

H.C. BECKWITH
MAYOR

REX LANE
COMMISSIONER

KENNETH SHARVER
COMMISSIONER



MONETT CITY HALL
September 9, 1994

City of Monett

217 5TH STREET, P.O. BOX 110
MONETT, MISSOURI 65708

THIRD CLASS CITY -- COMMISSION FORM OF GOVERNMENT

MICHAEL D. GARRETT
CITY ATTORNEY
PETER C. RAUCH
UTILITIES SUPERINTENDENT
MARGARET HOLLE
CITY COLLECTOR
LARRY ZIMMERMAN
CHIEF OF POLICE

DORIS MEYER, CMC
CITY CLERK - TREAS.
KENNETH R. SMALLEY
FIRE CHIEF
W. DALE BURKE
MUNICIPAL JUDGE
GEORGE RAUSCH
B.O.C.A. INSPECTOR/
ASST. UTILITIES SUPT.

Caviness and Blankinship P.C.
218 5th Street
Monett, MO 65708

In connection with your audit of the general purpose financial statements of the City of Monett, Missouri as of March 31, 1994, and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the City of Monett, Missouri and the results of its operations and the cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of financial position and results of operations of City of Monett and the cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles. The financial statements include all properly classified funds and account groups of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity. Component units are separate organizations, functions, and activities of government. The primary government is the unit of government directly responsible to the City Council that has oversight responsibility over those other organizations, functions, and activities.
2. We have made available to you all -
 - a. Financial records and related data.
 - b. Minutes of meetings of City Council, or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no -
 - a. Irregularities (intentional misstatements or omissions of amounts or disclosures in financial statements of misappropriation of assets) involving administrative officials or employees who have significant roles in processing transactions or safeguarding assets.
 - b. Irregularities involving other employees that could have a material effect on the financial statements.
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in financial reporting practices that could have a material effect on the financial statements.
4. We have not adopted any plans nor do we have present intentions that may materially affect the carrying value or classifications of assets, liabilities, or fund balances in the financial statements.
5. The following have been properly recorded or disclosed in the financial statements:
 - a. Joint ventures and related party transactions and related accounts receivable or payable, including revenues, expenditures, loans, transfers, leasing arrangements, and guarantees.
 - b. Arrangements with financial institutions involving repurchase or reverse repurchase agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - c. Agreements to repurchase assets previously sold.
6. There are no -
 - a. Violations or possible violations of budget ordinances, or laws or regulations (including those pertaining to adopting and amending budgets) that have come to our attention whose effects regarded as significant enough to be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No.5.
 - c. Reservations or designations of fund equity that were not properly authorized and approved.
7. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5.

8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements, and there are no undisclosed assets or liabilities.
9. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
10. City of Monett has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
11. We are responsible for City of Monett's compliance with laws and regulations applicable to it; and we have identified, and disclosed to you, all laws and regulations that have a direct and material effect on the determination of financial statement amounts. We have complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
12. We have identified all accounting estimates (approximations of financial statement amounts made when measurement of the amounts or the valuation of accounts is uncertain pending the outcome of future events, or when relevant data concerning events that have already occurred cannot be accumulated on a timely, cost-effective basis) that could be material to the financial statements, including the key facts and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
13. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

Signed: *Loris Meyer*
Title: *City Clerk*
Date: *Oct. 11, 1994*

Signed: _____
Title: _____
Date: _____

CITY OF MONETT,
MISSOURI

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 1994

CONTENTS

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS	3
FINANCIAL STATEMENTS - CASH BASIS	
Combined Statement of Assets, Liabilities and Fund Equity Arising from Cash Transactions - All Fund Types and Account Groups	6
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - Cash Basis - All Governmental Fund Types	8
Combined Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - Cash Basis - Budget and Actual (General, Special Revenues, and Debt Service)	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund	13
Combined Statement of Cash Flows - Proprietary Fund	14
Notes to Financial Statements	15
SUPPLEMENTARY INFORMATION	
Statement of Revenues Collected and Expenditures Paid - Cash Basis	
General Fund	
Non-departmental	26
Police Department	27
911 System	28
Fire Department	29
Street Department	30
Airport	31
Sanitation Department	32
Hazardous Waste	33
Building Official and Code Administrators Department	34
Department Totals	35
Special Revenues Fund	
Department Totals	36
Combining Statement of Assets, Liabilities, and Retained Earnings-Proprietary Fund ..	37
Combining Statement of Revenues and Expenses - Proprietary Fund	38
Combining Statement of Cash Flows - Proprietary Fund	39
Combining Balance Sheet - Fiduciary Funds	40
Statement of Changes in Assets and Liabilities Payroll Agency Fund	41

Health Self-Insurance Agency Fund	41
Combining Statement of Changes in Assets and Liabilities-Agency Funds	41
Schedule of Changes in General Fixed Assets (by Function and Activity)	42
FEDERAL FINANCIAL ASSISTANCE	
Independent Auditors Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	43
Independent Auditors' Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	44
Independent Auditors' Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	45
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with Government Auditing Standards	46
Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	48
Independent Auditors' Report on Schedule of Federal Financial Assistance	51
Schedule of Federal Financial Assistance	52
Schedule of Findings and Questioned Costs	53
Schedule of Prior Year Findings	54

Honorable Mayor H. C. Beckwith,
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

We have audited the accompanying general purpose financial statements of the City of Monett, Missouri, as of March 31, 1994, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the City's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the obligation is incurred.

In our opinion, because of the City's policy to prepare its financial statements on the basis of accounting as discussed in the preceding paragraph, 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, 1994 or the results of its operations 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, 1994 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 of 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.

Coviness & Blankinship, P.C.

