

CITY OF MONETT,  
MISSOURI

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 1989

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**KEN CAVINESS**  
Certified Public Accountant  
500 BOND  
MONETT, MISSOURI 65708

Honorable Mayor H. C. Beckwith,  
Red Sharver and Rex Lane, Councilmen  
Monett, Missouri

I have audited the accompanying combined financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1989, as listed in the table of contents. These financial statements are the responsibility of the City's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note A, the City's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

As described in Note A, the City has not reported the Waterworks Revenue Bonds of 1965 of \$78,000 and related interest and administration costs in the Enterprise Fund, but rather in the Debt Service Fund. The Waterworks Revenue Bonds and related interest and administrative costs should be accounted for in the operations of the Enterprise Fund as the repayment of the debt is to be provided from the operations for which the debt was issued. The City has not maintained a record of the property and equipment used in the operations of the Enterprise Fund, therefore, the cost of the assets are expensed under Capital Outlay in the financial report. The property and equipment additions should be recorded at cost and those amounts should be depreciated over the estimated useful lives of the assets. The expensing of property and equipment as capital outlay is not in conformity with generally accepted accounting principles nor a cash basis of accounting. The effects on the financial statements of these practices are not reasonably determinable.

As described in Note A, the City has not maintained a record of its fixed assets in a General Fixed Asset Group, as required by generally accepted accounting principles. The practices in this and the preceding two paragraphs differ from generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In my opinion, because of the City's policies as discussed in the preceding three paragraphs, the financial statements referred to in the first paragraph do not present fairly, in conformity with generally accepted accounting principles, the financial position of the City of Monett, Missouri, as of March 31, 1989, or the results of its operations, or cash flows of its proprietary fund types for the year then ended.

However, in my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of the City of Monett, Missouri, as of March 31, 1989 and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note A.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The additional financial statements listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Monett, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Km Curries, MBA, CPA*

Monett, Missouri  
August 7, 1989

**FINANCIAL STATEMENTS - CASH BASIS**

CITY OF MONETT, MISSOURI

COMBINED STATEMENT OF ASSETS, LIABILITIES  
AND FUND EQUITY ARISING FROM CASH TRANSACTIONS  
ALL FUND TYPES AND ACCOUNT GROUP  
MARCH 31, 1989

ASSETS	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
Cash	\$(4,041,259)	\$ 2,981	\$ 60,875
Investments	6,000,000	--	--
Accounts receivable			
Taxes	5,896	--	--
Electric	--	--	--
Water	--	--	--
Sanitation	9,499	--	--
Sewer	--	--	--
Other	688	1,318	--
Snyder Construction	44,471	--	--
Due from other funds	155,900	--	--
Accrued interest receivable	72,829	--	--
Bond prepayment	--	--	155,900
Restricted cash	--	--	30,000
Amount available in Debt Service Fund for bond retirement	--	--	--
Resources to be provided in future years	--	--	--
<b>Total Assets</b>	<b><u>\$ 2,248,024</u></b>	<b><u>\$ 4,299</u></b>	<b><u>\$ 246,775</u></b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ --	\$ 93	\$ --
General obligation bonds payable	--	--	--
Due to other funds	2,925	--	155,900
Customer deposits	--	--	--
<b>Fund Equity</b>			
Retained earnings	--	--	--
Fund balance	<u>2,245,099</u>	<u>4,206</u>	<u>90,875</u>
<b>Total Liabilities     and Fund Equity</b>	<b><u>\$ 2,248,024</u></b>	<b><u>\$ 4,299</u></b>	<b><u>\$ 246,775</u></b>

The notes to the financial statements are an integral part of this statement.

<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<u>ENTERPRISE FUND</u>	<u>TRUSTS AND AGENCY FUND</u>	<u>LONG-TERM DEBT GROUP</u>	
\$ 6,537,166	\$ 7,412	\$ --	\$ 2,567,175
300,000	--	--	6,300,000
--	--	--	5,896
487,724	--	--	487,724
45,402	--	--	45,402
--	--	--	9,499
41,482	--	--	41,482
--	--	--	2,006
--	--	--	44,471
20,421	--	--	176,321
--	--	--	72,829
--	--	--	155,900
--	--	--	30,000
--	--	196,434	196,434
--	--	<u>1,678,566</u>	<u>1,678,566</u>
<u>\$ 7,432,195</u>	<u>\$ 7,412</u>	<u>\$ 1,875,000</u>	<u>\$11,813,705</u>
\$ 358,743	\$ --	\$ --	\$ 358,836
--	--	1,875,000	1,875,000
17,496	--	--	176,321
117,798	--	--	117,798
6,938,158	--	--	6,938,158
--	<u>7,412</u>	--	<u>2,347,592</u>
<u>\$7,432,195</u>	<u>\$ 7,412</u>	<u>\$ 1,875,000</u>	<u>\$11,813,705</u>

CITY OF MONETT, MISSOURI

COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCE - CASH BASIS  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR YEAR ENDED MARCH 31, 1989

