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1-1-2006

## Financial Report, 2005

City of Jennings

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

**CITY OF JENNINGS,  
MISSOURI**

**FINANCIAL REPORT**  
(Audited)

Year Ended March 31, 2005



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

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

## **INDEPENDENT AUDITORS' REPORT**

June 29, 2005

Mayor and City Council  
**CITY OF JENNINGS, MISSOURI**

We have audited the accompanying 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, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note A-3, the City prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of March 31, 2005, and the respective changes in financial position - modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note A-3.

During the year ended March 31, 2005, the City has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as whole.

*Hochschild, Bloom & Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS



**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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As management of the City of Jennings, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2005. 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.

**Financial Highlights**

- On a government-wide basis, the assets of the City exceeded its liabilities for the most recent fiscal year by \$3,233,877. The City had unrestricted net assets of (\$1,142,837).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$3,794,840.
- At the end of the current fiscal year, fund balance for the General Fund was \$2,079,531.

**Overview of the Financial Statements**

This discussion and analysis 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 required supplementary information and other supplemental information in addition to the basic financial statements.

**Government-wide Financial Statements**

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

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

The statement of activities presents information showing how the City's net assets 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

**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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charges. The governmental activities of the City include building, city clerk, collector, court, economic development, federal jail, fire protection, legal, maintenance, police, public health, public works, recreation, sewer lateral, and special services.

The City has elected to utilize a modified cash basis of accounting as explained in Note A-3 of the notes to the 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 fund 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 and the governmental funds statement of revenues, expenditures, and changes in fund balances 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 and in the governmental funds statement of revenues,



**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund, Parks Fund, and the Tax Increment Financing Area 3 Fund.

The City adopts an annual appropriated budget for the General Fund and Capital Improvement 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 13-16 of this report.

### **Fiduciary Funds**

These funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs, and thus do not represent discretionary assets of the City. The statement of 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 19-34 of this report.

### **Required Supplemental Information**

In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 36-46 of this report.

### **Other Supplemental Information**

The combining statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information. Combining statements can be found beginning on page 48 of this report.

### **Government-wide Financial Analysis**

This is the first year that the City has presented its financial statements under the new reporting model pursuant to Governmental Accounting Standards Board of Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Because this reporting model significantly changes both the recording and presentation of financial data, the City has not restated prior fiscal years for the purpose of providing



**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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comparative information in this discussion and analysis. In future years when prior year information is available, a comparative analysis of government-wide data will be included.

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

	<b><u>March 31</u></b> <b><u>2005</u></b>
<b>ASSETS</b>	
Cash and other current assets	\$4,046,194
Capital assets	<u>4,567,140</u>
Total Assets	<u>8,613,334</u>
<b>LIABILITIES</b>	
Other liabilities	251,354
Noncurrent liabilities	<u>5,128,103</u>
Total Liabilities	<u>5,379,457</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,376,714
Unrestricted	<u>(1,142,837)</u>
Total Net Assets	<u>\$3,233,877</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets exceed liabilities by \$3,233,877 at the close of March 31, 2005.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings and improvements, equipment, and vehicles), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### **Governmental Activities**

As illustrated below, governmental activities decreased the City's net assets by \$3,889,516. This was largely attributable to the issuance of tax increment revenue notes in the Tax Increment Financing Area 3 Fund. The City has no business activities.

**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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	<b>For The Year Ended March 31 2005</b>
<b>REVENUES</b>	
Program revenues:	
Charges for services	\$ 2,031,993
Operating and capital grants	919,126
General revenues:	
Taxes	5,768,798
Licenses and permits	280,818
Investment income	28,606
Miscellaneous	423,482
Total Revenues	<u>9,452,823</u>
<b>EXPENSES</b>	
Beautification	2,035
Building	382,790
City clerk	987,284
Collector	91,269
Court	160,734
Economic development	4,979,611
Federal jail	1,011,367
Fire protection	1,093,690
Legal	115,048
Maintenance	97,225
Police	2,883,780
Public health	164,091
Public works	815,166
Recreation	164,902
Sewer lateral	167,905
Special services	214,140
Teen activity	3,009
Interest	8,293
Total Expenses	<u>13,342,339</u>
<b>CHANGE IN NET ASSETS</b>	<b>(3,889,516)</b>
<b>NET ASSETS, APRIL 1</b>	<u><b>7,123,393</b></u>
<b>NET ASSETS, MARCH 31</b>	<u><b>\$ 3,233,877</b></u>



**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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**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, unreserved fund balance may serve as a useful measure of government's resources available for spending at the end of the fiscal year.

At March 31, 2005 the combined fund balance was \$3,794,840.

The General Fund is the chief operating fund of the City. The fund balance in the City's General Fund increased by \$496,078 from the prior year. The change of the current year's fund balance is mainly due to decreased operating expenditures.

The Capital Improvement Fund is the City's primary fund for financing capital expenditures. Revenue for this fund is derived from a ½ cent sales tax. This is a restricted fund and can only be used for acquiring and maintaining capital assets. The fund balance in this fund decreased by \$328,929 from the prior year. The change of the current year's fund balance is mainly due to continued improvements at Koeneman Park.

The Parks Fund is a restricted fund and can only be used for park operating and capital improvement expenses. Revenue for this fund is derived from governmental grants and fund transfers. The fund balance in this fund decreased by \$133,544 from the prior year.

The Tax Increment Financing Area 3 is a restricted fund and can only be used for economic development in the fund designated area. The fund balance in this fund increased by \$371 from the prior year. Construction activities have begun in this area resulting in the issuance of \$4,937,676 in Tax Increment Financing notes in the current year.

**Fiduciary Funds**

The City maintains fiduciary funds for the assets of the uniformed personnel through the Police and Firemen's Retirement Fund Plan. As of the end of the current fiscal year ending March 31, 2005, the net assets of the Pension Trust Fund totaled \$6,203,383. This represents a decrease of \$119,998 in total net assets over the last fiscal year. This change is primarily due to decreases in the market value of the Pension Trust Fund's investments.

**CITY OF JENNINGS, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

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**Capital Assets and Debt Administration**

**Capital Assets**

The City has invested \$4,567,140, net of accumulated depreciation, at March 31, 2005 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 \$811,005.

	<u><b>March 31 2005</b></u>
Land	\$ 652,026
Building and improvements	4,279,544
Equipment	839,707
Vehicles	<u>664,580</u>
Total	6,435,857
Less - Accumulated depreciation	<u>1,868,717</u>
Net Capital Assets	<u><u>\$4,567,140</u></u>

Additional information on the City's capital assets can be found starting on page 24 in Note C in the notes to the financial statements.

