2000	3,296
2001	3,020
2002	1,220
	<u>\$ 11,517</u>

---

**NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Rent expense for the years ended March 31, 1998 and 1997 was \$5,587 and \$7,740, respectively.

*Purchase Commitments*

An agreement between the City and the U.S. Department of Justice guarantees 50 detention spaces for federal prisoners through November 2007. The federal agencies utilizing the space would also reimburse the City the per diem rate of \$54.85 per day per prisoner. This rate may be renegotiated on an annual basis.

*Contingencies*

The operations of the City's Police and Fire Departments include the handling and storing of fuel. There are environmental concerns in the handling of these items. In the opinion of management, the City follows all of the regulatory procedures and guidelines to ensure that the handling of these products are in compliance with federal, state, and local regulations.

During fiscal year 1998, it was determined that four underground storage tanks owned by the City needed to be removed. The City has contracted with an environmental abatement company to remove the tanks and clean up any soil contamination. The City has insurance that will cover all costs after a \$10,000 per tank deductible. Consistent with the cash basis of accounting, these costs will be recognized as expense when paid.

*Fire Contract Revenue*

The City has contracted with two neighboring cities to provide fire protection for a period of twenty years, expiring February 2012. The City will recognize approximately \$88,158 in revenue over the next 12 months.

*Police Contract Revenue*

The City has contracted with a neighboring City for police protection services on a year-to-year basis. The City will recognize approximately \$59,999 in revenue over the next twelve months.

*Tax Increment Financing*

During fiscal year 1998, the City designated certain areas in the city as redevelopment area eligible for Tax Increment Financing treatment. The City has pledged approximately \$3,000,000 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. No bonds will be issued as a result of the City's TIF plans.



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**NOTE 8 – RELATED PARTY TRANSACTIONS**

The City collects tax levy payments from taxpayers for the Jennings Police and Firemen's Retirement Fund and, on a regular basis, remits those payments to the Fund. At March 31, 1998 and 1997, amounts owed to the Fund were \$8,820 and \$2,449, respectively.

The City collects tax levy payments from taxpayers for the Jennings Special Business District and, on a regular basis, remits those payments to the District. At March 31, 1998 and 1997, amounts owed to (from) the District were \$9,857 and \$(425), respectively.

Included in the 1997 loss on sale of houses (Note 3) is an \$800 gain from the sale of a house to a board member of the City of Jennings Local Development Corporation.

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**NOTE 9 – 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 has obtained insurance for these risks and to provide employee health and accident benefits.

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A PROFESSIONAL CORPORATION  
OF CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Supplemental Information**

Honorable City Council  
City of Jennings, Missouri

Our report on our audit of the primary government financial statements of the City of Jennings, Missouri for the year ended March 31, 1998 appears on pages 1 and 2. We conducted our audit in accordance with generally accepted auditing standards for the purpose of forming an opinion on the primary government financial statements taken as a whole. The Statement of Revenue – Cash Basis – General Fund is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in our audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

*Huber, Ring, Helm & Co., P.C.*

St. Louis, Missouri  
June 22, 1998

**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT  
 SCHEDULE OF REVENUE - CASH BASIS - GENERAL FUND  
 YEAR ENDED MARCH 31, 1998**

**REVENUE**

Taxes	
Real estate and personal property	\$ 670,365
Utilities, gross receipts	1,234,043
Fees and penalties	1,021
Road refunds	75,336
Gasoline	440,503
Cigarettes	70,192
Sales	2,114,093
Capital improvements	823,164
Railroad and utilities	39,185
Trash collection	570
Special tax bills	5,000
	<u>5,473,472</u>
License fees	
Merchants and manufacturers	99,475
Liquor	3,115
Coin vending machines	2,290
Vehicles	18,697
Dog tags and impounding	445
Miscellaneous	6,269
	<u>130,291</u>
Permits and fees	
Building permits	18,572
Street excavating permits	1,750
Occupancy permits	18,901
Housing inspections	26,563
Heating permits	2,303
Other permits and fees	9,825
	<u>77,914</u>
Police Department/Court	
Costs and fines	270,129
Training fund	5,094
Traffic bureau	8,275
False alarm charges	3,770
Court bond and police reports	28,998
Police seizure proceeds	26,459
	<u>342,725</u>
Loss on sale of houses	(40,738)
Cable TV franchise	61,698
Jail operations	1,093,383
Interest	61,397

See independent auditor's report on supplemental information.

**CITY OF JENNINGS, MISSOURI, PRIMARY GOVERNMENT**

**SCHEDULE OF REVENUE - CASH BASIS - GENERAL FUND (CONTINUED)**

**YEAR ENDED MARCH 31, 1998**

**REVENUE (Continued)**

Contracts and other receipts	
Police seizure proceeds	\$ 48,309
Fire and radio contracts	72,074
Municipal radio service receipts	6,749
Trash bag and sticker sales	12,390
Concession stand receipts	601
User fee revenue	15,754
Jennings community project	13,734
Miscellaneous revenue	103,788
	<u>273,399</u>
 <b>TOTAL REVENUE</b>	 <u><u>\$7,473,541</u></u>

See independent auditor's report on supplemental information.