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
<b>Revenues</b>			
Property taxes, including penalties and interest	\$ 157,793	\$ --	\$ --
Nonproperty taxes	626,287	--	--
Fines and forfeits	40,220	--	--
Licenses and permits	141,751	--	--
Fees and services	157,661	160,287	--
Intergovernmental	379,609	--	--
Miscellaneous	7,797	--	--
Interest	495,564	5,305	112,417
<b>Total revenues</b>	<u>2,006,682</u>	<u>165,592</u>	<u>112,417</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	211,467	--	--
Public safety	638,496	--	--
Highways and streets	318,962	--	--
Public services	250,081	--	--
Culture and recreation	7,261	342,519	--
Capital outlay	404,639	147,787	--
<b>Debt service</b>			
Principal retirement	--	--	306,000
Interest and fiscal agent fees	--	--	139,470
<b>Total expenditures</b>	<u>1,830,906</u>	<u>490,306</u>	<u>445,470</u>
Excess of revenues over (under) expenditures	175,776	(324,714)	(333,053)
<b>Other financing sources (uses)</b>			
Transfers in (out)	(910,071)	175,289	87,163
<b>Total other financing sources (uses)</b>	<u>(910,071)</u>	<u>175,289</u>	<u>87,163</u>
Excess of revenues and other sources over (under) expenditures and other uses	(734,295)	(149,425)	(245,890)
Fund balance, beginning of year	<u>2,979,394</u>	<u>153,631</u>	<u>336,765</u>
Fund balance, end of year	<u>\$ 2,245,099</u>	<u>\$ 4,206</u>	<u>\$ 90,875</u>

The notes to the financial statements are an integral part of this statement.

<u>CAPITAL PROJECTS</u>	<u>FIDUCIARY FUND</u> <u>TRUST AND AGENCY</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ --	\$ --	\$ 157,793
--	--	626,287
--	--	40,220
--	--	141,751
--	--	317,948
--	--	379,609
950	--	8,747
<u>--</u>	<u>820</u>	<u>614,106</u>
<u>950</u>	<u>820</u>	<u>2,286,461</u>
--	--	211,467
--	--	638,496
--	--	318,962
--	--	250,081
--	--	349,780
2,263,536	--	2,815,962
--	--	306,000
<u>--</u>	<u>--</u>	<u>139,470</u>
<u>2,263,536</u>	<u>--</u>	<u>5,030,218</u>
(2,262,586)	820	(2,743,757)
<u>734,783</u>	<u>(198)</u>	<u>86,966</u>
<u>734,783</u>	<u>(198)</u>	<u>86,966</u>
(1,527,803)	622	(2,656,791)
<u>1,527,803</u>	<u>6,790</u>	<u>5,004,383</u>
<u>\$ -0-</u>	<u>\$ 7,412</u>	<u>\$ 2,347,592</u>

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
 AND CHANGES IN FUND BALANCE - CASH BASIS  
 BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUES, DEBT SERVICE,  
 AND TRUST AND AGENCY FUNDS  
 FOR YEAR ENDED MARCH 31, 1989

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 160,000	\$ 157,793	\$ (2,207)
Non-property taxes	613,275	626,287	13,012
Fines and forfeits	26,200	40,220	14,020
Licenses and permits	142,200	141,751	(449)
Fees and services	158,188	157,661	(527)
Intergovernmental	136,500	379,609	243,109
Miscellaneous	3,415	7,797	4,382
Interest	325,000	495,564	170,564
Total revenues	<u>1,564,778</u>	<u>2,006,682</u>	<u>441,904</u>
Expenditures			
Current			
General government	224,760	211,467	13,293
Public safety	579,177	638,496	(59,319)
Highways and streets	302,535	318,962	(16,427)
Public services	214,300	250,081	(35,781)
Culture and recreation	1,275	7,261	(5,986)
Capital outlay	513,915	404,639	109,276
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	<u>1,835,962</u>	<u>1,830,906</u>	<u>5,056</u>
Excess of revenues over (under) expenditures	(271,184)	175,776	446,960
Other financing sources (uses)			
Transfers in (out)	--	(910,071)	(910,071)
Total other financing sources (uses)	<u>--</u>	<u>(910,071)</u>	<u>(910,071)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (271,184)</u>	(734,295)	<u>\$ (463,111)</u>
Fund balance, beginning of year		<u>2,979,394</u>	
Fund balance, end of year		<u>\$ 2,245,099</u>	

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUND

DEBT SERVICE FUND

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
116,789	160,287	43,498
--	--	--
--	--	--
<u>3,500</u>	<u>5,305</u>	<u>1,805</u>
<u>120,289</u>	<u>165,592</u>	<u>45,303</u>

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
<u>33,000</u>	<u>112,417</u>	<u>79,417</u>
<u>33,000</u>	<u>112,417</u>	<u>79,417</u>

--	--	--
--	--	--
--	--	--
--	--	--
324,382	342,519	(18,137)
174,089	147,787	26,302
--	--	--
--	--	--
<u>498,471</u>	<u>490,306</u>	<u>8,165</u>

--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
306,000	306,000	
<u>144,128</u>	<u>139,470</u>	<u>4,658</u>
<u>450,128</u>	<u>445,470</u>	<u>4,658</u>

(378,182)	(324,714)	53,468
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(417,128)	(333,053)	84,075
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<u>--</u>	<u>175,289</u>	<u>175,289</u>
<u>--</u>	<u>175,289</u>	<u>175,289</u>

<u>104,177</u>	<u>87,163</u>	<u>(17,014)</u>
<u>104,177</u>	<u>87,163</u>	<u>(17,014)</u>

<u>\$ (378,182)</u>	<u>(149,425)</u>	<u>\$ 228,757</u>
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<u>\$ (312,951)</u>	<u>(245,890)</u>	<u>\$ 67,061</u>
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<u>153,631</u>
<u>\$ 4,206</u>

