

CITY OF MONETT,
MISSOURI

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 1990

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CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying combined financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1990, 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.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 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 \$26,000 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 our 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, 1990, or the results of its operations, or cash flows of its proprietary fund types for the year then ended.

However, in our 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, 1990 and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note A.

Our 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 our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Commen & Company

Monett, Missouri
July 17, 1990

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, 1990

ASSETS	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
Cash	\$ (6,283,566)	\$ 3,755	\$ 20,026
Investments	7,000,000	--	--
Accounts receivable			
Taxes	7,641	--	--
Electric	--	--	--
Water	--	--	--
Sanitation	10,198	--	--
Sewer	--	--	--
Other	--	1,168	--
Snyder Construction	--	--	--
Due from other funds	148,900	--	--
Accrued interest receivable	224,503	--	--
Bond prepayment	--	--	148,900
Restricted cash	--	--	30,000
Amount available in Debt Service			
Fund for bond retirement	--	--	--
Resources to be provided in future years	--	--	--
Total Assets	<u>\$ 1,107,676</u>	<u>\$ 4,923</u>	<u>\$ 198,926</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ --	\$ 107	\$ --
General obligation bonds payable	--	--	--
Due to other funds	--	--	125,700
Customer deposits	--	--	--
Due to employees	--	--	--
Fund Equity			
Retained earnings	--	--	--
Fund balance	<u>1,107,676</u>	<u>4,816</u>	<u>73,226</u>
Total Liabilities and Fund Equity	<u>\$ 1,107,676</u>	<u>\$ 4,923</u>	<u>\$ 198,926</u>

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>	
\$ 8,583,151	\$ 45,641	\$ --	\$ 2,369,007
300,000	--	--	7,300,000
--	--	--	7,641
574,768	--	--	574,768
49,386	--	--	49,386
--	--	--	10,198
60,106	--	--	60,106
--	--	--	1,168
--	--	--	--
36,097	--	--	184,997
10,058	--	--	234,561
--	--	--	148,900
--	--	--	30,000
--	--	149,249	149,249
--	--	1,460,751	1,460,751
<u>\$ 9,613,566</u>	<u>\$ 45,641</u>	<u>\$ 1,610,000</u>	<u>\$12,580,732</u>
\$ 552,445	\$ --	\$ --	\$ 552,552
--	--	1,610,000	1,610,000
36,097	--	--	161,797
125,419	--	--	125,419
--	45,641	--	45,641
8,899,605	--	--	8,899,605
--	--	--	1,185,718
<u>\$9,613,566</u>	<u>\$ 45,641</u>	<u>\$ 1,610,000</u>	<u>\$12,580,732</u>

CITY OF MONETT, MISSOURI

COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - CASH BASIS
ALL GOVERNMENTAL FUND TYPES
FOR YEAR ENDED MARCH 31, 1990

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
Revenues			
Property taxes, including penalties and interest	\$ 163,332	\$ --	\$ --
Nonproperty taxes	660,168	--	--
Fines and forfeits	38,957	--	--
Licenses and permits	138,511	--	--
Fees and services	200,925	164,187	--
Intergovernmental	604,005	--	--
Miscellaneous	11,847	601	--
Interest	728,380	173	5,329
Total revenues	<u>2,546,125</u>	<u>164,961</u>	<u>5,329</u>
Expenditures			
Current			
General government	213,171	--	--
Public safety	744,728	--	--
Highways and streets	675,749	--	--
Public services	310,457	--	--
Culture and recreation	--	447,404	--
Capital outlay	829,351	346,819	--
Debt service			
Principal retirement	--	--	311,000
Interest and fiscal agent fees	--	--	120,478
Total expenditures	<u>2,773,456</u>	<u>794,223</u>	<u>431,478</u>
Excess of revenues over (under) expenditures	(227,331)	(629,262)	(426,149)
Other financing sources (uses)			
Transfers in (out)	<u>(910,092)</u>	<u>629,872</u>	<u>408,500</u>
Total other financing sources (uses)	<u>(910,092)</u>	<u>629,872</u>	<u>408,500</u>
Excess of revenues and other sources over (under) expenditures and other uses	(1,137,423)	610	(17,649)
Fund balance, beginning of year	<u>2,245,099</u>	<u>4,206</u>	<u>90,875</u>
Fund balance, end of year	<u>\$ 1,107,676</u>	<u>\$ 4,816</u>	<u>\$ 73,226</u>

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

<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ --	\$ 163,332
--	660,168
--	38,957
--	138,511
--	365,112
4,520	608,525
--	12,448
--	733,882
<u>4,520</u>	<u>2,720,935</u>
--	213,171
--	744,728
--	675,749
--	310,457
--	447,404
4,520	1,180,690
--	311,000
--	120,478
<u>4,520</u>	<u>4,003,677</u>
--	(1,282,742)
--	128,280
<u>--</u>	<u>128,280</u>
--	(1,154,462)
<u>-0-</u>	<u>2,340,180</u>
<u>\$ -0-</u>	<u>\$ 1,185,718</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 CAPITAL PROJECTS FUNDS
 FOR YEAR ENDED MARCH 31, 1990