**Debt Administration**

At March 31, 2005, the City had total long-term debt obligations for governmental activities in the amount of \$5,128,103. None of the debt outstanding represents general obligation bonds.

Governmental activities:	
Tax Increment Financing notes	\$4,937,676
Capital leases	<u>190,427</u>
Total	<u><u>\$5,128,103</u></u>

At March 31, 2005, the City had capital lease obligations for governmental activities in the amount of \$190,427 for the acquisition of fire department equipment.

The Tax Increment Financing (TIF) notes 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 notes to the note holder based on incremental revenues in lieu of taxes attributable to the project site.



**CITY OF JENNINGS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2005**

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During the year ended March 31, 2005, a total of \$4,937,676 in TIF notes was issued. Additional information regarding the City's long-term debt can be found beginning on page 30 in Note F in the notes to the financial statements. No principal was retired.

**Budgetary Highlights**

In the General Fund, the following significant variances occurred between 2005 budget and actual expenditures:

- Total collected revenues were \$38,117 less than budgeted due to lower than expected permit revenue and charges for services revenues.
- Total expenditures were \$536,788 less than budgeted.

In the Capital Improvement Fund, the following significant variances occurred between 2005 budget and actual expenditures:

- Total collected revenues were \$77,097 more than budgeted due to higher than expected sales tax collections and intergovernmental receipts.
- Total expenditures were \$334,160 under budget due to capital outlay projects not completed.

**Economic Factors And Next Year's Budget**

For the year ending March 31, 2006, the City projects revenue of \$8,071,600 and expenditures of \$8,067,369.

**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 ASSETS - MODIFIED CASH BASIS**  
**MARCH 31, 2005**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,835,463
Cash - restricted	210,731
Capital assets:	
Land	652,026
Capital assets, net of accumulated depreciation	<u>3,915,114</u>
Total Assets	<u>8,613,334</u>
<b>LIABILITIES</b>	
Court bonds payable	113,106
Due to others	9,765
Unearned revenue	91,478
Miscellaneous	37,005
Noncurrent liabilities:	
Due within one year	61,415
Due in more than one year	<u>5,066,688</u>
Total Liabilities	<u>5,379,457</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,376,714
Unrestricted	<u>(1,142,837)</u>
Total Net Assets	<u>\$ 3,233,877</u>



**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

		Program Revenues			Net Revenues (Expenses) And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>				
<b>Governmental Activities</b>					
Beautification	\$ 2,035	-	-	-	(2,035)
Building	382,790	-	-	-	(382,790)
City clerk	987,284	25,300	-	-	(961,984)
Collector	91,269	-	-	-	(91,269)
Court	160,734	-	-	-	(160,734)
Economic	4,979,611	-	-	-	(4,979,611)
Federal jail	1,011,367	1,100,452	-	-	89,085
Fire protection	1,093,690	57,392	21,286	-	(1,015,012)
Legal	115,048	-	-	-	(115,048)
Maintenance	97,225	-	-	-	(97,225)
Police	2,883,780	663,602	52,876	12,139	(2,155,163)
Public health	164,091	-	-	-	(164,091)
Public works	815,166	12,316	731,825	-	(71,025)
Recreation	164,902	-	-	98,000	(66,902)
Sewer lateral	167,905	172,931	-	-	5,026
Special services	214,140	-	-	-	(214,140)
Teen activity	3,009	-	3,000	-	(9)
Interest	8,293	-	-	-	(8,293)
Total Governmental Activities	<u>\$ 13,342,339</u>	<u>2,031,993</u>	<u>808,987</u>	<u>110,139</u>	<u>(10,391,220)</u>
<b>General Revenues</b>					
Taxes					4,361,214
Gross receipts tax					1,407,584
License tax					151,639
Permits					129,179
Investment income					28,606
Miscellaneous					423,482
Total General Revenues					<u>6,501,704</u>
<b>CHANGE IN NET ASSETS</b>					(3,889,516)
<b>NET ASSETS, APRIL 1</b>					<u>7,123,393</u>
<b>NET ASSETS, MARCH 31</b>					<u>\$ 3,233,877</u>

**CITY OF JENNINGS, MISSOURI**  
**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**MARCH 31, 2005**

	<b>General</b>	<b>Capital Improvement</b>	<b>Parks</b>	<b>Tax Increment Financing Area 3</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and investments	\$ 2,109,466	590,141	412,369	64,209	659,278	3,835,463
Cash - restricted	210,731	-	-	-	-	210,731
Due from other funds	10,688	-	-	-	39,774	50,462
Total Assets	<u>\$ 2,330,885</u>	<u>590,141</u>	<u>412,369</u>	<u>64,209</u>	<u>699,052</u>	<u>4,096,656</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Court bonds payable	\$ 113,106	-	-	-	-	113,106
Due to others	9,765	-	-	-	-	9,765
Due to other funds	-	-	-	30,783	19,679	50,462
Deferred revenue	91,478	-	-	-	-	91,478
Miscellaneous	37,005	-	-	-	-	37,005
Total Liabilities	<u>251,354</u>	<u>-</u>	<u>-</u>	<u>30,783</u>	<u>19,679</u>	<u>301,816</u>
<b>Fund Balances</b>						
Unreserved	2,079,531	-	-	-	-	2,079,531
Reserved - special revenue	-	590,141	412,369	33,426	679,373	1,715,309
Total Fund Balances	<u>2,079,531</u>	<u>590,141</u>	<u>412,369</u>	<u>33,426</u>	<u>679,373</u>	<u>3,794,840</u>
Total Liabilities And Fund Balances	<u>\$ 2,330,885</u>	<u>590,141</u>	<u>412,369</u>	<u>64,209</u>	<u>699,052</u>	<u>4,096,656</u>

See notes to financial statements



**CITY OF JENNINGS, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS -**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS -**  
**MODIFIED CASH BASIS**  
**MARCH 31, 2005**

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Total Fund Balances - Total Governmental Funds	\$ 3,794,840
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$6,435,857 and the accumulated depreciation is \$1,868,717.	4,567,140
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 leases payable outstanding	(190,427)
Tax increment financing notes payable	<u>(4,937,676)</u>
Total Net Assets Of Governmental Activities	<u><u>\$ 3,233,877</u></u>