<u>336,765</u>
<u>\$ 90,875</u>

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
 AND CHANGES IN FUND BALANCE - CASH BASIS  
 BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUES, DEBT SERVICE,  
 AND TRUST AND AGENCY FUNDS, (continued)  
 FOR YEAR ENDED MARCH 31, 1989

	<u>TRUST AND AGENCY FUND (PAYROLL)</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues			
Property taxes, including penalties and interest	\$    --	\$    --	\$    --
Nonproperty taxes	--	--	--
Fines and forfeits	--	--	--
Licenses and permits	--	--	--
Fees and services	--	--	--
Intergovernmental	--	--	--
Miscellaneous	--	--	--
Interest	<u>700</u>	<u>820</u>	<u>120</u>
Total revenues	<u>700</u>	<u>820</u>	<u>120</u>
Expenditures			
Current			
General government	--	--	--
Public safety	--	--	--
Highways and streets	--	--	--
Public services	--	--	--
Culture and recreation	--	--	--
Capital outlay	--	--	--
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues over (under) expenditures	700	820	120
Other financing sources (uses)			
Transfers in (out)	<u>--</u>	<u>(198)</u>	<u>(198)</u>
Total other financing sources (uses)	<u>--</u>	<u>(198)</u>	<u>(198)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$    700</u>	622	<u>\$    (78)</u>
Fund balance, beginning of year		<u>6,790</u>	
Fund balance, end of year		<u>\$  7,412</u>	

The notes to the financial statements are an integral part of this statement.

	TOTALS	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ 160,000	\$ 157,793	\$ (2,207)
613,275	626,287	13,012
26,200	40,220	14,020
142,200	141,751	(449)
274,977	317,948	42,971
136,500	379,609	243,109
3,415	7,797	4,382
<u>\$ 362,200</u>	<u>614,106</u>	<u>251,906</u>
<u>1,718,767</u>	<u>2,285,511</u>	<u>566,744</u>
224,760	211,467	13,293
579,177	638,496	(59,319)
302,535	318,962	(16,427)
214,300	250,081	(35,781)
325,657	349,780	(24,123)
688,004	552,426	135,578
306,000	306,000	--
<u>144,128</u>	<u>139,470</u>	<u>4,658</u>
<u>2,784,561</u>	<u>2,766,682</u>	<u>17,879</u>
<u>(1,065,794)</u>	<u>(481,171)</u>	<u>584,623</u>
<u>104,177</u>	<u>(647,817)</u>	<u>(751,994)</u>
<u>104,177</u>	<u>(647,817)</u>	<u>(751,994)</u>
<u>\$ (961,617)</u>	<u>(1,128,988)</u>	<u>\$ (167,371)</u>
	<u>3,476,580</u>	
	<u>\$2,347,592</u>	

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN RETAINED EARNINGS - PROPRIETARY FUNDS  
 FOR YEAR ENDED MARCH 31, 1989

ENTERPRISE FUND

Operating revenues	
Charges for services	\$7,193,789
Penalties	46,022
Other	10,326
Total operating revenues	<u>7,250,137</u>
Operating expenses	
Electric purchases	3,771,975
Personel services	551,813
Utilities	196,738
Repairs and maintenance	82,121
Supplies	200,574
Other	69,566
Total operating expenses	<u>4,872,787</u>
Operating income	<u>2,377,350</u>
Non-operating revenues (expenses)	
Interest	20,888
Rental income	4,094
Sales tax discount	6,968
Capital outlay	<u>(270,984)</u>
Total non-operating revenues (expenses)	<u>(239,034)</u>
Income before transfers	2,138,316
Transfers in (out)	<u>207,215</u>
Net income	2,345,531
Retained earnings, beginning of year	<u>4,592,627</u>
Retained earnings, end of year	<u>\$6,938,158</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 FOR YEAR ENDED MARCH 31, 1989

ENTERPRISE FUND

Cash flows from operating activities	
Net Income	\$ 2,345,531
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in customer deposits	10,281
Decrease in due to other funds	(106,131)
Increase in investments	(300,000)
Increase in accounts receivable	(49,007)
Decrease in accounts payable	<u>(13,588)</u>
Net cash provided by operating activities	1,887,086
Cash at beginning of year	<u>4,650,080</u>
Cash at end of year	<u>\$ 6,537,166</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 1989

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The City of Monett, Missouri was incorporated on March 3, 1914 under the provisions of the State of Missouri. The City operates under a Commission form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include electric, water and sewer utilities and airport operations. The following is a summary of the more significant policies:

1. The Reporting Entity

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Monett. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Monett.

2. Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and for 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 seven generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUND TYPES

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. It includes administration, fire and police protection, street maintenance, airport and sanitation.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes. It includes the Revenue Sharing Fund, Park operations and I.O.O.F. Cemetery which was established to receive donations for improvements to the cemetery.

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs. It includes general obligation bonds issued for the overpass and sewer and water improvements. It also incorrectly includes revenue bonds issued for the Waterworks system of 1965 of \$78,000. These revenue bonds should be accounted for in the Enterprise Fund - Water Operations.

### Capital Project Funds

These funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds).