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 162,500	\$ 163,332	\$ 832
Non-property taxes	627,750	660,168	32,418
Fines and forfeits	30,650	38,957	8,307
Licenses and permits	143,300	138,511	(4,789)
Fees and services	162,946	200,925	37,736
Intergovernmental	208,300	604,005	395,705
Miscellaneous	10,040	11,847	2,050
Interest	450,000	728,380	278,380
Total revenues	<u>1,795,486</u>	<u>2,546,125</u>	<u>750,639</u>
Expenditures			
Current			
General government	211,880	213,171	(1,291)
Public safety	662,919	744,728	(81,809)
Highways and streets	1,079,155	675,749	403,406
Public services	305,325	310,457	(5,132)
Culture and recreation	--	--	--
Capital outlay	367,850	829,351	(461,501)
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	<u>2,627,129</u>	<u>2,773,456</u>	<u>(146,327)</u>
Excess of revenues over (under) expenditures	(831,643)	(227,331)	604,312
Other financing sources (uses)			
Transfers in (out)	--	(910,092)	(910,092)
Total other financing sources (uses)	<u>--</u>	<u>(910,092)</u>	<u>(910,092)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (831,643)</u>	<u>(1,137,423)</u>	<u>\$ (305,780)</u>
Fund balance, beginning of year		<u>2,245,099</u>	
Fund balance, end of year		<u>\$ 1,107,676</u>	

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

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
137,600	164,187	26,687	--	--	--
--	--	--	--	--	--
--	601	601	--	--	--
--	173	173	112,750	5,329	(107,421)
<u>137,600</u>	<u>164,961</u>	<u>27,461</u>	<u>112,750</u>	<u>5,329</u>	<u>(107,421)</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
366,355	447,404	(81,049)	--	--	--
47,000	346,819	(299,819)	--	--	--
--	--	--	311,000	311,000	--
--	--	--	120,900	120,478	422
<u>413,355</u>	<u>794,223</u>	<u>(380,868)</u>	<u>431,900</u>	<u>431,478</u>	<u>422</u>
(275,755)	(629,262)	(353,507)	(319,150)	(426,149)	106,999
--	629,872	629,872	323,000	408,500	85,500
--	629,872	629,872	323,000	408,500	85,500
<u>\$ (275,755)</u>	610	<u>\$ 276,365</u>	<u>\$ 3,850</u>	17,649	<u>\$ (21,499)</u>
	<u>4,206</u>			<u>90,875</u>	
	<u>\$ 4,816</u>			<u>\$ 73,226</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 CAPITAL PROJECTS FUNDS, (continued)
 FOR YEAR ENDED MARCH 31, 1990

	CAPITAL PROJECTS		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ --	\$ --	\$ --
Nonproperty taxes	--	--	--
Fines and forfeits	--	--	--
Licenses and permits	--	--	--
Fees and services	--	--	--
Intergovernmental	--	4,520	4,520
Miscellaneous	--	--	--
Interest	--	--	--
Total revenues	--	4,520	4,520
Expenditures			
Current			
General government	--	--	--
Public safety	--	--	--
Highways and streets	--	--	--
Public services	--	--	--
Culture and recreation	--	--	--
Capital outlay	--	4,520	(4,520)
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	--	4,520	(4,520)
Excess of revenues over (under) expenditures	--	--	--
Other financing sources (uses)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	--	--	--
Excess of revenues and other sources over (under) expenditures and other uses	\$ --	--	\$ --
Fund balance, beginning of year		-0-	
Fund balance, end of year		\$ -0-	

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

	TOTALS	
	BUDGET	ACTUAL
\$ 162,500	\$ 163,332	\$ 832
627,750	660,168	32,418
30,650	38,957	8,307
143,300	138,511	(4,789)
300,546	365,112	64,566
208,300	608,525	400,225
10,040	12,448	2,408
<u>\$ 562,750</u>	<u>733,882</u>	<u>171,132</u>
<u>2,045,836</u>	<u>2,720,935</u>	<u>675,099</u>
211,880	213,171	(1,291)
662,919	744,728	(81,809)
1,079,155	675,749	403,406
305,325	310,457	(5,132)
366,355	447,404	(81,049)
414,850	1,180,690	(765,840)
311,000	311,000	--
<u>120,900</u>	<u>120,478</u>	<u>422</u>
<u>3,472,384</u>	<u>4,003,677</u>	<u>(531,293)</u>
<u>(1,426,548)</u>	<u>(1,282,742)</u>	<u>143,806</u>
<u>323,000</u>	<u>128,280</u>	<u>(194,720)</u>
<u>323,000</u>	<u>128,280</u>	<u>(194,720)</u>
<u>\$(1,103,548)</u>	<u>(1,154,462)</u>	<u>\$ (50,914)</u>
	<u>2,340,180</u>	
	<u>\$1,185,718</u>	

CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUNDS
 FOR YEAR ENDED MARCH 31, 1990