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	General	Capital Improvement	Parks	Tax Increment Financing Area 3	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 3,717,104	895,777	-	2,811	650,278	5,265,970
Gross receipts taxes	1,407,584	-	-	-	-	1,407,584
Licenses	151,639	-	-	-	-	151,639
Permits	129,179	-	-	-	-	129,179
Charges for services	1,302,497	-	-	-	-	1,302,497
Court receipts	556,565	-	-	-	-	556,565
Intergovernmental	-	21,286	98,000	-	68,015	187,301
Investment income	16,729	10,034	311	2	1,530	28,606
Other	421,006	-	-	-	2,476	423,482
Total Revenues	<u>7,702,303</u>	<u>927,097</u>	<u>98,311</u>	<u>2,813</u>	<u>722,299</u>	<u>9,452,823</u>
<b>EXPENDITURES</b>						
Current:						
Beautification	-	-	-	-	207	207
Building	382,790	-	-	-	-	382,790
City clerk	977,054	-	-	-	-	977,054
Collector	91,269	-	-	-	-	91,269
Court	160,172	-	-	-	-	160,172
Economic development	-	-	-	4,940,118	39,493	4,979,611
Federal jail	965,031	-	-	-	-	965,031
Fire protection	950,685	-	-	-	66,451	1,017,136
Legal	115,048	-	-	-	-	115,048
Maintenance	97,225	-	-	-	-	97,225
Police	2,622,917	-	-	-	91,379	2,714,296
Public health	164,091	-	-	-	-	164,091
Public works	602,357	-	-	-	-	602,357
Recreation	115,543	-	-	-	-	115,543
Special services	133,219	-	-	-	-	133,219
Teen activity	-	-	-	-	3,009	3,009
Sewer lateral	-	-	-	-	167,905	167,905
Capital outlay	-	460,691	954,455	-	43,942	1,459,088
Debt service:						
Principal	-	59,442	-	-	-	59,442
Interest	-	8,293	-	-	-	8,293
Total Expenditures	<u>7,377,401</u>	<u>528,426</u>	<u>954,455</u>	<u>4,940,118</u>	<u>412,386</u>	<u>14,212,786</u>
<b>REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<u>324,902</u>	<u>398,671</u>	<u>(856,144)</u>	<u>(4,937,305)</u>	<u>309,913</u>	<u>(4,759,963)</u>
<b>OTHER FINANCING SOURCES</b>						
<b>(USES)</b>						
Tax increment financing notes issued	-	-	-	4,937,676	-	4,937,676
Transfers in	171,176	-	722,600	-	-	893,776
Transfers out	-	(727,600)	-	-	(166,176)	(893,776)
Total Other Financing Sources						
(Uses)	<u>171,176</u>	<u>(727,600)</u>	<u>722,600</u>	<u>4,937,676</u>	<u>(166,176)</u>	<u>4,937,676</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>496,078</u>	<u>(328,929)</u>	<u>(133,544)</u>	<u>371</u>	<u>143,737</u>	<u>177,713</u>
<b>FUND BALANCES, APRIL 1</b>	<u>1,583,453</u>	<u>919,070</u>	<u>545,913</u>	<u>33,055</u>	<u>535,636</u>	<u>3,617,127</u>
<b>FUND BALANCES, MARCH 31</b>	<u>\$ 2,079,531</u>	<u>590,141</u>	<u>412,369</u>	<u>33,426</u>	<u>679,373</u>	<u>3,794,840</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, 2005**

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Net Change in Fund Balances - Governmental Funds \$ 177,713

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

Capital outlays are reported in 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 outlay exceeded depreciation in the current period. 811,005

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.

Debt issued:

Tax increment financing notes (4,937,676)

Repayments

Capital lease payable 59,442 (4,878,234)

Change In Net Assets Of Governmental Activities \$ (3,889,516)

**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS -**  
**FIDUCIARY FUND**  
**MARCH 31, 2005**

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	<u>Pension Trust Fund</u>
<b>ASSETS</b>	
Cash	<u>\$     80,418</u>
Receivables:	
Interest and dividends	29,015
Other receivable	8,014
Contributions receivable - members	<u>1,750</u>
Total Receivables	<u>38,779</u>
Investments	<u>6,084,186</u>
<b>NET ASSETS</b>	
Reserved for employees retirement system	<u><u>\$  6,203,383</u></u>



**CITY OF JENNINGS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - MODIFIED CASH BASIS -**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	<u>Pension Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 157,723
Member contributions	25,918
	<u>183,641</u>
Investment income:	
Interest	213,787
Dividends	92,810
Net depreciation in fair value of investments	(135,461)
	<u>171,136</u>
Less - Investment management and custodial fees	2,425
Net Investment Income	<u>168,711</u>
Total Additions	<u>352,352</u>
<b>DEDUCTIONS</b>	
Benefits paid to retirees and beneficiaries	414,796
Refunds of member contributions	47,045
Administrative expenses	10,509
Total Deductions	<u>472,350</u>
<b>NET DECREASE</b>	(119,998)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, APRIL 1</b>	<u>6,323,381</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, MARCH 31</b>	<u>\$ 6,203,383</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 and police protection, streets, sanitation and health services, public improvements, 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**

In evaluating the City as a reporting entity, management has addressed all component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. In accordance with GASB Statement No. 14, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City does not have any component units.

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

The government-wide financial statements (i.e., the statement of net assets - 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 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.



# CITY OF JENNINGS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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

#### 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.

##### Measurement Focus

In the government-wide statement of net assets - 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 assets - 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 assets, 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 U.S. generally accepted accounting principles.

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 U.S. generally accepted accounting principles, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide statements would be presented on the accrual basis of accounting.

The City reports the following major governmental funds:

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

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**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.

**Parks Fund** -- The Parks Fund is used to account for sales tax and other financial resources for parks expenditures.

**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 fund type:

**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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. Investments**

Investments are reported at fair value or cost which approximates 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



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

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

**5. Capital Assets (Continued)**

cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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. 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 assets - modified cash basis.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

**8. 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.

**9. 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.

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

The City's bank deposits are required by state law to be collateralized by the deposit of certain securities in an amount at least equal to the uninsured deposits with the financial institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation (FDIC). As of March 31, 2005, all of City's bank deposits were fully insured or collateralized with securities.

**2. Restricted Cash**

Restricted cash consisted of the following:

	<u><b>March 31, 2005</b></u>
Court bonds	\$118,709
Protested taxes	<u>92,022</u>
	<u><b>\$210,731</b></u>

**3. Investments**

State statutes and City policies authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, and certain commercial paper. The Pension Trust Fund is also allowed to invest in mortgage backed securities.