### PROPRIETARY FUND TYPE

#### Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The costs of the fund should include depreciation of the fixed assets used in providing these services to the general public. The City does not maintain a record of the fixed assets nor is depreciation included as a cost of providing service. The fixed asset additions are expensed as obtained each year under the category "Capital Outlay". This method of accounting for fixed assets within this fund is a departure from generally accepted accounting principles.

The City reports all debt service activity, both general obligation debt and revenue bond debt. General obligation debt is to be repaid from the general revenues of the City, usually from a property tax assessment. Revenue bond debt is repaid from the operations of the fund for which the debt was originally issued. The reporting of revenue bonds in the operations of the Debt Service Fund is a departure from GAAP. These bonds should be recorded as a liability in the records of the Enterprise Fund - Water Operations as well as the related interest and administrative costs.

### FIDUCIARY FUND TYPE

#### Trust and Agency Fund

The Trust and Agency fund is used to account for assets held by the City in a trustee capacity. These include the Payroll Fund.

### GENERAL LONG-TERM DEBT ACCOUNT GROUP

This is not a fund but rather an account group that is used to account for the outstanding principle balances of general obligation bonds and other long-term debt not reported in proprietary funds.

### 3. Property, Plant and Equipment and Long-Term Liabilities

The accounting and reporting treatment applied to property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type operations are expensed as obtained each year under the category "Capital Outlay" in each of the user funds. Records of these assets should be accounted for in a General Fixed Assets Account Group. The City does not maintain a General Fixed Assets Account Group for recording general fixed assets acquired principally for general purposes but which should exclude fixed assets in the Enterprise Funds. The City's accounting method is a departure from GAAP.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

These account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

### 4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The governmental and special revenue accounts of the City are maintained, and the accompanying governmental and special revenue financial statements have been prepared, on the cash basis of accounting. Therefore, revenues and expenditures are recognized only when collected or paid, and receivables and accrued liabilities are not reflected in the financial statements.

The proprietary fund (Enterprise Fund) is accounted for using the accrual basis of accounting effective April 1, 1988. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

### 5. Budgets and Budgetary Accounting

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

- a. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, Trust as well as for all enterprise funds. These budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles (GAAP).

- b. Budgetary data for the Capital Project Fund has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.
- c. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

6. Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

7. Inventory

Inventories of the City are recorded as expenditures when purchased.

8. Revenue Recognition - Property Taxes

Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent January 1 of the following year.

Property taxes revenues are recognized when they become available. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

9. Pension Plans

The City became a participant in the Missouri Local Governmental Employees' Retirement System (LAGERS) March 1, 1978. LAGERS is a defined benefit pension plan which covers substantially all of the City's employees. Total pension costs for the year ended March 31, 1989 was \$108,253.

10. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH

The City maintains separate cash and investment accounts for most funds. The General, Park, Electric and Sewer are all in one cash account but each funds portion of this account is displayed on the combined balance sheet as either cash or investments under their respective fund headings. Deposits and investments are stated at cost.

Deposits. At year-end the carrying amount of the City's deposits was \$2,567,175.

Investments. Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the City can invest in direct debt securities of the United States.

Investments at March 31, 1989 were in certificates of deposit in various financial institutions. For the certificates of deposit of \$6,300,000 the total investment was covered by collateral or FDIC insurance and held in the pledging bank's trust department in the City's name.

NOTE C - CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

The following is a summary of the City's Long-Term debt transactions for the year ended, March 31, 1989:

	<u>GENERAL OBLIGATION BONDS</u>	<u>REVENUE BONDS</u>
Debt outstanding April 1, 1988	\$2,155,000	\$ 78,000
Retirements	<u>280,000</u>	<u>26,000</u>
Debt outstanding March 31, 1989	<u>\$1,875,000</u>	<u>\$ 52,000</u>

Debt outstanding as of March 31, 1989, consisted of the following:

	Interest Rate	Maturity Date	Amounts	
			<u>Issued</u>	<u>Outstanding</u>
General Obligation Bonds:				
Sewer Bonds - 1972	5.0%	1991	\$ 1,162,000	\$ 175,000
Overpass - 1987	7.0-6.15%	1998	2,000,000	<u>1,700,000</u>
				<u>\$ 1,875,000</u>
Revenue Bonds:				
Waterworks - 1965	3.75%	1991	435,000	<u>\$ 52,000</u>

Presented below is a summary of debt service requirement to maturity by years:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>
1990	285,000	26,000
1991	290,000	26,000
1992	200,000	
1993	200,000	
1994	200,000	
1995	200,000	
1996	200,000	
1997	200,000	
1998	100,000	
<b>Total</b>	<u><u>\$1,875,000</u></u>	<u><u>\$ 52,000</u></u>

#### GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1989, which are included in the Long-Term Debt Account Group.

#### GENERAL OBLIGATION SEWER BONDS DATED MARCH 1, 1982

<u>Fiscal Year Ended March 31.</u>	<u>Total</u>	<u>Principal Total Interest</u>	<u>Interest Rate</u>	<u>Maturing March 1st</u>	<u>Bond Outstanding</u>
1990	94,187	9,187	5.00%	85,000	90,000
1991	94,725	4,725	5.00%	90,000	--
<b>Totals</b>	<u><u>\$188,912</u></u>	<u><u>\$ 13,912</u></u>		<u><u>\$175,000</u></u>	