Monett, Missouri
September 9, 1994

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, 1994

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
ASSETS			
Cash	\$(14,553,594)	\$ 5,530	\$ 101,158
Investments	7,707,776	--	--
Accounts receivable			
Taxes	10,079	--	--
Electric	--	--	--
Water	--	--	--
Sanitation	11,325	--	--
Sewer	--	--	--
Other	--	718	--
Construction in progress	--	--	--
Due from other funds	1,866,861	--	--
Accrued interest receivable	55,000	--	--
Bond prepayment	--	--	122,500
Restricted cash	--	--	--
Property, plant, and equipment (net)	--	--	--
Amount available in Debt Service Fund for bond retirement	--	--	--
Resources to be provided in future years	--	--	--
Total Assets	<u>\$ (4,902,553)</u>	<u>\$ 6,248</u>	<u>\$ 223,658</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ --	\$ 107	\$ --
General obligation bonds payable	--	--	--
Due to other funds	--	--	--
Customer deposits	--	--	--
Due to employees	--	--	--
Sewer Bond payable	--	--	--
Fund Equity			
Investment in General Fixed Assets	--	--	--
Contributed capital	--	--	--
Retained earnings	--	--	--
Fund balance	<u>(4,902,553)</u>	<u>6,141</u>	<u>223,658</u>
Total Liabilities and Fund Equity	<u>\$ (4,902,553)</u>	<u>\$ 6,248</u>	<u>\$ 223,658</u>

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

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		1994 TOTAL (MEMORANDUM ONLY)	1993 TOTAL (MEMORANDUM ONLY)
		LONG-TERM DEBT GROUP	GENERAL FIXED ASSETS		
\$16,169,207	\$ 9,335	\$ --	\$ --	\$ 1,731,636	\$ 2,709,722
300,000	--	--	--	8,007,776	7,772,969
--	--	--	--	10,079	9,308
682,627	--	--	--	682,627	633,362
49,112	--	--	--	49,112	51,270
--	--	--	--	11,325	10,259
50,704	--	--	--	50,704	58,257
--	--	--	--	718	504,563
5,363,938	--	--	--	5,363,938	4,082,136
--	--	--	--	1,866,861	21,245
--	--	--	--	55,000	54,442
--	--	--	--	122,500	128,650
1,153,265	--	--	--	1,153,265	1,348,626
9,099,625	--	--	10,272,300	19,371,925	18,164,607
--	--	101,158	--	101,158	51,706
--	--	598,842	--	598,842	848,294
<u>\$32,868,478</u>	<u>\$ 9,335</u>	<u>\$ 700,000</u>	<u>\$10,272,300</u>	<u>\$39,177,466</u>	<u>\$36,449,416</u>
\$ 685,268	\$ --	\$ --	\$ --	\$ 685,375	\$ 618,818
--	--	700,000	--	700,000	900,000
1,866,861	--	--	--	1,866,861	21,246
163,852	--	--	--	163,852	152,870
--	9,335	--	--	9,335	31,351
2,350,000	--	--	--	2,350,000	2,410,000
--	--	--	10,272,300	10,272,300	9,849,530
2,547,517	--	--	--	2,547,517	2,502,679
25,254,980	--	--	--	25,254,980	23,402,396
--	--	--	--	(4,672,754)	(3,439,474)
<u>\$32,868,478</u>	<u>\$ 9,335</u>	<u>\$ 700,000</u>	<u>\$10,272,300</u>	<u>\$39,177,466</u>	<u>\$36,449,416</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, 1994

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
Revenues		
Property taxes, including penalties and interest	\$ 202,047	\$ --
Nonproperty taxes	1,024,914	--
Fines and forfeits	81,037	--
Licenses and permits	184,025	--
Fees and services	225,060	318,025
Intergovernmental	115,450	452
Miscellaneous	32,006	--
Interest	406,399	136
Total revenues	<u>2,270,938</u>	<u>318,613</u>
Expenditures		
Current		
General government	268,724	--
Public safety	1,313,960	--
Highways and streets	491,822	--
Public services	445,387	--
Culture and recreation	--	589,632
Capital outlay	245,060	200,218
Debt service		
Principal retirement	--	--
Interest and fiscal agent fees	--	--
Total expenditures	<u>2,764,953</u>	<u>789,850</u>
Excess of revenues over (under) expenditures	(494,015)	(471,237)
Other financing sources (uses)		
Transfers in (out)	(764,204)	469,184
Total other financing sources	<u>(764,204)</u>	<u>469,184</u>
Excess of revenues and other sources over (under) expenditures and other uses	(1,258,219)	(2,053)
Fund balance, beginning of year	<u>(3,628,024)</u>	<u>8,194</u>
Prior year adjustment (Note H)	<u>(16,310)</u>	<u>--</u>
Fund balance, end of year	<u>\$ (4,902,553)</u>	<u>\$ 6,141</u>

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

<u>DEBT SERVICE</u>	<u>1994 TOTAL (MEMORANDUM ONLY)</u>	<u>1993 TOTAL (MEMORANDUM ONLY)</u>
\$ --	\$ 202,047	\$ 180,710
--	1,024,914	715,612
--	81,037	50,880
--	184,025	145,458
--	543,085	446,139
--	115,902	250,430
--	32,006	4,928
<u>3,091</u>	<u>409,626</u>	<u>461,615</u>
<u>3,091</u>	<u>2,592,642</u>	<u>2,255,772</u>
--	268,724	263,835
--	1,313,960	1,160,565
--	491,822	627,508
--	445,387	357,551
--	589,632	577,845
--	445,278	847,638
200,000	200,000	200,000
<u>54,809</u>	<u>54,809</u>	<u>67,285</u>
<u>254,809</u>	<u>3,809,612</u>	<u>4,102,227</u>
(251,718)	(1,216,970)	(1,846,455)
<u>295,020</u>	<u>--</u>	<u>1</u>
<u>295,020</u>	<u>--</u>	<u>1</u>
43,302	(1,216,970)	(1,846,454)
<u>180,356</u>	<u>(3,439,474)</u>	<u>(1,593,020)</u>
--	(16,310)	--
<u>\$ 223,658</u>	<u>\$ (4,672,754)</u>	<u>\$ (3,439,474)</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,
 FOR YEAR ENDED MARCH 31, 1994