ENTERPRISE FUND

Operating revenues	
Charges for services	\$7,458,837
Penalties	31,916
Other	23,752
Total operating revenues	<u>7,514,505</u>
Operating expenses	
Electric purchases	3,925,911
Personel services	616,022
Utilities	211,001
Repairs and maintenance	96,650
Supplies	170,061
Other	243,957
Total operating expenses	<u>5,263,602</u>
Operating income	<u>2,250,903</u>
Non-operating revenues (expenses)	
Interest	42,406
Rental income	3,969
Sales tax discount	3,097
Capital outlay	<u>(233,376)</u>
Total non-operating revenues (expenses)	(183,904)
Income before transfers	2,066,999
Transfers in (out)	<u>(105,552)</u>
Net income	1,961,447
Retained earnings, beginning of year	<u>6,938,158</u>
Retained earnings, end of year	<u><u>\$8,899,605</u></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, 1990

ENTERPRISE FUND

Cash flows from operating activities	
Net Income	\$ 1,961,447
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in accounts receivable	(109,651)
Increase in interest receivable	(10,058)
Increase in due from	(15,676)
Increase in accounts payable	193,701
Increase in due to other funds	18,602
Increase in customer deposits	<u>7,621</u>
Net cash provided by operating activities	2,045,986
Cash at beginning of year	<u>6,537,165</u>
Cash at end of year	<u>\$ 8,583,151</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, 1990

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 as a Third Class City 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 eight 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, sanitation and building code administration.

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, 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 \$26,000. 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

Agency Fund

The Agency funds are used to account for assets held by the City in a custodial capacity. These include the Payroll Fund and Health Self-Insurance 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, and 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, 1990 was \$134,084.

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 \$2,369,007.

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 \$7,300,000 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, 1989	\$1,875,000	\$ 52,000
Retirements	<u>285,000</u>	<u>26,000</u>
Debt outstanding March 31, 1990	<u>\$1,590,000</u>	<u>\$ 26,000</u>

Debt outstanding as of March 31, 1990, consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amounts</u>	
			<u>Issued</u>	<u>Outstanding</u>
General Obligation Bonds:				
Sewer Bonds - 1972	5.0%	1991	\$ 1,162,000	\$ 90,000
Overpass - 1987	7.0-6.15%	1998	2,000,000	<u>1,500,000</u>
				<u>\$ 1,590,000</u>
Revenue Bonds:				
Waterworks - 1965	3.75%	1991	435,000	<u>\$ 26,000</u>

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

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>
1991	290,000	26,000
1992	200,000	
1993	200,000	
1994	200,000	
1995	200,000	
1996	200,000	
1997	200,000	
1998	<u>100,000</u>	
Total	<u>\$1,590,000</u>	<u>\$ 26,000</u>

GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1990, 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>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing March 1st</u>	<u>Bond Outstanding</u>
1991	94,725	4,725	5.00%	90,000	--
Totals	<u>\$ 94,725</u>	<u>\$ 4,725</u>		<u>\$ 90,000</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>
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	<u>103,300</u>	<u>3,300</u>	6.60%	<u>100,000</u>	--
Totals	<u>\$1,886,200</u>	<u>\$ 386,200</u>		<u>\$ 1,500,000</u>	

REVENUE BONDS

The City is indebted for the following revenue bonds at March 31, 1990. 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 <u>March 31,</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing March 1st</u>	<u>Bond Outstanding</u>
1991	26,975	975	3.75%	26,000	--
Totals	<u>\$ 26,975</u>	<u>\$ 925</u>		<u>\$ 26,000</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>
General Fund		
Debt Service	\$ 148,900	\$ --
Total General Fund	<u>148,900</u>	<u>--</u>
Debt Service Fund		
General Fund	--	148,900
Total Debt Service Fund	<u>--</u>	<u>148,900</u>
Enterprise Fund		
Electric	17,496	18,601
Water	18,601	17,496
Total Enterprise Fund	<u>36,097</u>	<u>36,097</u>
 TOTAL ALL FUNDS	 <u>\$ 184,997</u>	 <u>\$ 184,997</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 \$1,287,603; the City's total payroll was \$1,601,552.

All City full-time employees are eligible to participate in LT-8 LAGERS Program. Employees who retire at or after age 60 with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.50 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, 1990 was \$134,084. The contributions represented 10.4% 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, 1989 for LAGERS as a whole, determined through an actuarial valuation performed as of that date, was \$448,474,377. LAGERS' net assets available for benefits, at cost, exceeded the pension benefit obligation by \$43,067,177.

Ten-year historical trend information showing LAGERS' progress in accumulating sufficient assets to pay benefits when due is presented in LAGERS' June 30, 1990 comprehensive annual financial report.

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

The 1989 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	\$31,242,597
Personal property	<u>11,285,486</u>
TOTAL ASSESSED VALUATION	<u>\$42,528,083</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	\$4,252,808	\$4,252,808	\$8,505,616
General obligation bonds payable	<u>1,590,000</u>	<u>--</u>	<u>1,590,000</u>
Local debt margin	<u>\$2,662,808</u>	<u>\$4,252,808</u>	<u>\$6,915,616</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, 1990, 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.