#### GENERAL OBLIGATION OVERPASS CONSTRUCTION BONDS DATED APRIL 15, 1987

<u>Fiscal Year Ended March 31.</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing October 1st and April 1st</u>	<u>Bond Outstanding</u>
1990	308,300	108,300	7.00%	200,000	1,500,000
1991	294,300	94,300	7.00%	200,000	1,300,000
1992	280,300	80,300	7.00%	200,000	1,100,000
1993	266,675	66,675	6.25%	200,000	900,000
1994	254,225	54,225	6.15%	200,000	700,000
1995	241,850	41,850	6.30%	200,000	500,000
1996	229,200	29,200	6.40%	200,000	300,000
1997	216,350	16,350	6.50%	200,000	100,000
1998	103,300	3,300	6.60%	100,000	--
<b>Totals</b>	<u><u>\$2,194,500</u></u>	<u><u>\$ 494,500</u></u>		<u><u>\$ 1,700,000</u></u>	

#### REVENUE BONDS

The City is indebted for the following revenue bonds at March 31, 1989. These bonds should be recorded with the respective Enterprise fund since the repayment is to be from the operations for which the debt was issued. This is a departure from generally accepted accounting principles and is discussed in Note A more fully.

WATERWORKS REVENUE BONDS, SERIES OF 1965

Fiscal Year Ended March 31,	Total	Total Interest	Interest Rate	Principal Maturing March 1st	Bond Outstanding
1990	27,950	1,950	3.75%	26,000	26,000
1991	26,975	975	3.75%	26,000	--
Totals	<u>\$ 54,925</u>	<u>\$ 2,925</u>		<u>\$ 52,000</u>	

**NOTE D - INTERFUND RECEIVABLES AND PAYABLES**

The following is a summary of amounts due from and due to other funds:

	<u>Due from</u>	<u>Due to</u>
<b>General Fund</b>		
Debt Service	\$ 155,900	\$ --
Enterprise - Water	--	2,925
<b>Total General Fund</b>	<u>155,900</u>	<u>2,925</u>
<b>Debt Service Fund</b>		
General Fund	--	155,900
<b>Total Debt Service Fund</b>	<u>--</u>	<u>155,900</u>
<b>Enterprise Fund</b>		
General	2,925	--
<b>Total Enterprise Fund</b>	<u>2,925</u>	<u>--</u>
 <b>TOTAL ALL FUNDS</b>	 <u>\$ 158,825</u>	 <u>\$ 158,825</u>

**NOTE E - DEFINED BENEFIT PENSION PLAN**

All Monett City full-time employees participate in the Missouri Local Government Employees Retirement System (LAGERS), a multiple-employer public retirement system. The payroll for employees covered by LAGERS for the year ended March 31, 1989 was \$1,101,657; the City's total payroll was \$1,441,039.

All City full-time employees are eligible to participate in LAGERS. Employees who retire at or after age 60 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.25 percent of their final-average salary for each year of credited service. Final-average salary is the employee's monthly average of gross salary during the period of 36 or 60 consecutive months of credit service within the last 120 months of credited service in which the employee's salary was the highest. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police employees) and receive reduced retirement benefits. LAGERS also provides death and disability benefits. Benefits are established by Missouri statute.

The City has a non-contributory benefit program whereby covered employees are not required to make contributions. The City is required by Missouri statute to contribute amounts necessary to pay benefits when due. The contribution requirement for the year ended March 31, 1989 was \$108,253. The contributions represented 9.8% of covered payroll.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess LAGERS funding status on a "going concern" basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employees Retirement System (PERS) and employers. LAGERS does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1988 for LAGERS as a whole, determined through an actuarial valuation performed as of that date, was \$418,684,544. LAGERS' net assets available for benefits, at cost, exceeded the pension benefit obligation by \$60,260,366.

Ten-year historical trend information showing LAGERS' progress in accumulating sufficient assets to pay benefits when due is presented in LAGERS' June 30, 1989 comprehensive annual financial report.

NOTE F - ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

The 1988 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

ASSESSED VALUATION	
Real estate	\$31,290,174
Personal property	<u>9,998,047</u>
TOTAL ASSESS VALUATION	<u>\$41,288,221</u>
TAX RATES PER \$100 OF ASSESSED VALUATION	
General	\$ .38
General Obligation Bonds	<u>.00</u>
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	<u>\$ .38</u>

The legal debt margin at March 31, 1989 was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional debt limit	\$4,128,822	\$4,128,822	\$8,257,644
General obligation bonds payable	<u>1,875,000</u>	<u>--</u>	<u>1,875,000</u>
Local debt margin	<u>\$2,253,822</u>	<u>\$4,128,822</u>	<u>\$6,382,644</u>

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the city, by a vote of two-thirds of its qualified electors voting therein, may incur an indebtedness for any purpose authorized in the charter of the city or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the city.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the city, by a vote of two-thirds of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights of way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or construction waterworks, electric or other light plants, provided that the total obligation indebtedness of the city does not exceed twenty percent of the total value of the taxable tangible property of the city.

**NOTE G - DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

The City of Monett is subject to regulations promulgated and administered by the Missouri Department of Natural Resources. The Department of Natural Resources is seeking an injunction against the City. This injunction and associated civil penalties are based upon the city's alleged failure (1) to comply with the permit issued by the Missouri Clean Water Commission to discharge treated wastewater from the City's facility into Clear Creek; (2) to develop and implement an industrial pre-treatment program; and (3) to consistently implement and comply with a sludge disposal method and schedule. Losses, if any, associated with this injunction cannot be estimated at this time.