The City's investments are categorized to give an indication of the level of risk assumed by the entity at year-end as: 1) insured or registered with securities held by the City or its agent in the City's name, 2) uninsured and unregistered for which the securities are held by the financial institution's trust department or agent in the City's name, or 3) uninsured and unregistered for which the securities are held by the financial institution's trust department, but not in the City's name.

Deposits in pooled funds, such as the Missouri Securities Investment Program (MOSIP), are not required to be categorized. The \$1,145,635 on deposit at MOSIP is valued at the pool's share price which is the price for which the investment could be sold.

The City's pension plan cash and investments are categorized as follows:

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

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

**3. Investments (Continued)**

	March 31, 2005			
	Categories			Carrying
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
U.S. Government, state, and municipal securities	\$3,552,702	-	-	3,552,702
Mortgage backed securities	<u>218,180</u>	<u>-</u>	<u>-</u>	<u>218,180</u>
	<u>\$3,770,882</u>	<u>-</u>	<u>-</u>	3,770,882
Mutual funds				1,922,442
Money market funds				<u>164,450</u>
Total Investments				5,857,774
Bank deposits				<u>306,830</u>
Total Cash And Investments				\$6,164,604

**NOTE C - CAPITAL ASSETS**

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

	<b>For The Year Ended March 31, 2005</b>			<b>Balance March 31 2005</b>
	<b>Balance March 31 2004</b>	<b>Additions</b>	<b>Retirements</b>	
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 652,026	-	-	652,026
Capital assets being depreciated:				
Buildings and improvements	3,325,208	954,336	-	4,279,544
Equipment	802,808	36,899	-	839,707
Vehicles	<u>537,050</u>	<u>127,530</u>	<u>-</u>	<u>664,580</u>
Total Capital Assets Being Depreciated	<u>4,665,066</u>	<u>1,118,765</u>	<u>-</u>	<u>5,783,831</u>
Less - Accumulated depreciation for:				
Buildings and improvements	901,843	104,163	-	1,006,006
Equipment	372,019	92,025	-	464,044
Vehicles	<u>287,095</u>	<u>111,572</u>	<u>-</u>	<u>398,667</u>
Total Accumulated Depreciation	<u>1,560,957</u>	<u>307,760</u>	<u>-</u>	<u>1,868,717</u>
Total Capital Assets Being Depreciated, Net	<u>3,104,109</u>	<u>811,005</u>	<u>-</u>	<u>3,915,114</u>
Governmental Activities Capital Assets, Net	<u>\$3,756,135</u>	<u>811,005</u>	<u>-</u>	<u>4,567,140</u>



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

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

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

	<b>For The Year Ended March 31, 2005</b>
Governmental activities:	
Federal jail	\$ 32,719
Fire protection	54,758
Police	114,771
Public works	69,789
Recreation	<u>35,723</u>
	<u>\$307,760</u>

**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 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 401a 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 0.8% (general), 8.9% (police), and 11.7% (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**

For the plan year ended June 30, 2004 the City's annual pension cost of \$158,891 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 and/or 2003 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 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually attributable to inflation; c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the 1983 Group Annuity Mortality table; and e) post-retirement mortality based on the 1971 group Annuity Mortality table projected to 2000 set back one year for men and seven 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 29, 2004 was 15 years.

Three-year trend information follows:

<u>For The Plan Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2004	\$158,891	100%	\$ -
2003	146,225	100	-
2002	179,298	100	-

Schedule of funding progress follows:

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Excess Actuarial Assets Over Liability</u>
2004	\$6,206,769	\$4,428,301	\$1,778,468
2003	5,648,114	3,971,847	1,676,267
2002	5,915,068	4,142,525	1,772,543



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

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

**3. Annual Pension Cost (Continued)**

<b>For The Actuarial Valuation Years Ended February 28/29</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Excess Assets As A Percentage Of Covered Payroll</b>
2004	140%	\$3,093,714	57.49%
2003	142	3,232,820	51.85
2002	143	3,296,933	53.76

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, 2001 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City.

**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 of Jennings (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.

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 Fund 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.



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

**1. Plan Description (Continued)**

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.

**2. Funding**

The Plan is funded by a tax levy of \$.18 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**

For the plan year ended March 31, 2005, the City's tax levy contribution was \$157,723. The required contribution was \$197,947 which was determined as part of the April 1, 2004 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 7% per year, compounded annually; b) projected salary increases of 4% 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 amor-

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

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

**3. Annual Pension Cost (Continued)**

tized as a level percentage of projected payroll on an open basis. The amortization period at April 1, 2004 was 15 years.

**4. Trend Information**

Historical trend information is as follows:

<u>For The Actuarial Valuation Years Ended March 31</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>
2004	\$6,323,381	\$8,085,470	\$1,762,089
2003	6,347,008	8,209,739	1,862,731
2002	6,101,956	7,344,864	1,242,908
2001	6,013,070	7,225,452	1,212,382
2000	5,623,005	6,841,955	1,218,950
1999	5,782,487	6,632,344	849,857

<u>For The Actuarial Valuation Years Ended March 31</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>AAL As A Percentage Of Covered Payroll</u>
2004	78.2%	\$725,030	243.0%
2003	77.3	788,961	236.1
2002	83.1	781,902	159.0
2001	83.2	824,512	147.0
2000	82.2	807,122	151.0
1999	87.2	925,035	92.0

**5. Employer Contribution**

<u>For The Years Ended March 31</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2005	\$197,947	80%	\$263,348
2004	207,927	69	211,185
2003	199,281	71	138,387
2002	199,077	70	74,018
2001	190,128	76	12,761
2000	153,050	83	(31,814)



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

**NOTE E - COMMITMENTS AND CONTINGENT LIABILITIES**

The City receives various grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

During fiscal year 1998, the City designated certain areas in the City as redevelopment areas eligible for Tax Increment Financing (TIF) treatment. The City has pledged approximately \$11,400,000 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.

**NOTE F - LONG-TERM DEBT**

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

	<u>For The Year Ended March 31, 2005</u>				<u>Amounts</u>
	<u>Balance</u>			<u>Balance</u>	<u>Due</u>
	<u>March 31</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31</u>	<u>Within</u>
	<u>2004</u>			<u>2005</u>	<u>One Year</u>
Governmental activities:					
TIF note	\$ -	4,937,676	-	4,937,676	-
Capital leases	<u>249,869</u>	<u>-</u>	<u>59,442</u>	<u>190,427</u>	<u>61,415</u>
Total Governmental					
Activities	<u>\$249,869</u>	<u>4,937,676</u>	<u>59,442</u>	<u>5,128,103</u>	<u>61,415</u>

The capital lease is liquidated by the Capital Improvement Fund and the TIF notes will be liquidated by the Tax Increment Financing Area 3 Fund.