NOTE H - SELF-INSURANCE

The City effective April 1, 1989 engaged the services of Employee Benefit Administrators to provide self-insurance administration for health insurance for City employees and their dependents. The employee pays the first \$250 per year and 20% of costs for claims up to \$2,500. The City pays 80% of claims up to \$2,500 and 100% of claims from \$2,500 to \$20,000. An insurance policy provides payment on all claims in excess of \$20,000.

The accounts of this agency fund are recorded in the fiduciary fund.

NOTE I - PRIOR PERIOD ADJUSTMENT

The measurement focus for the Payroll Fund is custodial since the fund is not involved with the performance of governmental services. The Payroll Fund has no revenues or expenditures and therefore there is no fund balance or need to measure the results of operations for a period.

As such, \$7,412 due employees of the City of Monett as of March 31, 1989 were incorrectly included in Fund balance.

SUPPLEMENTARY INFORMATION

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - NON-DEPARTMENTAL
 FOR YEAR ENDED MARCH 31, 1990

NON-DEPARTMENTAL

Revenues

General property taxes	\$ 163,332
Taxes other than assessed	2,754
Sales and use tax	657,414
Penalties	613
Utility franchises	131,359
Business licences and permits	7,152
Intangible tax	45,650
Miscellaneous	251
Interest income	728,380
Rental income	600
Total revenues	<u>1,737,505</u>

Expenditures

Salaries	99,315
Social security and unemployment taxes	7,514
Health insurance and expense	10,541
Retirement	8,643
Travel	932
Workman's compensation	870
Professional and consulting services	7,823
Telephone	1,805
Other fees and personal services	1,546
Insurance	34,683
Utilities	
- gas	998
- electric	4,263
- water	163
Repairs and maintenance	
- office equipment	14,136
- buildings	867
Postage	3,866
Miscellaneous	12,675
Supplies	
- office	1,587
- building	458
- custodian	486
Capital outlay	1,612
Total expenditures	<u>214,783</u>

Transfers in (out) (634,392)

Excess of revenues over
 (under) expenditures and
 other uses \$ 888,330

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - POLICE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1990

POLICE DEPARTMENT

Revenues

Court fines	\$	38,344
Other charges		<u>23,492</u>
Total revenues		<u>61,836</u>

Expenditures

Salaries		278,290
Social security and unemployment taxes		21,095
Health insurance and expense		21,804
Retirement		28,011
Workman's compensation		34,216
Training		1,296
Telephone		3,191
Travel		367
Utilities - electric		3,666
Repairs and maintenance - vehicles		7,934
Dry cleaning		6,166
Care of prisoners		1,447
Supplies		
- office		1,906
- general		4,429
Radio		3,542
Computer		6,910
Insurance		12,499
Civil defense		2,371
Dog catcher		3,945
Gas and oil (autos)		10,947
Miscellaneous		12,059
Capital outlay		171,676
Professional fees		<u>7,015</u>
Total expenditures		<u>644,782</u>

Excess of revenues over
 (under) expenditures and
 other uses

\$ (582,946)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - FIRE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1990

FIRE DEPARTMENT

Revenues

Other public safety charges	\$ 20,256
Total revenues	<u>20,256</u>

Expenditures

Salaries	173,250
Social security and unemployment taxes	13,107
Health insurance and expense	28,864
Retirement	20,217
Workman's compensation	8,956
Telephone	1,736
Insurance	4,595
Travel	683
Utilities	
- gas	302
- electric	316
Repairs and maintenance	
- equipment	713
- vehicles	2,876
Supplies	
- office	330
- general	5,828
Training	184
Laundry	703
Freight	64
Rent	2,520
Radio	3,886
Miscellaneous	1,265
Gas and oil	
- equipment	869
- vehicles	358
Capital outlay	<u>22,269</u>
Total expenditures	<u>293,891</u>

Excess of revenues over (under) expenditures	<u>\$ (273,635)</u>
---	---------------------

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - STREET DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1990

STREET DEPARTMENT

Revenues

Motor fuel	
tax distribution	\$ 101,091
Motor sales tax	49,165
Schulz street improvement	
- principal	779
- interest	59
Intergovernmental revenue	283,826
Miscellaneous	5,507
Street, sidewalk and curb repairs	<u>4,102</u>
Total revenues	<u>444,529</u>

Expenditures

Salaries	98,811
Social security and unemployment	7,474
Health insurance and expense	9,155
Retirement	7,364
Workman's compensation	8,764
Telephone	
Insurance	3,478
Utilities	
- gas	158
- electric	68
- water	24
Repairs and maintenance	
- equipment	7,834
- building	219
Freight	123
Supplies	
- office	65
- general	9,028
Gas and oil (equipment)	6,659
Radio	405
Miscellaneous	8,416
Material (construction)	438,684
Traffic and street lights	35,083
Capital outlay	425,906
Professional fees	<u>33,937</u>
Total expenditures	<u>1,101,655</u>