Also, at March 31, 1989, there was another lawsuit pending against the City. In the opinion of City management, the potential claim against the City not covered by insurance policies would not materially affect the financial condition of the City.

**SUPPLEMENTARY INFORMATION**

CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
GENERAL FUND - NON-DEPARTMENTAL  
FOR YEAR ENDED MARCH 31, 1989

NON-DEPARTMENTAL

Revenues

General property taxes	\$ 157,793
Taxes other than assessed	3,586
Sales and use tax	622,701
Penalties	828
Utility franchises	133,512
Business licences and permits	8,239
Intangible tax	16,228
Sale of maps and supplies	1,477
Interest income	495,564
Rental income	602
Total revenues	<u>1,440,530</u>

Expenditures

Salaries	94,173
Social security and unemployment taxes	7,092
Health insurance and expense	9,595
Retirement	7,214
Travel	1,221
Workman's compensation	899
Professional and consulting services	9,638
Telephone	2,038
Other fees and personal services	5,612
Insurance	45,296
Utilities	
- gas	1,026
- electric	3,760
- water	116
Repairs and maintenance	
- office equipment	12,812
- buildings	120
Postage	3,730
Miscellaneous	3,723
Supplies	
- office	2,966
- building	325
- custodian	111
Capital outlay	1,563
Total expenditures	<u>213,030</u>

Transfers in (out) (910,071)

Excess of revenues over  
(under) expenditures and  
other uses \$ 317,429

CITY OF MONETT, MISSOURI  
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 GENERAL FUND - POLICE DEPARTMENT  
 FOR YEAR ENDED MARCH 31, 1989

POLICE DEPARTMENT

Revenues

Court fines	\$ 39,392
Other charges	<u>8,747</u>
Total revenues	<u>48,139</u>

Expenditures

Salaries	255,653
Social security and unemployment taxes	19,307
Health insurance and expense	23,509
Retirement	26,910
Workman's compensation	8,702
Training	1,145
Telephone	2,969
Travel	59
Utilities - electric	3,480
Repairs and maintenance - vehicles	3,542
Dry cleaning	5,926
Care of prisoners	3,755
Supplies	
- office	1,056
- general	2,219
Radio	5,523
Computer	5,754
Insurance	11,220
Civil defense	2,413
Dog catcher	4,468
Gas and oil (autos)	9,636
Miscellaneous	1,907
Capital outlay	14,525
Professional fees	<u>6,265</u>
Total expenditures	<u>419,943</u>

Excess of revenues over (under) expenditures and other uses	<u>\$ (371,804)</u>
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CITY OF MONETT, MISSOURI  
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 GENERAL FUND - FIRE DEPARTMENT  
 FOR YEAR ENDED MARCH 31, 1989

FIRE DEPARTMENT

Revenues

Other public safety charges	\$ 532
Total revenues	532

Expenditures

Salaries	152,076
Social security and unemployment taxes	11,448
Health insurance and expense	25,653
Retirement	15,473
Workman's compensation	7,574
Telephone	1,677
Insurance	3,490
Travel	222
Utilities	
- gas	292
- electric	332
Repairs and maintenance	
- equipment	541
- vehicles	2,361
Supplies	
- office	446
- general	2,609
Training	285
Laundry	830
Freight	48
Rent	2,280
Radio	2,934
Miscellaneous	1,441
Gas and oil	
- equipment	785
- vehicles	281
Capital outlay	126,973
Total expenditures	360,051

Excess of revenues over (under) expenditures	<u>\$ (359,519)</u>
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CITY OF MONETT, MISSOURI  
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 GENERAL FUND - STREET DEPARTMENT  
 FOR YEAR ENDED MARCH 31, 1989

STREET DEPARTMENT

Revenues

Motor fuel	
tax distribution	\$ 98,369
Motor sales tax	47,863
Schulz street improvement	
- principal	1,639
- interest	183
Intergovernmental revenue	224
Miscellaneous	3,093
Street, sidewalk and curb repairs	<u>5,962</u>
Total revenues	<u>157,333</u>

Expenditures

Salaries	74,142
Social security and unemployment	5,587
Health insurance and expense	4,693
Retirement	6,086
Workman's compensation	3,845
Telephone	359
Insurance	3,347
Utilities	
- gas	930
- electric	152
- water	54
Repairs and maintenance	
- equipment	9,725
- building	168
Freight	10
Supplies	
- office	36
- general	7,921
Gas and oil(equipment)	6,362
Radio	384
Miscellaneous	3,637
Material (construction)	131,372
Traffic and street lights	32,063
Capital outlay	27,794
Professional fees	<u>28,089</u>
Total expenditures	<u>346,756</u>

Excess of revenues over (under)  
 expenditures

\$ (189,423)

CITY OF MONETT, MISSOURI  
 STATEMENTS OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 GENERAL FUND - AIRPORT AND SANITATION DEPARTMENTS  
 FOR YEAR ENDED MARCH 31, 1989

AIRPORT

Revenues

Airport rent received	\$ 3,600
Airport lease	720
Intergovernmental revenue	<u>216,925</u>
Total revenues	<u>221,245</u>

Expenditures

Repairs and maintenance - building	3,289
Supplies	675
Insurance	500
Capital outlay	7,652
Miscellaneous	2,617
Professional fees	14,861
Runway	194,443
Electricity	<u>180</u>
Total expenditures	<u>224,217</u>