**TIF Notes**

In 2005, the City issued Series 2005 TIF notes for the purpose of paying a portion of the redevelopment project costs in connection with the "Northland Redevelopment Project". The TIF notes are considered a special limited obligation of the City. The City will make principal and interest payments on the TIF notes based on incremental payments in lieu of taxes (PILOTS), economic activity tax (EATS), municipal revenues, and county revenues.

Since annual repayment amounts for the TIF notes will be determined based on future revenues, a schedule of debt service requirements to maturity cannot be established. The notes may be issued up to an aggregate of \$17,135,000 and mature on January 1, 2024 with interest of 7% payable semi-annually beginning May 1, 2005.



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

**NOTE F - LONG-TERM DEBT (Continued)**

**Capital Lease**

The City has entered into lease agreements for financing the acquisition of office and street repair equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<b>Assets</b>	
Equipment	\$335,000
Less - Accumulated depreciation	<u>95,714</u>
	<u>\$239,286</u>

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of March 31, 2005 is as follows:

<b><u>For The Years</u></b> <b><u>Ended March 31</u></b>	
2006	\$ 67,735
2007	67,735
2008	<u>67,734</u>
Total minimum lease payments	203,204
Less - Amount representing interest	<u>12,777</u>
Present Value Of Net Minimum Lease Payments	<u>\$190,427</u>

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

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

# CITY OF JENNINGS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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

	<u>March 31, 2005</u>	
	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$10,688	-
Tax Increment Financing Area 3 Fund	-	<u>30,783</u>
Total Major Governmental Funds	<u>10,688</u>	<u>30,783</u>
Nonmajor governmental funds:		
Special Revenue Funds:		
Fire Protection Fund	33,300	-
Sewer Lateral Fund	6,474	-
Tax Increment Financing Area 4 Fund	-	<u>19,679</u>
	<u>\$50,462</u>	<u>50,462</u>

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:

	<u>Transfers In</u>		
	<u>General</u>	<u>Park</u>	<u>Total</u>
Transfers out:			
Capital Improvement Fund	\$ 5,000	722,600	727,600
Nonmajor Governmental Funds	<u>166,176</u>	<u>-</u>	<u>166,176</u>
	<u>\$171,176</u>	<u>722,600</u>	<u>893,776</u>

### NOTE H - 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 is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2005.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management be-



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

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**NOTE H - RISK MANAGEMENT (Continued)**

believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

**NOTE I - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE**

During fiscal year ended March 31, 2005, the City adopted GASB Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37 (GASB 37), *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38 (GASB 38), *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB 34 (as amended by GASB 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities on the statement of net assets - modified cash basis and statement of activities - modified cash basis. Additionally, the City's statement of net assets - modified cash basis includes capital assets and long-term liabilities of the City which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. In addition, the government-wide statement of activities - modified cash basis reflects depreciation expense on the City's capital assets.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified cash basis of accounting for the City's General Fund, other governmental funds, and fiduciary funds, which is similar to that previously presented for these funds in the City's financial statements, although the format of financial statements has been modified by GASB 34.

GASB 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented for funds with budgets which compare the original and final revised budget with actual results for the governmental funds.

GASB 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt obligations, and interfund balances and transactions.

These statements had a significant effect on the City's financial reporting model. All statements were retroactively applied to April 1, 2004. Restatement of net assets within the government-wide financial statements is as follows:



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

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**NOTE I - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE (Continued)**

General Fund	\$1,583,453
Special Revenue Funds:	
Capital Improvement	919,070
Tax Increment Financing Area 1	47,792
Tax Increment Financing Area 2	29,422
Tax Increment Financing Area 3	33,055
Tax Increment Financing Area 4	6,240
Fire protection	15,679
Sewer lateral	288,352
Police seizure	89,093
Local Law Enforcement Block Grant	43,477
Parks	545,913
Beautification	6,701
Teen activity	<u>8,880</u>
Total Fund Equity, March 31, 2004	3,617,127
Required GASB 34 adjustments:	
Capital assets, net accumulated depreciation	3,756,135
Long-term liabilities	<u>(249,869)</u>
Total Net Assets, March 31, 2004	<u>\$7,123,393</u>

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Sales tax	2,220,000	2,220,000	2,259,853	39,853
Property taxes:				
Real estate tax	675,000	675,000	666,269	(8,731)
Personal property tax	195,000	195,000	165,558	(29,442)
Railroad tax	35,000	35,000	30,934	(4,066)
Gasoline tax	445,000	445,000	452,127	7,127
Cigarette tax	58,000	58,000	57,173	(827)
Road and bridge tax	75,000	75,000	85,190	10,190
Total Taxes	<u>3,703,000</u>	<u>3,703,000</u>	<u>3,717,104</u>	<u>14,104</u>
<b>Gross Receipts Taxes</b>				
Utilities	1,320,000	1,320,000	1,330,211	10,211
Cable	75,000	75,000	77,373	2,373
Total Gross Receipts Taxes	<u>1,395,000</u>	<u>1,395,000</u>	<u>1,407,584</u>	<u>12,584</u>
<b>Licenses</b>				
Merchants and manufacturers	105,000	105,000	113,192	8,192
Liquor	6,000	6,000	4,004	(1,996)
Coin vending machines	2,000	2,000	1,950	(50)
Vehicles	24,000	24,000	27,045	3,045
Dog tags	1,500	1,500	312	(1,188)
Miscellaneous	5,700	5,700	5,136	(564)
Total Licenses	<u>144,200</u>	<u>144,200</u>	<u>151,639</u>	<u>7,439</u>
<b>Permits</b>				
Building permits	102,000	102,000	53,200	(48,800)
Street excavating permits	1,200	1,200	2,988	1,788
Plumbing permits	8,000	8,000	-	(8,000)
Occupancy permits	25,000	25,000	18,060	(6,940)
Housing inspections	25,000	25,000	24,456	(544)
Heating permits	5,000	5,000	6,947	1,947
User fees	1,220	1,220	1,760	540
Other permits and fees	7,500	7,500	21,768	14,268
Total Permits	<u>174,920</u>	<u>174,920</u>	<u>129,179</u>	<u>(45,741)</u>

(Continued)