Transfer to bond principle (275,700)

Excess of revenues over (under) expenditures \$ (932,826)

CITY OF MONETT, MISSOURI
 STATEMENTS OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - AIRPORT AND SANITATION DEPARTMENTS
 FOR YEAR ENDED MARCH 31, 1990

AIRPORT

Revenues

Airport rent received	\$ 3,750
Airport lease	720
Miscellaneous	549
Intergovernmental revenue	<u>124,273</u>
Total revenues	<u>129,292</u>

Expenditures

Repairs and maintenance - building	2,135
Supplies	1,220
Insurance	1,450
Capital outlay	21,510
Miscellaneous	7,312
Professional fees	17,087
Runway	186,037
Electricity	<u>493</u>
Total expenditures	<u>237,244</u>

Excess of revenues over
 (under) expenditures \$ (107,952)

SANITATION DEPARTMENT

Revenues

Sanitation charges	\$ 137,566
Other receipts	<u>15,141</u>
Total revenues	<u>152,707</u>

Expenditures

Salaries	131,881
Health insurance and expense	42,426
Retirement	10,518
Social security and unemployment taxes	10,660
Workman's compensation	16,770
Utilities	1,125
Telephone	332
Insurance	2,835
Repairs and maintenance	
- trucks	8,388
- equipment	1,345
Gas and oil	
- trucks	13,005
Radio	262
Miscellaneous	609
Supplies	
- office	571
- operating	452
Postage	1,052
Traffic lights	5,959
Landfill	<u>28,863</u>
Total expenditures	<u>277,053</u>

Excess of revenues over
 (under) expenditures \$ (124,346)

CITY OF MONETT, MISSOURI
STATEMENTS OF REVENUES COLLECTED-EXPENDITURES PAID CASH BASIS
GENERAL FUND - BUILDING OFFICIAL AND CODE ADMINISTRATORS DEPARTMENT
FOR YEAR ENDED MARCH 31, 1990

BUILDING OFFICIAL AND CODE ADMINISTRATORS

Revenues	
Sale of services	\$ -0-
Expenditures	
Salaries	1,750
Social security and unemployment taxes	134
Postage	14
Operating supplies	500
Capital outlays	342
Professional and consulting	1,031
Insurance	12
Travel	153
Miscellaneous	<u>112</u>
Total expenditures	<u>4,048</u>
Excess of revenues over (under) expenditures	<u><u>\$(4,048)</u></u>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - DEPARTMENT TOTALS
 FOR YEAR ENDED MARCH 31, 1990

GENERAL FUND - DEPARTMENT TOTALS

Revenues	
Non-departmental	\$ 1,737,505
Police department	61,836
Fire department	20,256
Street department	444,529
Airport	129,292
Sanitation department	152,707
BOCA	--
Total revenues	<u>2,546,125</u>
Expenditures	
Non-departmental	214,783
Police department	644,782
Fire department	293,891
Street department	1,101,655
Airport	237,244
Sanitation department	277,053
BOCA	4,048
Total expenditures	<u>2,773,456</u>
Transfers in (out)	(910,092)
Excess of revenues over (under) expenditures and other uses	<u>\$ (1,137,423)</u>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES - CASH BASIS
 SPECIAL REVENUE FUND - PARK DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1990

PARK DEPARTMENT

Revenues

Golf	
- Green fees	\$ 77,299
- Cart rentals	7,074
- Equipment use	22,656
Swimming pool fees	13,973
Casino rentals	17,026
Sale of cemetery lots and grave openings	15,692
Other receipts	<u>10,467</u>
Total revenues	<u>164,187</u>

Expenditures

Salaries - park	121,915
- golf	52,824
- cemetery	34,840
- pool	20,693
Social security and unemployment taxes	18,749
Health insurance and expense	12,682
Retirement	12,932
Insurance/bonds	1,223
Workman's compensation	9,457
Telephone - park, cemetery and pool	770
- golf	620
Utilities - park	8,151
- golf	4,394
- cemetery	1,091
- pool	4,489
Repairs and maintenance - park and golf	4,114
- pool	6,216
- autos and trucks	440
- equipment	29,153
Supplies - park	7,515
- golf	15,849
- cemetery	653
- pool	7,543
Gas and oil - trucks	6,447
- equipment	1,481
Rent	1,784
Miscellaneous -	10,038
- street repairs	51,341
Capital outlay - park	32,968
- golf	43,847
- cemetery	4,072
- 18 hole golf course	<u>265,932</u>
Total expenditures	<u>794,223</u>

Excess of revenues over (under)
 expenditures before transfers (630,036)

Transfers in 629,872

Excess of revenues and transfers over
 (under) expenditures \$ (164)

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, 1990

I.O.O.F. CEMETERY

Revenues	
Interest	\$ 173
Miscellaneous	<u>601</u>
Expenditures	<u> </u>
Excess of revenues over expenditures	<u>\$ 774</u>

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
SPECIAL REVENUE FUND - DEPARTMENT TOTALS
FOR YEAR ENDED MARCH 31, 1990