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 189,850	\$ 202,047	\$ 12,197
Non-property taxes	819,200	1,024,914	205,714
Fines and forfeits	35,000	81,037	46,037
Licenses and permits	169,500	184,025	14,525
Fees and services	222,860	225,060	2,200
Intergovernmental	1,900	115,450	113,550
Miscellaneous	9,770	32,006	22,236
Interest	401,000	406,399	5,399
Total revenues	<u>1,849,080</u>	<u>2,270,938</u>	<u>421,858</u>
Expenditures			
Current			
General government	244,230	268,724	(24,494)
Public safety	1,305,161	1,313,960	(8,799)
Highways and streets	714,480	491,822	222,658
Public services	358,503	445,387	(86,884)
Culture and recreation	--	--	--
Capital outlay	1,447,910	245,060	1,202,850
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	<u>4,070,284</u>	<u>2,764,953</u>	<u>1,305,331</u>
Excess of revenues over (under) expenditures	(2,221,204)	(494,015)	1,727,189
Other financing sources (uses)			
Sale of Land	--	--	--
Transfers in (out)	--	(764,204)	(764,204)
Total other financing sources	<u>--</u>	<u>(764,204)</u>	<u>(764,204)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (2,221,204)</u>	(1,258,219)	<u>\$ 962,985</u>
Fund balance, beginning of year		<u>(3,628,024)</u>	
Prior year adjustment		<u>(16,310)</u>	
Fund balance, end of year		<u>\$ (4,902,553)</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>
\$ --	\$ --	\$ --
--	--	--
--	--	--
239,385	318,025	78,640
--	452	452
--	--	--
--	136	136
<u>239,385</u>	<u>318,613</u>	<u>79,228</u>

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
257,300	--	(257,300)
--	<u>3,091</u>	<u>3,091</u>
<u>257,300</u>	<u>3,091</u>	<u>(254,209)</u>

--	--	--
--	--	--
--	--	--
615,568	589,632	(25,936)
282,464	200,218	(82,246)
--	--	--
--	--	--
<u>898,032</u>	<u>789,850</u>	<u>(108,182)</u>

--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	200,000	(200,000)
--	<u>54,809</u>	<u>(54,809)</u>
<u>--</u>	<u>254,809</u>	<u>(254,809)</u>

(658,647)	(471,237)	(187,410)
--	--	--
--	469,184	469,184
<u>--</u>	<u>469,184</u>	<u>469,184</u>

257,300	(251,718)	(509,018)
--	295,020	295,020
<u>--</u>	<u>295,020</u>	<u>295,020</u>

<u>\$ (658,647)</u>	(2,053)	<u>\$ 656,594</u>
	<u>8,194</u>	
	--	
	<u>\$ 6,141</u>	

<u>\$ 257,300</u>	43,302	<u>\$ (213,998)</u>
	<u>180,356</u>	
	--	
	<u>\$ 223,658</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 (continued)
 FOR YEAR ENDED MARCH 31, 1994

	TOTALS		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 189,850	\$ 202,047	\$ 12,197
Nonproperty taxes	819,200	1,024,914	205,714
Fines and forfeits	35,000	81,037	46,037
Licenses and permits	169,500	184,025	14,525
Fees and services	462,245	543,085	80,840
Intergovernmental	1,900	115,902	114,002
Miscellaneous	267,070	32,006	(235,064)
Interest	401,000	409,626	8,626
Total revenues	<u>2,345,765</u>	<u>2,592,642</u>	<u>246,877</u>
Expenditures			
Current			
General government	244,230	268,724	(24,494)
Public safety	1,305,161	1,313,960	(8,799)
Highways and streets	714,480	491,822	222,658
Public services	358,503	445,387	(86,884)
Culture and recreation	615,568	589,632	25,936
Capital outlay	1,730,374	445,278	1,285,096
Debt service			
Principal retirement	--	200,000	(200,000)
Interest and fiscal agent fees	--	54,809	(54,809)
Total expenditures	<u>4,968,316</u>	<u>3,809,612</u>	<u>1,158,704</u>
Excess of revenues over (under) expenditures	<u>(2,622,551)</u>	<u>(1,216,970)</u>	<u>1,405,581</u>
Other financing sources (uses)			
Sale of Land	--	--	--
Transfers in (out)	--	--	--
Total other financing sources(uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$(2,622,551)</u>	<u>(1,216,970)</u>	<u>\$ 1,405,581</u>
Fund balance beginning of year		<u>(3,439,474)</u>	
Prior year adjustments		<u>(16,310)</u>	
Fund balance, end of year		<u>\$(4,672,754)</u>	

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

CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUNDS
 FOR YEAR ENDED MARCH 31, 1994

	<u>MARCH 31, 1994</u>	<u>MARCH 31, 1993</u>
Operating revenues		
Charges for services	\$ 9,383,890	\$ 8,845,532
Penalties	29,561	30,986
Other	<u>65,417</u>	<u>48,814</u>
Total operating revenues	<u>9,478,868</u>	<u>8,925,332</u>
Operating expenses		
Electric purchases	5,397,568	4,676,519
Personal services	1,028,041	820,018
Utilities	231,274	209,796
Repairs and maintenance	126,296	231,822
Supplies	408,850	255,930
Depreciation	624,007	528,763
Other	<u>326,307</u>	<u>255,393</u>
Total operating expenses	<u>8,142,343</u>	<u>6,978,241</u>
Operating income	1,336,525	1,947,091
Non-operating revenues		
Interest income	136,509	60,557
Interest expense	(108,124)	(123,674)
Rental income	<u>7,612</u>	<u>6,578</u>
Total non-operating revenues	<u>35,997</u>	<u>(56,539)</u>
Income before transfers	1,372,522	1,890,552
Transfers in (out)	<u>13,000</u>	<u>81,486</u>
Net income	1,385,522	1,972,038
Retained earnings, beg. of year	<u>23,402,396</u>	<u>21,430,358</u>
Prior year adjustments (Note H)	<u>471,613</u>	<u>--</u>
Retained earnings, end of year	<u>\$ 24,787,918</u>	<u>\$23,402,396</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, 1994

	<u>MARCH 31, 1994</u>	<u>MARCH 31, 1993</u>
Cash flows from operating activities		
Net Income	\$ 1,385,522	\$ 1,972,038
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	624,007	528,763
Decrease in investments	--	827,931
Increase in accounts receivable	(39,554)	(540,482)
Decrease in accrued interest	5,151	15,645
Decrease in due from revolving fund	503,845	--
Decrease in sewer bond reserve		
Increase in construction in progress	(1,281,802)	(2,820,450)
Increase in accounts payable	66,557	93,524
Increase in due to other funds	71,361	--
Decrease in restricted assets	1,848,423	(1,224,626)
Increase in customer deposits	10,982	12,354
Decrease in bonds payable	<u>(60,000)</u>	<u>1,165,000</u>
Net cash provided by operating activities	3,258,490	29,697
Cash uses from capital activities		
Payments for capital acquisitions	<u>(1,408,555)</u>	<u>(730,716)</u>
Net cash from capital activities	(1,405,555)	(730,716)
Cash flows from investing activities		
Contributed capital from EPA and DNR grants	44,838	1,907,490
Prior period adjustment	<u>467,064</u>	<u>110,218</u>
Net cash from investing activities	<u>511,902</u>	<u>2,017,708</u>
Net Cash Increase	2,361,837	1,316,689
Cash at beginning of year	<u>13,807,370</u>	<u>12,490,681</u>
Cash at end of year	<u>\$16,169,207</u>	<u>\$13,807,370</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, 1994

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 six 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.