Excess of revenues over (under) expenditures	<u>\$ (2,972)</u>
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SANITATION DEPARTMENT

Revenues

Sanitation charges	\$ 136,278
Other receipts	<u>2,625</u>
Total revenues	<u>138,903</u>

Expenditures

Salaries	129,061
Health insurance and expense	24,778
Retirement	9,125
Social security and unemployment taxes	9,701
Workman's compensation	10,249
Utilities	236
Insurance	3,315
Repairs and maintenance	
- trucks	10,658
- equipment	3,504
Gas and oil	
- trucks	10,286
Radio	280
Miscellaneous	1,086
Supplies	
- office	807
- operating	1,439
Postage	1,451
Traffic lights	4,384
Landfill	29,721
Capital outlay	<u>16,828</u>
Total expenditures	<u>266,909</u>

Excess of revenues over (under) expenditures	<u>\$ (128,006)</u>
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CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
GENERAL FUND - DEPARTMENT TOTALS  
FOR YEAR ENDED MARCH 31, 1989

GENERAL FUND - DEPARTMENT TOTALS

Revenues

Non-departmental	\$1,440,530
Police department	48,139
Fire department	532
Street department	157,333
Airport	221,245
Sanitation department	138,903
Total revenues	<u>2,006,682</u>

Expenditures

Non-departmental	213,030
Police department	419,943
Fire department	360,051
Street department	346,756
Airport	224,217
Sanitation department	266,909
Total expenditures	<u>1,830,906</u>

Transfers in (out) (910,071)

Excess of revenues over (under)  
expenditures and other uses \$ (734,295)

CITY OF MONETT, MISSOURI  
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES - CASH BASIS  
 SPECIAL REVENUE FUND - PARK DEPARTMENT  
 FOR YEAR ENDED MARCH 31, 1989

PARK DEPARTMENT

Revenues

Golf

- Green fees	\$ 72,612
- Cart rentals	16,290
- Equipment use	17,274
Swimming pool fees	17,415
Casino rentals	14,602
Sale of cemetery lots and grave openings	16,910
Other receipts	5,184

Total revenues	160,287
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Expenditures

Salaries - park	109,247
- golf	47,536
- cemetery	31,985
- pool	17,758
Social security and unemployment taxes	15,635
Health insurance and expense	7,408
Retirement	8,507
Insurance/bonds	1,332
Workman's compensation	9,185
Telephone - park, cemetery and pool	850
- golf	639
Utilities - park	6,949
- golf	4,984
- cemetery	1,192
- pool	4,357
Repairs and maintenance - park and golf	4,167
- pool	3,751
- autos and trucks	721
- equipment	10,683
Supplies - park	10,768
- golf	15,773
- cemetery	1,577
- pool	10,286
Gas and oil - trucks	4,165
- equipment	990
Rent	10,732
Miscellaneous	1,265
Capital outlay - park	1,979
- golf	25,843
- cemetery	7,207

Total expenditures	377,471
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Excess of revenues over (under) expenditures before transfers	(217,184)
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Transfers in	219,760
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Excess of revenues and transfers over (under) expenditures	\$ 2,576
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CITY OF MONETT, MISSOURI  
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 SPECIAL REVENUE FUND - REVENUE SHARING  
 FOR YEAR ENDED MARCH 31, 1989

REVENUE SHARING

Revenues

Interest \$ 5,160

Expenditures

Capital outlay

- Street improvement 41,402

- Sanitation truck & fixed disk 58,691

- Police car 12,665

Social service 77

Total expenditures 112,835

Excess of revenues over (under)  
 expenditures before transfers (107,675)

Transfers in (out) (44,471)

Excess of revenues over (under)  
 expenditures and other uses \$(152,146)

CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
SPECIAL REVENUE FUND - I.O.O.F CEMETERY  
FOR YEAR ENDED MARCH 31, 1989

I.O.O.F. CEMETERY

Revenues	
Interest	\$ <u>145</u>
Expenditures	<u>    --</u>
Excess of revenues over expenditures	<u>\$ 145</u>

CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
SPECIAL REVENUE FUND - DEPARTMENT TOTALS  
FOR YEAR ENDED MARCH 31, 1989

SPECIAL REVENUE FUND - DEPARTMENT TOTALS

Revenues	
Park	\$ 160,287
Revenue sharing	5,160
I.O.O.F. cemetery	145
Total revenues	<u>165,592</u>
Expenditures	
Park	377,471
Revenue sharing	112,835
Total expenditures	<u>490,306</u>
Excess of revenues over (under) expenditures before transfers	 (324,714)
Transfers in (out)	<u>175,289</u>
Excess of revenues and the sources over (under) expenditures	 <u>\$ (149,425)</u>

CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS  
 DEBT SERVICE FUNDS  
 FOR YEAR ENDED MARCH 31, 1989

	<u>REVENUE BONDS</u> WATERWORKS REVENUE BONDS <u>1965</u>	<u>GENERAL OBLIGATION BONDS</u> SEWER BONDS <u>1971</u>	<u>OVERPASS BONDS <u>1987</u></u>	<u>TOTAL</u>
Revenue				
Interest	\$ 1,511	\$ 4,097	\$ 106,809	\$ 112,417
Expenditures				
Principal	26,000	80,000	200,000	306,000
Interest	3,025	13,188	122,300	138,513
Miscellaneous	99	315	543	957
Total expenditures	<u>29,124</u>	<u>93,503</u>	<u>322,843</u>	<u>445,470</u>
Excess of revenues over (under) expenditures before transfers	(27,613)	(89,406)	(216,034)	(333,053)
Transfers in (out)	<u>26,000</u>	<u>61,163</u>	--	<u>87,163</u>
Excess of revenues and transfers over (under) expenditures	<u>\$ (1,613)</u>	<u>\$ (28,243)</u>	<u>\$ (216,034)</u>	<u>\$ (245,890)</u>

CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS  
 PROPRIETARY FUND  
 MARCH 31, 1989

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash	\$ 34,536	\$ 6,268,092	\$ 234,538	\$ 6,537,166
Investments	--	--	300,000	300,000
Accounts receivable	45,402	487,724	41,482	574,608
Due from other funds	<u>2,925</u>	<u>17,496</u>	<u>--</u>	<u>20,421</u>
<b>Total Assets</b>	<u>\$ 82,863</u>	<u>\$ 6,773,312</u>	<u>\$ 576,020</u>	<u>\$ 7,432,195</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>				
<b>Liabilities</b>				
Accounts payable	\$ 20,340	\$ 319,384	\$ 19,019	\$ 358,743
Due to other funds	17,496	--	--	17,496
Customer deposits	25,354	92,444	--	117,798
<b>Retained earnings</b>	<u>19,673</u>	<u>6,361,484</u>	<u>557,001</u>	<u>6,938,158</u>
<b>Total Liabilities and Retained Earnings</b>	<u>\$ 82,863</u>	<u>\$ 6,773,312</u>	<u>\$ 576,020</u>	<u>\$ 7,432,195</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF REVENUES AND EXPENSES  
 PROPRIETARY FUNDS  
 FOR YEAR ENDED MARCH 31, 1989

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>TOTAL</u>
Operating revenues				
Charges for services	\$ 556,956	\$6,076,366	\$ 528,063	\$7,161,385
Tap-in charges	34,754	--	600	35,354
Sale of supplies	3,617	1,437	964	6,018
Penalties	5,478	35,350	5,194	46,022
Miscellaneous charges	571	619	168	1,358
Total revenues	<u>601,376</u>	<u>6,113,772</u>	<u>534,989</u>	<u>7,250,137</u>
Operating expenses				
Electric purchases	--	3,771,975	--	3,771,975
Salaries	139,382	157,154	129,824	426,360
Health insurance and expense	7,190	4,245	31,112	42,547
Retirement	11,384	13,437	10,117	34,938
Workman's compensation	5,853	6,761	3,276	15,890
Social security and unemployment taxes	10,487	11,822	9,769	32,078
Utilities				
- electric	112,548	--	56,035	168,583
- gas and water	1,103	2,257	24,795	28,155
Repairs and maintenance				
- autos and trucks	1,335	9,871	2,743	13,949
- equipment	12,332	3,928	46,860	63,120
- building	700	4,363	31	5,094
Postage	1,075	1,103	1,069	3,247
Freight	303	199	892	1,394
Telephone	704	1,879	1,457	4,040
Office supplies	1,705	2,118	568	4,391
Gas and oil - trucks	2,272	4,725	6,396	13,393
- equipment	1,167	825	2,833	4,825
Professional fees	308	735	14,680	15,723
Supplies	47,318	111,166	42,090	200,574
Insurance	1,117	3,200	1,761	6,078
Travel	119	171	138	428
Miscellaneous	6,194	3,238	1,724	11,156
PCB expense	--	4,849	--	4,849
Total operating expenses	<u>364,596</u>	<u>4,120,021</u>	<u>388,170</u>	<u>4,872,787</u>
Operating income	236,780	1,993,751	146,819	2,377,350
Non-operating revenues (expenses)				
Interest	1,015	--	19,873	20,888
Rental income	--	4,094	--	4,094
Sales tax discount	667	6,293	8	6,968
Capital outlay	(104,603)	(163,763)	(2,618)	(270,984)
Total non-operating revenue (expense)	<u>(102,921)</u>	<u>(153,376)</u>	<u>17,263</u>	<u>(239,034)</u>
Income before transfers	133,859	1,840,375	164,082	2,138,316
Transfers in (out)	(16,250)	156	223,309	207,215
Net income	<u>\$ 117,609</u>	<u>\$1,840,531</u>	<u>\$ 387,391</u>	<u>\$2,345,531</u>

CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 FOR YEAR ENDED MARCH 31, 1989

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>TOTAL</u>
Cash flows from operating activities				
Net income	121,927	1,832,802	387,391	2,342,120
Adjustments to reconcile net income to net cash provided by operating activities				
Increase in customer deposits	2,455	7,826	--	10,281
Decrease in due to other funds	(101,919)	(1,317)	30	(103,206)
Increase in investments	--	--	(300,000)	(300,000)
Increase in accounts receivable	(2,372)	(43,981)	(2,654)	(49,007)
Decrease in accounts payable	(7,193)	(10,820)	4,425	(13,588)
Net cash provided by operating activities	12,898	1,784,510	89,192	1,866,600
Cash at beginning of year	<u>21,152</u>	<u>4,483,582</u>	<u>145,346</u>	<u>4,650,080</u>
Cash at end of year	<u>\$ 34,050</u>	<u>\$6,268,092</u>	<u>\$ 234,538</u>	<u>\$6,536,680</u>