SPECIAL REVENUE FUND - DEPARTMENT TOTALS

Revenues	
Park	\$ 164,187
I.O.O.F. cemetery	<u>774</u>
Total revenues	<u>164,961</u>
Expenditures	
Park	<u>794,223</u>
Total expenditures	<u>794,223</u>
Excess of revenues over (under) expenditures before transfers	(629,262)
Transfers in (out)	<u>629,872</u>
Excess of revenues and the sources over (under) expenditures	<u>\$ 610</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 DEBT SERVICE FUNDS
 FOR YEAR ENDED MARCH 31, 1990

	<u>REVENUE BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>		
	<u>WATERWORKS REVENUE BONDS 1965</u>	<u>SEWER BONDS 1971</u>	<u>OVERPASS BONDS 1987</u>	<u>TOTAL</u>
Revenue				
Interest	\$ 1,485	\$ 2,492	\$ 1,352	\$ 5,329
Expenditures				
Principal	26,000	85,000	200,000	311,000
Interest	1,950	9,188	108,300	119,438
Miscellaneous	<u>200</u>	<u>315</u>	<u>525</u>	<u>1,040</u>
Total expenditures	<u>28,150</u>	<u>94,503</u>	<u>308,825</u>	<u>431,478</u>
Excess of revenues over (under) expenditures before transfers	(26,665)	(92,011)	(307,473)	(426,149)
Transfers in (out)	<u>26,000</u>	<u>76,600</u>	<u>305,900</u>	<u>408,500</u>
Excess of revenues and transfers over (under) expenditures	<u>\$ (665)</u>	<u>\$ (15,411)</u>	<u>\$ (1,573)</u>	<u>\$ (17,649)</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS
 PROPRIETARY FUND
 MARCH 31, 1990

	<u>WATER</u> <u>OPERATIONS</u>	<u>ELECTRIC</u> <u>OPERATIONS</u>	<u>SEWER</u> <u>OPERATIONS</u>	<u>TOTAL</u>
ASSETS				
Cash	\$ 122,464	\$ 8,260,894	\$ 199,793	\$ 8,583,151
Investments	--	--	300,000	300,000
Accounts receivable	49,386	574,768	60,106	684,260
Due from other funds	18,601	17,496	--	36,097
Accrued interest receivable	<u>--</u>	<u>--</u>	<u>10,058</u>	<u>10,058</u>
 Total Assets	 <u>\$ 190,451</u>	 <u>\$ 8,853,158</u>	 <u>\$ 569,957</u>	 <u>\$ 9,613,566</u>
 LIABILITIES AND RETAINED EARNINGS				
Liabilities				
Accounts payable	\$ 87,247	\$ 357,071	\$ 108,127	\$ 552,445
Due to other funds	17,496	18,601	--	36,097
Customer deposits	26,076	99,343	--	125,419
 Retained earnings	 <u>59,632</u>	 <u>8,378,143</u>	 <u>461,830</u>	 <u>8,899,605</u>
 Total Liabilities and Retained Earnings	 <u>\$ 190,451</u>	 <u>\$ 8,853,158</u>	 <u>\$ 569,957</u>	 <u>\$ 9,613,566</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, 1990

	WATER OPERATIONS	ELECTRIC OPERATIONS	SEWER OPERATIONS	TOTAL
Operating revenues				
Charges for services	\$ 563,477	\$6,372,095	\$ 519,381	\$7,454,953
Tap-in charges	3,284	--	600	3,884
Sale of supplies	3,376	4,268	277	7,921
Penalties	4,704	26,351	861	31,916
Miscellaneous charges	5,271	6,841	3,719	15,831
Total revenues	<u>580,112</u>	<u>6,409,555</u>	<u>524,838</u>	<u>7,514,505</u>
Operating expenses				
Electric purchases	--	3,925,911	--	3,925,911
Salaries	156,205	173,230	143,828	473,263
Health insurance and expense	21,647	17,918	7,368	46,933
Retirement	14,617	15,608	12,871	43,096
Workman's compensation	6,915	5,438	4,605	16,958
Social security and unemployment taxes	11,807	13,092	10,873	35,772
Utilities				
- electric	129,713	--	58,314	188,027
- gas and water	1,006	1,270	20,698	22,974
Repairs and maintenance				
- autos and trucks	1,051	4,967	7,862	13,880
- equipment	11,391	15,422	53,772	80,585
- building	1,745	10	430	2,185
Postage	1,071	1,065	1,056	3,192
Freight	274	69	1,135	1,478
Telephone	751	1,944	1,256	3,951
Office supplies	1,013	2,240	1,054	4,307
Gas and oil - trucks	2,571	6,288	6,284	15,143
- equipment	1,196	1,008	4,504	6,708
Professional fees	1,078	1,877	175,636	178,591
Supplies	40,730	96,013	33,318	170,061
Insurance	981	3,454	2,158	6,593
Travel	439	670	45	1,154
Miscellaneous	10,935	5,065	588	16,588
PCB expense	--	6,252	--	6,252
Total operating expenses	<u>417,136</u>	<u>4,298,811</u>	<u>547,655</u>	<u>5,263,602</u>
Operating income	162,976	2,110,744	(22,817)	2,250,903
Non-operating revenues (expenses)				
Interest	5,240	--	37,166	42,406
Rental income	--	3,969	--	3,969
Sales tax discount	(1,279)	4,362	14	3,097
Capital outlay	(101,140)	(103,075)	(29,161)	(233,376)
Total non-operating revenue (expense)	<u>(97,179)</u>	<u>(94,744)</u>	<u>8,019</u>	<u>(183,904)</u>
Income before transfers	65,797	2,016,000	(14,798)	2,066,999
Transfers in (out)	(25,838)	659	(80,373)	(105,552)
Net income	<u>\$ 39,959</u>	<u>\$2,016,659</u>	<u>\$ (95,171)</u>	<u>\$1,961,447</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1990