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.

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.

In addition to the three board types of governmental funds, the City also maintains two account groups as described below:

GENERAL FIXED ASSETS ACCOUNT GROUP

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

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. 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. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

4. 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. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

5. 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.

6. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

7. Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

8. Interest Receivable

Interest on investments are recorded as revenue in the year the interest is earned.

9. Inventory

Inventories of the City are recorded as expenditures when purchased.

10. Property, plant, and equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Property, plant, and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies.

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

11. Long-term debt

Long-term obligations of the City are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain revenue bonds are reported in the appropriate Enterprise Fund.

12. 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.

13. 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, 1994 was \$249,287.

14. 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 does 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 and Electric 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.

CASH At year-end the carrying amount of the City's cash was \$ 1,731,636.

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, 1994 were in certificates of deposit in various financial institutions. For the certificates of deposit of \$8,007,776 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 1994:

	<u>GENERAL OBLIGATION BONDS</u>
Debt outstanding April 1, 1993	\$ 900,000
Retirements	200,000
Debt outstanding March 31, 1994	<u>\$ 700,000</u>

Debt outstanding as of March 31, 1994, consisted of the following:

	Interest <u>Rate</u>	Maturity <u>Date</u>	<u>Amounts</u>	
			<u>Issued</u>	<u>Outstanding</u>
General Obligation Bonds:				
Overpass - 1987	7.0-6.15%	1998	2,000,000	<u>\$ 700,000</u>

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

	<u>General Obligation Bonds</u>
1995	200,000
1996	200,000
1997	200,000
1998	<u>100,000</u>
Total	<u>\$ 700,000</u>

GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1994, which are included in the Long-Term Debt Account Group.

GENERAL OBLIGATION OVERPASS CONSTRUCTION BONDS DATED APRIL 15, 1987

Fiscal Year Ended March 31,	Total	Total Interest	Interest Rate	Principal Maturing October 1st and April 1st	Bond Outstanding
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>\$ 790,700</u>	<u>\$ 90,700</u>		<u>\$ 700,000</u>	

REVENUE BONDS

The City is indebted for the following revenue bonds at March 31, 1994. These bonds are recorded in the Enterprise fund since the repayment is to be from the operations for which the debt was issued.

SEWERAGE REVENUE BONDS, SERIES OF 1990

Fiscal Year Ended March 31,	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bond Outstanding
1995	142,027	77,027	6.60	65,000	1,065,000
1996	142,537	72,537	6.70	70,000	995,000
1997	137,812	67,812	6.80	70,000	925,000
1998	137,864	62,864	6.85	75,000	850,000
1999	137,535	57,535	6.90	80,000	770,000
2000- 2006	978,185	208,185	6.9 to	770,000	--
TOTALS	<u>1,675,960</u>	<u>545,960</u>	7.25	<u>1,130,000</u>	

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992A

Fiscal Year Ended March 31,	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bond Outstanding
1995	70,245	50,245	4.50	20,000	795,000
1996	74,183	49,183	4.90	25,000	770,000
1997	72,920	47,920	5.20	25,000	745,000
1998	71,595	46,595	5.40	25,000	720,000
1999	70,220	45,220	5.60	25,000	695,000
2000- 2013	1,087,538	392,537	5.6 to	695,000	--
TOTALS	<u>1,446,701</u>	<u>631,700</u>	6.55	<u>815,000</u>	

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

Fiscal Year Ended March 31,	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bond Outstanding
1995	36,428	26,428	4.70	10,000	395,000
1996	35,943	25,943	5.00	10,000	385,000
1997	35,430	25,430	5.25	10,000	375,000
1998	39,755	24,755	5.50	15,000	360,000
1999	38,030	23,030	6.00	15,000	345,000
2000- 2013	554,625	209,625	5.75 to	345,000	--
TOTAL	<u>740,211</u>	<u>335,211</u>	7.00	<u>405,000</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		
Enterprise - Sewer	\$ 882,532	--
Enterprise - Water	984,329	--
Enterprise - Electric	--	--
Special Revenue	--	--
Total General Fund	<u>1,866,861</u>	<u>--</u>
Special Revenue Fund		
Enterprise - Electrical	--	--
General Fund	--	--
Total Special Revenue Fund	<u>--</u>	<u>--</u>
Enterprise Fund		
General Fund	--	1,886,861
Special Revenue	--	--
Total Enterprise Fund	<u>--</u>	<u>1,886,861</u>
 TOTAL ALL FUNDS	 <u>\$1,866,861</u>	 <u>\$1,886,861</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, 1994 was \$2,114,407; the City's total payroll was \$2,437,238. All City full-time employees are eligible to participate in LT-8 LAGERS Program. Employees who retire at or after age 60 (55 for police and fire employees) 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 paid an employee during the period of sixty months or, if an election has been made in accordance with the plan, thirty-six consecutive months of credited service producing the highest monthly average within the last 120 months of credited service. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police and fire 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, 1994 was \$ 249,287. The contributions represented 10.2% 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, 1993 for LAGERS as a whole, determined through an actuarial valuation, performed on February 28, 1993, was \$776,639,558. LAGERS' net assets available for benefits, at cost, exceeded the pension benefit obligation by \$14,323,781.

NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)

Ten-year historical trend information showing LAGERS' progress in accumulating sufficient assets to pay benefits when due is presented in LAGERS' June 30, 1993 comprehensive annual financial report.