**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES (Continued)</b>				
<b>Charges for Services</b>				
Jail operations	995,000	995,000	948,496	(46,504)
Prisoner security	60,000	60,000	74,341	14,341
Police reports	65,000	65,000	60,337	(4,663)
Police contracts	52,000	52,000	46,700	(5,300)
Fire contracts	100,000	100,000	57,392	(42,608)
Commissary receipts	30,000	30,000	56,117	26,117
Rental	28,000	28,000	25,300	(2,700)
Transportation	20,000	20,000	21,498	1,498
Weed cutting	30,000	30,000	12,316	(17,684)
Total Charges For Services	<u>1,380,000</u>	<u>1,380,000</u>	<u>1,302,497</u>	<u>(77,503)</u>
<b>Court Receipts</b>				
Costs and fines	450,000	450,000	434,720	(15,280)
Traffic bureau	85,000	85,000	107,450	22,450
D.W.I. recoupment fee	2,500	2,500	3,995	1,495
Crime victims compensation	1,200	1,200	1,734	534
Training fund	6,500	6,500	8,666	2,166
Total Court Receipts	<u>545,200</u>	<u>545,200</u>	<u>556,565</u>	<u>11,365</u>
<b>Other</b>				
Telephone commission	30,000	30,000	27,197	(2,803)
Community programs	27,000	27,000	20,683	(6,317)
Interest	50,000	50,000	16,729	(33,271)
Trash stickers	11,000	11,000	11,456	456
False alarm charges	2,000	2,000	505	(1,495)
Intergovernmental/grants	84,100	84,100	-	(84,100)
Miscellaneous	194,000	194,000	361,165	167,165
Total Other	<u>398,100</u>	<u>398,100</u>	<u>437,735</u>	<u>39,635</u>
Total Revenues	<u>7,740,420</u>	<u>7,740,420</u>	<u>7,702,303</u>	<u>(38,117)</u>

(Continued)

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES</b>				
<b>Building</b>				
Personnel costs:				
Salaries	268,510	268,510	270,136	1,626
Payroll tax	20,541	20,541	19,538	(1,003)
Employee insurance	20,604	20,604	26,402	5,798
Pension contribution	2,148	2,148	1,962	(186)
	<u>311,803</u>	<u>311,803</u>	<u>318,038</u>	<u>6,235</u>
Dues	500	500	118	(382)
Supplies	6,000	6,000	5,148	(852)
Economic development	25,000	25,000	58,027	33,027
Computer contracts	700	700	129	(571)
Demolition	10,000	32,258	936	(31,322)
Radio	500	500	394	(106)
Total Building	<u>354,503</u>	<u>376,761</u>	<u>382,790</u>	<u>6,029</u>
<b>Fire Protection</b>				
Personnel costs:				
Salaries	707,020	707,020	734,820	27,800
Payroll tax	54,087	54,087	54,930	843
Employee insurance	58,103	58,103	59,087	984
Pension contribution	41,063	41,063	43,895	2,832
	<u>860,273</u>	<u>860,273</u>	<u>892,732</u>	<u>32,459</u>
Maintenance and repairs	-	-	904	904
Gas and oil	3,000	3,000	3,206	206
Equipment replacement	2,000	2,000	697	(1,303)
Utilities	15,000	15,000	14,241	(759)
Telephone and radio	35,500	35,500	33,796	(1,704)
Uniforms	400	400	409	9
Supplies	3,100	3,100	1,923	(1,177)
Professional development	500	500	450	(50)
Community programs	3,000	3,000	2,327	(673)
Total Fire Protection	<u>922,773</u>	<u>922,773</u>	<u>950,685</u>	<u>27,912</u>

(Continued)

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>City Clerk</b>				
Personnel costs:				
Salaries	218,223	218,223	213,498	(4,725)
Payroll tax	16,694	16,694	19,532	2,838
Employee insurance	38,316	38,316	28,914	(9,402)
Pension contribution	1,746	1,746	1,332	(414)
Unemployment compensation	9,000	16,500	17,269	769
	<u>283,979</u>	<u>291,479</u>	<u>280,545</u>	<u>(10,934)</u>
Dues	7,000	8,500	8,195	(305)
Utilities	30,000	30,000	36,160	6,160
Postage	5,000	5,000	4,328	(672)
Election costs	6,000	6,000	4,986	(1,014)
Supplies	10,000	17,000	11,039	(5,961)
Accounting and data processing	42,500	47,500	44,158	(3,342)
Bank charges	2,500	2,500	861	(1,639)
Personnel	15,000	15,000	14,746	(254)
Bonds and insurance	830,000	816,500	545,833	(270,667)
Hospitality	500	1,500	2,078	578
Wellness program	4,000	4,000	4,105	105
Car allowance	250	250	118	(132)
Publications	16,000	16,000	14,646	(1,354)
Advertising	4,000	4,000	3,809	(191)
Professional development	-	1,500	1,447	(53)
Total City Clerk	<u>1,256,729</u>	<u>1,266,729</u>	<u>977,054</u>	<u>(289,675)</u>
<b>Legal</b>				
Personnel costs:				
Salaries	33,673	33,673	30,867	(2,806)
Payroll tax	2,576	2,576	2,576	-
Employee insurance	3,912	3,912	4,441	529
	<u>40,161</u>	<u>40,161</u>	<u>37,884</u>	<u>(2,277)</u>
Legal fees	80,000	80,000	77,164	(2,836)
Total Legal	<u>120,161</u>	<u>120,161</u>	<u>115,048</u>	<u>(5,113)</u>

(Continued)



**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Collector</b>				
Personnel costs:				
Salaries	63,858	63,858	64,816	958
Payroll tax	4,885	4,885	4,620	(265)
Employee insurance	7,889	7,889	8,362	473
Pension contribution	511	511	526	15
	<u>77,143</u>	<u>77,143</u>	<u>78,324</u>	<u>1,181</u>
Contracts	-	-	12	12
Supplies	1,000	1,000	1,037	37
Trash sticker	13,000	13,000	8,580	(4,420)
County clerk	250	250	220	(30)
TIF Accounting	7,500	-	3,096	3,096
Total Collector	<u>98,893</u>	<u>91,393</u>	<u>91,269</u>	<u>(124)</u>
<b>Maintenance</b>				
Licenses and fees	500	500	635	135
Gas and oil	80,000	80,000	96,590	16,590
Total Maintenance	<u>80,500</u>	<u>80,500</u>	<u>97,225</u>	<u>16,725</u>
<b>Court</b>				
Personnel costs:				
Salaries	93,914	93,914	96,674	2,760
Payroll tax	7,184	7,184	6,660	(524)
Employee insurance	11,736	11,736	12,450	714
Pension contribution	751	751	649	(102)
	<u>113,585</u>	<u>113,585</u>	<u>116,433</u>	<u>2,848</u>
Utilities	16,000	16,000	20,069	4,069
Postage	2,500	2,500	1,044	(1,456)
Supplies	6,000	6,000	7,937	1,937
Interim judges	4,000	4,000	7,950	3,950
Computer	2,300	2,300	1,584	(716)
Office equipment lease	2,500	2,500	2,593	93
Professional development	9,841	9,841	2,562	(7,279)
Total Court	<u>156,726</u>	<u>156,726</u>	<u>160,172</u>	<u>3,446</u>