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>TOTAL</u>
Cash flows from operating activities				
Net income	39,959	2,016,659	(95,171)	1,961,447
Adjustments to reconcile net income to net cash provided by operating activities				
Increase in accounts receivable	(3,984)	(87,044)	(18,623)	(109,651)
Increase in interest receivable	--	--	(10,058)	(10,058)
Increase in due from	(15,676)	--	--	(15,676)
Increase in accounts payable	66,907	37,686	89,108	193,701
Increase in due to other funds	--	18,602	--	18,602
Increase in customer deposits	<u>722</u>	<u>6,899</u>	<u>--</u>	<u>7,621</u>
Net cash provided by operating activities	87,928	1,992,802	(34,744)	2,045,986
Cash at beginning of year	<u>34,536</u>	<u>6,268,092</u>	<u>234,537</u>	<u>6,537,165</u>
Cash at end of year	<u>\$ 122,464</u>	<u>\$8,260,894</u>	<u>\$ 199,793</u>	<u>\$8,583,151</u>

CITY OF MONETT, MISSOURI
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET

AGENCY FUNDS

	<u>Payroll Escrow</u>	<u>Health Self-Insurance</u>	<u>Total</u>
ASSETS			
Cash	\$ 6,458	\$ 39,183	\$ 45,641
Total Assets	<u>\$ 6,458</u>	<u>\$ 39,183</u>	<u>\$ 45,641</u>
LIABILITIES			
Due to employees	6,458	--	6,458
Due to employees from self-insurance	--	39,183	39,183
Total Liabilities	<u>\$ 6,458</u>	<u>\$ 39,183</u>	<u>\$ 45,641</u>

CITY OF MONETT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
PAYROLL AGENCY FUND
FOR YEAR ENDED MARCH 31, 1990

	Balance 4-1-89	Additions	Deductions	Balance 3-31-90
Assets				
Cash	\$ 7,412	\$ 1,601,810	\$ 1,602,764	\$ 6,458
Total Assets	<u>7,412</u>	<u>1,601,810</u>	<u>1,602,764</u>	<u>6,458</u>
Liabilities				
Due to employees	<u>7,412</u>	<u>1,601,810</u>	<u>1,602,764</u>	<u>6,458</u>
Total Liabilities	<u>7,412</u>	<u>1,601,810</u>	<u>1,602,764</u>	<u>6,458</u>

CITY OF MONETT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
HEALTH SELF-INSURANCE AGENCY FUND
FOR YEAR ENDED MARCH 31, 1990

	Balance 4-1-89	Additions	Deductions	Balance 3-31-89
Assets				
Cash	--	294,883	255,700	39,183
Total Assets	<u>--</u>	<u>294,883</u>	<u>255,700</u>	<u>39,183</u>
Liabilities				
Due to	--	294,883	255,700	39,183
Total Liabilities	<u>--</u>	<u>294,883</u>	<u>255,700</u>	<u>39,183</u>

CITY OF MONETT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED MARCH 31, 1990

	Balance 4-1-89	Additions	Deductions	Balance 3-31-90
Assets				
Cash	\$ 7,412	\$ 1,896,693	\$ 1,858,464	\$ 45,641
Total Assets	<u>7,412</u>	<u>1,896,693</u>	<u>1,858,464</u>	<u>45,640</u>
Liabilities				
Due to employees	7,412	1,601,810	1,602,764	6,458
Due to employees from self-insurance	<u>--</u>	<u>294,883</u>	<u>255,700</u>	<u>39,183</u>
Total Liabilities	<u>7,412</u>	<u>1,896,693</u>	<u>1,858,464</u>	<u>45,641</u>

CERTIFIED PUBLIC ACCOUNTANTS

AUDITOR'S REPORT ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

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

We have audited the financial statements of City of Monett, Missouri, for the year ended March 31, 1990, and have issued our report thereon dated July 17, 1990. These financial statements are the responsibility of City of Monett, Missouri, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 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 opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of City of Monett, Missouri, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Caviness & Company