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

The 1993 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	\$34,021,243
Personal property	<u>15,308,245</u>
TOTAL ASSESS VALUATION	<u>\$49,329,488</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, 1994 was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
Constitutional debt limit	\$ 4,932,949	\$ 4,932,949	\$ 9,865,898
General obligation bonds payable	<u>700,000</u>	<u>--</u>	<u>700,000</u>
Local debt margin	<u>\$ 4,232,949</u>	<u>\$ 4,932,949</u>	<u>\$ 9,165,898</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 - 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 \$300 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 H - PRIOR PERIOD ADJUSTMENT

General Fund - During the year ended March 31, 1994 a prior period adjustment of \$16,310 was recorded. The purpose of this entry was to eliminate a balance of \$16,310 in the "Due From Other Funds" account that originated during the year ended March 31, 1992. The entry recorded reduced the "Due From Other Funds" balance by \$16,310 and increased Fund balance by \$16,310.

Proprietary Fund - During the year ended March 31, 1994 a prior period adjustment of \$471,613 was recorded. The purpose of this entry was to adjust the fund balance to actual based on account analysis. The March 31, 1993 machine generated closing entries failed to transfer all of the detailed accounts in the general ledger to the fund balance. The result is that the March 31, 1993 ending fund balance did not agree with the April 1, 1993 fund balance. This entry adjusted the beginning fund balance at March 31, 1994 to agree with the March 31, 1993 ending 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, 1994

Revenues	
General property taxes	193,133
Sales and use tax	787,731
Penalties	1
Utility franchise	174,294
Business license and permits	9,731
Intangible tax	48,698
Other revenue	1,054
Intergovernmental revenue	(13,280)
Interest income	406,107
	<hr/>
Total revenue	1,607,469
	<hr/>
Expenditures	
Salaries	147,616
Social security and unemployment taxes	11,315
Health insurance and expense	26,321
Wellness program	180
Retirement	16,984
Workman's compensation	301
Professional and consulting service	12,391
Telephone	1,408
Travel	1,863
Other fees and personal services	1,664
Insurance	6,169
Utilities	
- electric	5,759
- water	140
- gas	1,322
Repairs and maintenance	
- office equipment	17,924
- buildings	1,728
Dry cleaning	430
Reassessment expense	309
Postage	2,722
Supplies	
- office	5,267
- building	1,049
Miscellaneous	5,862
Capital outlay	17,694
	<hr/>
Total expenditures	286,418
	<hr/>
Transfers in (out)	(469,184)
	<hr/>
Excess of revenues over (under) expenditures and other uses	851,867
	<hr/> <hr/>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - POLICE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
Sales and use tax	29
Court fines	81,037
Other public safety charges	12,498
911 income	54,018
Other revenue	4,563
Intergovernmental revenue	5,834
	<hr/>
Total revenue	157,979

Expenditures	
Salaries	513,366
Social security and unemployment taxes	39,356
Health insurance and expense	81,518
Wellness program	3,205
Retirement	63,404
Workman's compensation	39,491
Professional and consulting service	13,887
Education	7,483
Telephone	9,382
Travel	1,643
Insurance	24,317
Utilities	
- electric	3,603
- water	102
Repairs and maintenance	
- vehicles	7,521
- buildings	2,774
Dry cleaning	15,854
Care of prisoners	1,076
Postage	926
Supplies	
- office	2,856
- building	1,269
- operating	7,686
- training	6,535
Canine expense	2,982
Radio expense	5,825
Computer	2,196
Civil defense	3,588
Dog catcher expense	3,140
Gas and oil (trucks)	12,742
Miscellaneous	8,735
Capital outlay	97,485
911 expense	38,019
	<hr/>
Total expenditures	1,021,966

Excess of revenues over (under) expenditures and other uses	<hr/> <hr/> (863,987)
---	------------------------

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
GENERAL FUND - 911 SYSTEM
FOR YEAR ENDED MARCH 31, 1994

Revenues	
Total revenue	<u>0</u>
Expenditures	
Social security and Health insurance and expense	184
Utilities	
Repairs and maintenance	
Supplies	
Total expenditures	<u>184</u>
Excess of revenues over (under) expenditures and other uses	<u>(184)</u>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - FIRE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
Other public safety charges	688
Other revenue	324
Intergovernmental revenue	1,294
	<hr/>
Total revenue	2,306
	<hr/>
Expenditures	
Salaries	240,707
Social security and unemployment taxes	18,436
Health insurance and expense	24,519
Wellness program	200
Retirement	32,528
Workman's compensation	19,668
Professional and consulting service	3,894
Education	2,614
Telephone	1,341
Travel	246
Insurance	10,614
Utilities	
- electric	326
- gas	641
Repairs and maintenance	
- vehicles	1,999
- equipment	6,907
Dry cleaning	1,012
Postage	228
Supplies	
- office	275
- building	1,349
- operating	4,700
- training	3,363
Radio expense	5,089
Gas and oil (trucks)	1,909
Miscellaneous	6,729
Capital outlay	44,675
	<hr/>
Total expenditures	433,969
	<hr/>
Excess of revenues over (under) expenditures and other uses	<hr/> (431,663) <hr/>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - STREET DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1994

Revenues

Sales and use tax	23
Motor fuel tax distribution	129,260
Motor sales tax	59,165
Street, sidewalk and curb repairs	3,446
Other revenue	2,449
Intergovernmental revenue	36,731
	231,074
Total revenue	231,074

Expenditures

Salaries	106,262
Social security and unemployment taxes	8,151
Health insurance and expense	9,879
Wellness program	140
Retirement	12,968
Workman's compensation	16,849
Professional and consulting service	20,438
Telephone	607
Insurance	11,143
Utilities	
- water	2
- gas	1,628
Repairs and maintenance	
- buildings	341
- equipment	9,667
Postage	242
Supplies	
- office	32
- operating	3,517
Radio expense	422
Gas and oil (trucks)	10,675
Miscellaneous	50,389
Capital outlay	74,539
Miscellaneous street rep	29,961
Material (construction)	160,552
Traffic and street lights	37,957
	566,361
Total expenditures	566,361

Transfers in (out) (295,020)