(Continued)

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Police</b>				
Personnel costs:				
Salaries	1,831,919	1,831,919	1,771,681	(60,238)
Payroll tax	140,142	140,142	124,262	(15,880)
Employee insurance	174,332	174,332	187,911	13,579
Pension contribution	121,773	121,773	105,215	(16,558)
	<u>2,268,166</u>	<u>2,268,166</u>	<u>2,189,069</u>	<u>(79,097)</u>
Utilities	33,000	33,000	41,490	8,490
Postage	3,100	3,100	2,020	(1,080)
Uniforms	24,000	25,300	19,870	(5,430)
Office supplies	6,000	6,000	7,239	1,239
Building maintenance	35,000	35,000	39,735	4,735
Police reserves	2,500	2,500	565	(1,935)
Police equipment	17,500	17,500	18,135	635
Computer contracts	-	-	197	197
Prisoner	83,000	83,000	86,701	3,701
D.W.I. supplies	10,616	10,616	317	(10,299)
Explorers	500	500	-	(500)
K-9	1,000	1,000	452	(548)
Car allowance and parking	100	100	32	(68)
Office equipment leasing	4,200	4,200	-	(4,200)
Police radio	132,711	132,711	145,430	12,719
D.A.R.E.	1,000	1,000	1,054	54
Police teletype	49,000	49,000	50,011	1,011
Crime prevention	3,500	3,500	4,668	1,168
Training fund	15,711	15,711	6,090	(9,621)
Ammunition	4,500	4,500	-	(4,500)
Professional development	30,037	28,737	9,842	(18,895)
Total Police	<u>2,725,141</u>	<u>2,725,141</u>	<u>2,622,917</u>	<u>(102,224)</u>
<b>Public Health</b>				
Vector control - mosquito	3,000	3,000	4,404	1,404
Tree and weed cutting	1,000	1,000	-	(1,000)
Street lights	162,500	162,500	159,687	(2,813)
Total Public Health	<u>166,500</u>	<u>166,500</u>	<u>164,091</u>	<u>(2,409)</u>

(Continued)



**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Public Works</b>				
Personnel costs:				
Salaries	513,475	513,475	422,445	(91,030)
Payroll tax	34,940	34,940	26,525	(8,415)
Employee insurance	57,290	57,290	56,029	(1,261)
Pension contribution	3,654	3,654	2,270	(1,384)
	<u>609,359</u>	<u>609,359</u>	<u>507,269</u>	<u>(102,090)</u>
Equipment maintenance	-	-	80	80
Gas, oil, and maintenance	8,000	8,000	4,667	(3,333)
Equipment	35,000	35,000	27,400	(7,600)
Utilities	40,000	40,000	24,434	(15,566)
Uniforms	4,000	4,000	4,494	494
Supplies	10,000	10,000	10,591	591
Salt	20,000	20,000	5,080	(14,920)
Paint supplies and signs	3,000	3,000	3,000	-
Hauling cost	20,000	20,000	15,342	(4,658)
Total Street	<u>749,359</u>	<u>749,359</u>	<u>602,357</u>	<u>(147,002)</u>
<b>Recreation</b>				
Personnel costs:				
Salaries	60,204	60,204	50,337	(9,867)
Payroll tax	4,606	4,606	3,817	(789)
Employee insurance	126	126	847	721
Pension contribution	299	299	645	346
	<u>65,235</u>	<u>65,235</u>	<u>55,646</u>	<u>(9,589)</u>
Dues	100	100	-	(100)
Equipment	3,000	3,000	1,698	(1,302)
Utilities	15,000	15,000	12,868	(2,132)
Contract	1,000	1,000	1,151	151
Concession stand supplies	2,000	2,000	1,790	(210)
Supplies	4,600	4,600	2,559	(2,041)
Building maintenance	11,000	11,000	11,670	670
Youth commission	500	500	80	(420)
Economic development	-	-	90	90
Community program	28,000	27,000	22,661	(4,339)
Professional development	-	1,000	1,174	174
Special events	2,500	4,000	4,156	156
Total Recreation	<u>132,935</u>	<u>134,435</u>	<u>115,543</u>	<u>(18,892)</u>

(Continued)

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Federal Jail</b>				
Personnel costs:				
Salaries	567,873	567,873	553,862	(14,011)
Payroll tax	43,442	43,442	38,438	(5,004)
Employee insurance	69,334	69,334	66,529	(2,805)
Pension contribution	4,543	4,543	3,800	(743)
	<u>685,192</u>	<u>685,192</u>	<u>662,629</u>	<u>(22,563)</u>
Utilities	17,000	17,000	21,146	4,146
Postage	700	700	580	(120)
Uniforms	6,000	6,000	6,876	876
Supplies	1,500	1,500	1,948	448
Building maintenance - jail	6,000	6,000	8,381	2,381
Commissary	18,800	18,800	42,058	23,258
Meals and coffee	170,000	170,000	154,134	(15,866)
Laundry	16,000	16,000	17,948	1,948
Medical	45,000	45,000	46,601	1,601
Radio	1,500	1,500	676	(824)
Ammunition	1,100	1,100	496	(604)
Professional development	3,000	3,000	1,558	(1,442)
Total Federal Jail	<u>971,792</u>	<u>971,792</u>	<u>965,031</u>	<u>(6,761)</u>
<b>Special Services</b>				
Personnel costs:				
Salaries	94,070	94,070	94,070	-
Payroll tax	7,196	7,196	6,524	(672)
Employee insurance	7,950	7,950	9,267	1,317
Pension contribution	753	753	778	25
	<u>109,969</u>	<u>109,969</u>	<u>110,639</u>	<u>670</u>
Dues	500	500	136	(364)
Utilities	1,500	1,500	2,095	595
Supplies	1,500	1,500	932	(568)
Building maintenance	12,500	12,500	12,717	217
Insurance deductible	25,000	25,000	5,971	(19,029)
Safety equipment	500	500	334	(166)
Publications	400	400	395	(5)
Miscellaneous	50	50	-	(50)
Total Special Services	<u>151,919</u>	<u>151,919</u>	<u>133,219</u>	<u>(18,700)</u>
Total Expenditures	<u>7,887,931</u>	<u>7,914,189</u>	<u>7,377,401</u>	<u>(536,788)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(147,511)</u>	<u>(173,769)</u>	<u>324,902</u>	<u>498,671</u>