Monett, Missouri
July 17, 1990

CERTIFIED PUBLIC ACCOUNTANTS

**SINGLE AUDIT COMBINED REPORT
ON INTERNAL CONTROL STRUCTURE**

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

We have audited the financial statements of City of Monett, Missouri as of and for the year ended March 31, 1990 and have issued our report thereon dated July 17, 1990.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of City of Monett, Missouri, for the year ended March 31, 1990, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During the year ended March 31, 1990, City of Monett, Missouri expended 100% of its total federal financial assistance under major federal financial assistance programs. As required by OMB Circular A-128, our consideration of the internal control structure also included tests of controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

The management of City of Monett, Missouri, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The

objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Billings	Payroll
Receivables	Accounts Payable
Cash Receipts	General Ledger
Cash Disbursements	Property and Equipment

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk. We did not evaluate the accounting controls over accounts payable because accounts payable are only accrued at fiscal year end. We did not evaluate the accounting controls over property and equipment since the City has not maintained a record of its fixed assets.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements or to administer federal financial assistance programs in accordance with applicable laws and regulations.

Reportable conditions include:

- Violations to prevailing wage rates as required by Davis-Bacon Act
- Math errors on Dairy Street progress invoices

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audits of the financial statements of the City of Monett, Missouri, and of its compliance with requirements applicable to its major federal financial assistance programs for the year ended March 31, 1990, and this report does not affect our reports thereon dated July 17, 1990.

Material weaknesses include:

Waterworks Revenue bonds are reported in the Debt Service Fund instead of the Enterprise Fund.

Not maintaining a record of the property and equipment used in the operation of the Enterprise Fund.

Not maintaining a record of fixed assets in a general fixed asset group.

Certain activities are not recorded in the general ledger system:

I.O.O.F. revenues

Police department gross fines and cash balance

Health self-insurance agency funds cash and liabilities

We also noted other matters involving the internal control structure and its operation that we have reported to the management of City of Monett, Missouri in a separate letter dated September 28, 1990.

This report is intended for the information of the City Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Carrigan & Company

July 17, 1990

CERTIFIED PUBLIC ACCOUNTANTS AUDITOR'S COMBINED REPORT ON
COMPLIANCE WITH SPECIFIC AND GENERAL REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited City of Monett, Missouri, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended March 31, 1990. The management of City of Monett, Missouri is responsible for City of Monett, Missouri, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about City of Monett, Missouri, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, City of Monett, Missouri, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended March 31, 1990.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility, that are applicable to those transactions. Also, we have applied procedures to test City of Monett, Missouri, compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended March 31, 1990: political activity, Davis-Bacon Act, civil rights, and cash management.

Our procedures for testing the requirements applicable to the major programs which are listed in the preceding paragraph were limited to the applicable procedures described in the Office of Management and Budget's " Compliance Supplement for Single Audits of State and Local Governments". Our procedures for testing compliance with the requirements applicable to the major programs which are listed in the preceding paragraph were substantially less in scope than an audit, the objective of which is the expression of an opinion of City of Monett, Missouri, compliance with the requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the fifth paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that City of Monett, Missouri, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the City Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Carrin & Company

Monett, Missouri
July, 17, 1990

CERTIFIED PUBLIC ACCOUNTANTS

AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of City of Monett, Missouri, as of and for the year ended March 31, 1990 and have issued our report thereon dated July 17, 1990.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to City of Monett, Missouri, is the responsibility of City of Monett, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, City of Monett, Missouri, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions.

We noted certain immaterial instances of noncompliance that we have reported to the management of City of Monett, Missouri in a separate letter dated September 28, 1990.

This report is intended for the information of the City Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Caviness & Company

Monett, Missouri
July 17, 1990

CITY OF MONETT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED MARCH 31, 1990

Federal Grantor/ Pass Through Grantor	Federal CFDA Number	Pass-Through Grantor's Number	Program Amount	Disbursements Expenditures
Federal Highway Administration				
Passed Through State of MO Highway & Transportation				
FAU 1. Dairy St.	20.205	BHM-4605(701)	\$ 112,412	\$ 112,412
FAU 2. 13th & Cleveland	20.205	M-4601(703)	<u>205,336</u>	<u>205,336</u>
TOTAL FEDERAL ASSISTANCE			\$ <u>317,748</u>	\$ <u>317,748</u>

CITY OF MONETT, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended March 31, 1990

<u>Program</u>	<u>Population Size</u>		<u>Items Tested</u>	
	<u>Number</u>	<u>Dollar Amount</u>	<u>Number</u>	<u>Dollar Amount</u>
<u>Federal Highway Admin. Federal Aid Urban</u>				
1. Project # M-4061(703) Thirteenth & Cleveland	163	\$ 79,612.	33	\$ 16,381.
2. Project # BHM-4605(701) Dairy Street	104	\$ 40,155.	21	\$ 7,415.

Items Not in Compliance

<u>Number</u>	<u>Rate (Based on Dollars)</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
3	.001	Noncompliance with Davis-Bacon Act which requires payment of wages at or above the prevailing "DOL rates."	\$ 15.20
1	.001	Noncompliance with Davis-Bacon Act which requires payment of wages at or above the prevailing "DOL rates."	.96