Excess of revenues over
 (under) expenditures and
 other uses (630,307)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - AIRPORT DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
Airport rent received	12,862
Other revenue	19,173
Intergovernmental revenue	83,273
Total revenue	115,308
Expenditures	
Salaries	1,625
Social security and unemployment taxes	124
Professional and consulting service	94,694
Insurance	2,299
Utilities	
- electric	995
Repairs and maintenance	
- vehicles	67
- buildings	2,388
Supplies	
- operating	908
Runway expenses	1,036
Gas and oil (trucks)	2,035
Miscellaneous	1,207
Capital outlay	10,668
Total expenditures	118,046
Excess of revenues over (under) expenditures and other uses	(2,738)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - SANITATION DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
Sanitation charges	141,548
Penalties	1,059
Other revenue	92
Intergovernmental revenue	1,496
	144,195
Expenditures	
Salaries	146,504
Social security and unemployment taxes	11,230
Health insurance and expense	13,667
Wellness program	180
Retirement	16,087
Workman's compensation	21,446
Professional and consulting service	308
Insurance	5,668
Utilities	
- electric	398
- water	93
Repairs and maintenance	
- vehicles	10,493
- equipment	2,861
Postage	1,441
Supplies	
- office	169
- operating	1,050
Radio expense	216
Gas and oil (trucks)	6,633
Miscellaneous	383
Street sweeper expense	7,123
Landfill expenses	51,666
Recycling expense	8,029
	305,645
Excess of revenues over (under) expenditures and other uses	(161,450)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - HAZARDOUS WASTE
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
Total revenue	0
Expenditures	
Salaries	200
Social security and unemployment taxes	15
Education	185
Utilities	
Repairs and maintenance	
Supplies	
- office	21
- operating	10
Total expenditures	431
Excess of revenues over (under) expenditures and other uses	(431)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - BUILDING OFFICIAL/CODE ADMIN
 FOR YEAR ENDED MARCH 31, 1994

Revenues	
General property taxes	7,854
Sales and use tax	8
Other revenue	4,351
Intergovernmental revenue	102
Interest income	292
	<hr/>
Total revenue	12,607
	<hr/>
Expenditures	
Salaries	19,233
Social security and unemployment taxes	1,472
Health insurance and expense	616
Wellness program	20
Retirement	2,454
Workman's compensation	494
Professional and consulting service	2,834
Telephone	736
Travel	133
Insurance	137
Utilities	
- electric	941
Repairs and maintenance	
- vehicles	129
Postage	242
Supplies	
- office	792
- operating	101
Gas and oil (trucks)	486
Miscellaneous	1,113
	<hr/>
Total expenditures	31,933
	<hr/>
Excess of revenues over (under) expenditures and other uses	<hr/> (19,326) <hr/>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - CASH BASIS
 GENERAL FUND - DEPARTMENT TOTALS
 FOR YEAR ENDED MARCH 31, 1994

GENERAL FUND - DEPARTMENT TOTALS

Revenues

Non-departmental	\$ 1,607,469
Police department	157,979
911 system	184
Fire department	2,306
Street department	231,074
Airport	115,308
Sanitation department	144,195
Hazardous waste	--
Building official & code administrators dept.	<u>12,607</u>
Total revenues	<u>2,270,938</u>

Expenditures

Non-departmental	286,418
Police department	1,021,966
911 system	--
Fire department	433,969
Street department	566,361
Airport	118,046
Sanitation department	305,645
Hazardous waste	431
Building official & code administrators dept.	<u>31,933</u>
Total expenditures	<u>2,764,953</u>

Transfers in (out) (764,204)

Excess of revenues over (under)
 expenditures and other uses \$ (1,258,219)

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES - CASH BASIS
SPECIAL REVENUE FUND
FOR YEAR ENDED MARCH 31, 1994

ALL DEPARTMENTS

Revenues

Golf

- Green fees	\$ 91,544
- Cart rentals	9,677
- Equipment use	21,670
Swimming pool fees	19,860
Casino rentals	21,411
Sale of cemetery lots and grave openings	16,306
Recreation use fees	55,918
Intergovernmental	452
Other receipts	<u>81,775</u>
Total revenues	<u>318,613</u>

Expenditures

Salaries - park	111,064
- golf	89,074
- cemetery	36,764
- pool	28,369
- recreation center	81,071
Social security and unemployment taxes	23,523
Health insurance and expense	33,314
Retirement	18,230
Insurance/bonds	10,417
Workman's compensation	21,745
Telephone	2,819
Professional & Consulting	7,589
Utilities - park & recreation	14,922
- golf	3,670
- cemetery	1,600
- pool	4,901
Repairs and maint. - Bldg	
-park, golf & recreation	10,396
- Building - pool	100
- autos and trucks	1,516
- equipment	10,822
Supplies - park & recreation center	28,858
- golf	1,995
- cemetery	895
- pool	3,229
Gas and oil - trucks	2,613
equipment	5,035
Rent	5,958
Miscellaneous -	13,705
Construction contracts	15,438
Capital outlay - park, pool & recreation	87,376
- golf	102,863
- cemetery	<u>9,979</u>
Total expenditures	<u>789,850</u>

Excess of revenues over (under)	
expenditures before transfers	(471,237)
Other financial sources	
Transfers in	<u>469,184</u>
Total other sources	<u>469,184</u>
Excess of revenues and transfers over	
(under) expenditures	<u>\$ (2,053)</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS
 PROPRIETARY FUND
 MARCH 31, 1994