**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	145,000	145,000	171,176	26,176
Transfers out	<u>(188,000)</u>	<u>(188,000)</u>	<u>-</u>	<u>188,000</u>
Total Other Financing Sources (Uses)	<u>(43,000)</u>	<u>(43,000)</u>	<u>171,176</u>	<u>214,176</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ (190,511)</u></u>	 <u><u>(216,769)</u></u>	 496,078	 <u><u>712,847</u></u>
 FUND BALANCE, APRIL 1			 <u>1,583,453</u>	
 FUND BALANCE, MARCH 31			 <u><u>\$ 2,079,531</u></u>	

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - MODIFIED CASH BASIS - CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Taxes	\$ 850,000	850,000	895,777	45,777
Intergovernmental	-	-	21,286	21,286
Interest income	-	-	10,034	10,034
Total Revenues	<u>850,000</u>	<u>850,000</u>	<u>927,097</u>	<u>77,097</u>
<b>EXPENDITURES</b>				
Capital outlay	790,586	794,586	460,691	(333,895)
Debt service:				
Principal	59,442	59,442	59,442	-
Interest	8,558	8,558	8,293	(265)
Total Expenditures	<u>858,586</u>	<u>862,586</u>	<u>528,426</u>	<u>(334,160)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(8,586)	(12,586)	398,671	411,257
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(727,600)</u>	<u>22,400</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (758,586)</u>	<u>(762,586)</u>	<u>(328,929)</u>	<u>433,657</u>
<b>FUND BALANCE, APRIL 1</b>			<u>919,070</u>	
<b>FUND BALANCE, MARCH 31</b>			<u>\$ 590,141</u>	

**CITY OF JENNINGS, MISSOURI**  
**REQUIRED 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, 2005**

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**Budgets and Budgetary Accounting**

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

- a. The proposed budget on the modified cash basis of accounting is submitted to the City Council for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues of the preceding year plus any unreserved balance at the end of such year. Sources from capital leases are not budgeted.
- b. Public hearings 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 and the Capital Improvement 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, 2005, expenditures exceeded appropriations as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund:				
Building	\$354,503	376,761	382,790	6,029
Fire protection	922,773	922,773	950,685	27,912
Maintenance	80,500	80,500	97,225	16,725
Court	156,726	156,726	160,172	3,446

These expenditures were approved by the Board and were funded by savings in other departments and fund balance.



**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF JENNINGS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - MODIFIED CASH BASIS -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**MARCH 31, 2005**

	<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>Local Law Enforcement Block Grant</u>	<u>Police Seizure</u>	<u>Beautification</u>	<u>Teen Activity</u>	<u>Total</u>
<b>ASSETS</b>										
Cash and investments	\$ 126,948	31,304	34,537	9,019	288,316	33,852	121,654	4,772	8,876	659,278
Due from other funds	-	-	-	33,300	6,474	-	-	-	-	39,774
Total Assets	<u>\$ 126,948</u>	<u>31,304</u>	<u>34,537</u>	<u>42,319</u>	<u>294,790</u>	<u>33,852</u>	<u>121,654</u>	<u>4,772</u>	<u>8,876</u>	<u>699,052</u>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>										
<b>Liabilities</b>										
Due to other funds	\$ -	-	19,679	-	-	-	-	-	-	19,679
<b>Fund Balances</b>										
Unreserved - Special Revenue Funds	126,948	31,304	14,858	42,319	294,790	33,852	121,654	4,772	8,876	679,373
Total Liabilities, Equity, And Other Credits	<u>\$ 126,948</u>	<u>31,304</u>	<u>34,537</u>	<u>42,319</u>	<u>294,790</u>	<u>33,852</u>	<u>121,654</u>	<u>4,772</u>	<u>8,876</u>	<u>699,052</u>

**CITY OF JENNINGS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	Tax Increment Financing Area 1	Tax Increment Financing Area 2	Tax Increment Financing Area 4	Fire Protection	Sewer Lateral	Local Law Enforcement Block Grant	Police Seizure	Beautification	Teen Activity	Pension Tax	Total
<b>REVENUES</b>											
Taxes	\$ 88,892	29,266	8,618	192,848	172,931	-	-	-	-	157,723	650,278
Intergovernmental	-	-	-	-	-	12,139	52,876	-	3,000	-	68,015
Interest	-	-	-	9	1,412	30	71	3	5	-	1,530
Miscellaneous	2,373	-	-	-	-	-	-	103	-	-	2,476
Total Revenues	91,265	29,266	8,618	192,857	174,343	12,169	52,947	106	3,005	157,723	722,299
<b>EXPENDITURES</b>											
Economic development	12,109	27,374	-	-	-	-	-	-	-	-	39,483
Miscellaneous:											
Bank charges	-	10	-	41	-	57	9	-	-	-	117
Other	-	-	-	-	-	-	-	207	3,009	157,723	160,939
Sewer lateral	-	-	-	-	167,905	-	-	-	-	-	167,905
Capital outlay:											
Capital purchases	-	-	-	-	-	21,737	20,377	1,828	-	-	43,942
Total Expenditures	12,109	27,384	-	41	167,905	21,794	20,386	2,035	3,009	157,723	412,386
<b>REVENUES OVER (UNDER)</b>											
<b>EXPENDITURES</b>	79,156	1,882	8,618	192,816	6,438	(9,625)	32,561	(1,929)	(4)	-	309,913
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers out	-	-	-	(166,176)	-	-	-	-	-	-	(166,176)
<b>NET CHANGE IN FUND BALANCES</b>	79,156	1,882	8,618	26,640	6,438	(9,625)	32,561	(1,929)	(4)	-	143,737
<b>FUND BALANCES, APRIL 1</b>	47,792	29,422	6,240	15,679	288,352	43,477	89,093	6,701	8,880	-	535,636
<b>FUND BALANCES, MARCH 31</b>	\$ 126,948	31,304	14,858	42,319	294,790	33,852	121,654	4,772	8,876	-	679,373