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECH. OPERATIONS</u>	<u>TREE TRIM OPERATIONS</u>	<u>TOTAL</u>
ASSETS						
Cash	\$ (26,111)	\$16,103,028	\$ 92,290	--	--	\$ 16,169,207
Investments	--	--	300,000	--	--	300,000
Accounts receivable	49,112	682,627	50,704	--	--	782,443
Restricted cash	--	--	1,153,265	--	--	1,153,265
Property, plant and equipment (net)	3,105,213	1,318,391	4,669,179	--	6,842	9,099,625
Construction in progress	--	--	5,363,938	--	--	5,363,938
Total Assets	<u>\$3,128,214</u>	<u>\$18,104,046</u>	<u>\$11,629,376</u>	<u>\$ --</u>	<u>\$ 6,842</u>	<u>\$ 32,868,478</u>
LIABILITIES AND RETAINED EARNINGS						
Liabilities						
Accounts payable	\$ 116,932	\$ 473,735	\$ 93,114	\$ 599	\$ 888	\$ 685,268
Due to other funds	984,329	--	882,532	--	--	1,866,861
Customer deposits	30,801	133,051	--	--	--	163,852
Sewer Bonds payable	--	--	2,350,000	--	--	2,350,000
Total Liabilities	1,132,062	606,786	3,325,646	599	888	5,065,981
RETAINED EARNINGS						
Contributed capital	--	--	2,547,517	--	--	2,547,517
Retained earnings:						
Beginning balance	2,106,455	15,832,717	5,467,775	(4,051)	--	23,402,396
Prior year adjustments	53,072	(197,532)	611,524	--	--	467,064
Current net income	(163,375)	1,862,075	(323,086)	3,952	5,954	1,385,520
Total Retained Earnings	<u>1,996,152</u>	<u>17,494,260</u>	<u>8,303,730</u>	<u>(599)</u>	<u>5,954</u>	<u>28,182,776</u>
Total Liabilities and Retained Earnings	<u>\$3,128,214</u>	<u>\$18,104,046</u>	<u>\$11,629,376</u>	<u>\$ --</u>	<u>\$ 6,842</u>	<u>\$32,868,478</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF REVENUES AND EXPENSES
 PROPRIETARY FUNDS
 FOR YEAR ENDED MARCH 31, 1994

	WATERWORKS OPERATIONS	ELECTRIC OPERATIONS	SEWER OPERATIONS	CITY MECHANIC OPERATIONS	TREE TRIMMING OPERATIONS	CITY ENGINEER OPERATIONS	TOTAL
Operating revenues							
Revenue	600,590	8,106,631	676,669	0	0	0	9,383,890
Tap-in charges	4,900	0	990	0	0	0	5,890
Sale of supplies	16,733	1,967	294	0	0	0	18,994
Penalties	5,008	22,887	1,666	0	0	0	29,561
Miscellaneous charges	1,661	1,801	6,513	30,558	0	0	40,533
	628,892	8,133,286	686,132	30,558	0	0	9,478,868
Operating expenses							
Electric purchases	0	5,397,568		0	0	0	5,397,568
Salaries	218,098	266,579	196,766	27,380	36,168	0	744,991
Health insurance and expenses	22,153	62,941	12,992	1,839	1,590	0	101,514
Retirement	23,197	35,408	23,852	2,648	0	0	85,104
Miscellaneous work comp	9,928	10,568	10,780	646	3,878	380	36,179
Social security and unemployment expense	16,707	23,587	15,075	2,095	2,789	0	60,253
Utilities - electric	119,704	42	92,236	216	0	0	212,198
- gas	692	942	16,793	648	0	0	19,076
Repairs and maintenance							
- autos and trucks	3,914	7,216	306	0	1,153	0	12,589
- equipment	8,947	37,081	55,995	0	2,041	0	104,064
- building	2,436	3,036	771	3,400	0	0	9,643
Postage and freight	2,246	3,292	2,248	42	0	0	7,828
Telephone	838	3,501	1,600	355	0	0	6,294
Office supplies	3,171	2,802	792	465	88	0	7,319
Gas and oil - trucks	7,044	9,390	2,221	790	2,332	0	21,777
- equipment	1,484	430	6,700	31	191	0	8,836
Professional fees	900	7,111	26,401	0	0	0	34,412
Supplies	113,513	216,533	40,433	29,214	1,838	0	401,531
Insurance	19,022	38,514	33,785	534	1,656	391	93,902
Travel	272	1,743	675	200	0	0	2,890
Depreciation Expense	150,949	199,697	272,601	0	760	0	624,007
Miscellaneous	15,995	16,852	8,228	2,512	384	75	44,046
Bond fees	0	0	84,717	0	0	0	84,717
PCB expense	0	21,605		0	0	0	21,604
Total operating expenses	741,210	6,366,438	905,967	73,015	54,868	846	8,142,342
Operating income	(112,318)	1,766,848	(219,835)	(42,457)	(54,868)	(846)	1,336,526
Non-operating revenues(expenses)							
Interest income	1,762	0	89,144	0	0	0	90,906
1990 Sewer Dep & Repl	0	0	45,603	0	0	0	45,603
Interest expense	0	0	27,001	0	0	0	27,001
Rent	1,205	5,780	626	0	0	0	7,612
Expenditures	0	0	81,123	0	0	0	81,123
Total non-operating revenues	2,967	5,780	27,249	0	0	0	35,997
Income before transfers	(109,351)	1,772,628	(192,586)	(42,457)	(54,868)	(846)	1,372,523
Transfer From Other Fds	0	89,447	58,608	46,408	60,823	846	256,132
Transfer To Other Funds	(54,024)	0	(189,108)	0	0	0	(243,132)
Net Income (Loss)	(163,375)	1,862,075	(323,086)	3,951	5,955	0	1,385,523

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1994

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECH. OPERATIONS</u>	<u>TREE TRIM OPERATIONS</u>	<u>TOTAL</u>
Cash flows from operating activities						
Net income (loss)	\$(163,375)	\$ 1,862,075	\$ (323,086)	\$ 3,952	\$ 5,954	\$ 1,972,038
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation	150,948	199,698	272,601	--	760	528,763
Dec in investments	--	--	--	--	--	--
Dec in accounts receivable	2,158	(49,265)	7,553	--	--	(39,554)
Dec in accrued interest	--	--	5,151	--	--	15,645
Dec in due from revolving fund	--	--	503,845	--	--	503,845
Dec in sewer bond reserve	--	--	124,000	--	--	124,000
Inc in construction in prog.	--	--	(1,281,802)	--	--	(2,820,450)
Inc in accounts payable	82,638	27,343	(40,360)	(3,952)	888	66,557
Inc in due to other funds	979,029	(7,117)	876,511	--	--	1,848,423
Dec in restricted assets	--	--	71,361	--	--	71,361
Inc in customer deposits	1,592	9,390	--	--	--	10,982
Dec in bonds payable	--	--	(60,000)	--	--	(60,000)
Net cash provided by operating activities	<u>1,052,990</u>	<u>2,042,124</u>	<u>155,774</u>	<u>--</u>	<u>7,602</u>	<u>3,258,490</u>
Cash used from capital activities						
Payments for capital acquisition	(609,208)	(396,936)	(394,809)	--	(7,602)	(1,408,555)
Net cash from capital activities	(609,208)	(396,936)	(394,809)	--	(7,602)	(1,408,555)
Cash flows from investing activities						
contributed capital from EPA and DNR grants	--	--	44,838	--	--	44,838
Prior period adjustment	53,072	(197,532)	611,524	--	--	467,064
Net cash from investing activities	53,072	(197,532)	656,362	--	--	511,902
Net Cash Increase (Decrease)	496,854	1,447,656	(417,327)	--	--	2,361,837
Cash at beginning of year	(522,965)	14,655,372	(325,037)	--	--	13,807,370
Cash at end of year	<u>\$ (26,111)</u>	<u>\$16,103,028</u>	<u>\$ (92,290)</u>	<u>--</u>	<u>--</u>	<u>\$16,169,207</u>

CITY OF MONETT, MISSOURI
 COMBINING BALANCE SHEET
 FIDUCIARY FUNDS
 MARCH 31, 1994

AGENCY FUNDS

	<u>Payroll Escrow</u>	<u>Health Self-Insurance</u>	<u>Total</u>
ASSETS			
Cash	\$ 10,496	\$ (1,161)	\$ 9,335
Total Assets	<u>\$ 10,496</u>	<u>\$ (1,161)</u>	<u>\$ 9,335</u>
LIABILITIES			
Due to employees	\$ 10,496	\$ --	\$ 10,496
Due to employees from self-insurance	--	(1,161)	(1,161)
Total Liabilities	<u>\$ 10,496</u>	<u>\$ (1,161)</u>	<u>\$ 9,335</u>

CITY OF MONETT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
PAYROLL AGENCY FUND
FOR YEAR ENDED MARCH 31, 1994

	Balance 4-1-93	Additions	Deductions	Balance 3-31-94
Assets				
Cash	<u>\$ 9,987</u>	<u>\$2,431,492</u>	<u>\$2,430,983</u>	<u>\$ 10,496</u>
Total Assets	<u>\$ 9,987</u>	<u>\$2,431,492</u>	<u>\$2,430,983</u>	<u>\$ 10,496</u>
Liabilities				
Due to employees	<u>\$ 9,987</u>	<u>\$2,431,492</u>	<u>\$2,430,983</u>	<u>\$ 10,496</u>
Total Liabilities	<u>\$ 9,987</u>	<u>\$2,431,492</u>	<u>\$2,430,983</u>	<u>\$ 10,496</u>

CITY OF MONETT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
HEALTH SELF-INSURANCE AGENCY FUND
FOR YEAR ENDED MARCH 31, 1994

	Balance 4-1-93	Additions	Deductions	Balance 3-31-94
Assets				
Cash	<u>\$ 21,364</u>	<u>\$ 424,885</u>	<u>\$ 447,410</u>	<u>\$ (1,161)</u>
Total Assets	<u>\$ 21,364</u>	<u>\$ 424,885</u>	<u>\$ 447,410</u>	<u>\$ (1,161)</u>
Liabilities				
Due to	<u>\$ 21,364</u>	<u>\$ 424,885</u>	<u>\$ 447,410</u>	<u>\$ (1,161)</u>
Total Liabilities	<u>\$ 21,364</u>	<u>\$ 424,885</u>	<u>\$ 447,410</u>	<u>\$ (1,161)</u>

CITY OF MONETT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED MARCH 31, 1994

	Balance 4-1-93	Additions	Deductions	Balance 3-31-94
Assets				
Cash	<u>\$ 31,351</u>	<u>\$2,856,377</u>	<u>\$2,878,393</u>	<u>\$ 9,335</u>
Total Assets	<u>\$ 31,351</u>	<u>\$2,856,377</u>	<u>\$2,878,393</u>	<u>\$ 9,335</u>
Liabilities				
Due to employees	<u>\$ 9,987</u>	<u>\$2,431,492</u>	<u>\$2,430,983</u>	<u>\$ 10,496</u>
from self-insurance	<u>21,364</u>	<u>424,885</u>	<u>447,410</u>	<u>(1,161)</u>
Total Liabilities	<u>\$ 31,351</u>	<u>\$2,856,377</u>	<u>\$2,878,393</u>	<u>\$ 9,335</u>

CITY OF MONETT, MISSOURI
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 (By Function and Activity)
 FOR YEAR ENDED MARCH 31, 1994

Function and Activity	Balance April 1, 1993	Additions	Deductions	Balance March 31, 1994
General government				
Buildings	\$ 106,198	17,693	--	\$ 123,891
Administration	<u>287,225</u>	<u>--</u>	<u>--</u>	<u>287,225</u>
Total Gen. Govt.	393,423	17,693	--	411,116
Public safety				
Police	509,395	97,485	--	606,880
Fire	<u>461,354</u>	<u>44,675</u>	<u>--</u>	<u>506,029</u>
Total public safety	970,749	142,160	--	1,112,909
Street	5,817,335	74,539	--	5,891,874
Airport	809,978	10,668	--	820,646
Sanitation	223,383	--	--	223,383
Recreation	<u>1,634,662</u>	<u>200,217</u>	<u>22,507</u>	<u>1,812,372</u>
Total general fixed assets allocated to functions and activities	<u>\$9,849,530</u>	<u>\$ 445,277</u>	<u>\$ 22,507</u>	<u>\$10,272,300</u>

FEDERAL FINANCIAL ASSISTANCE

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor H.C. Beckwith
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

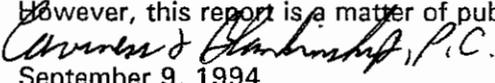
We have audited the general purpose financial statements of the City of Monett, Missouri as of and for the year ended March 31, 1994, and have issued our report thereon dated September 9, 1994.

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

Compliance with laws, regulations, contracts, and grants applicable to the City of Monett, Missouri is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the general purpose 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, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the 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.

This report is intended for the information of the City Council of the City of Monett, Management, Environmental Protection Agency, The Cognizant Federal Audit Agency, and other audit agencies. However, this report is a matter of public record and its distribution is not limited.


September 9, 1994
Monett, Missouri

212 C Village Center Rd.
Nixa, Missouri 65714
(417) 725-1788
FAX (417) 725-5955

CAVINESS
&
BLANKINSHIP

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

218 Fifth Street
Monett, Missouri 65708
(417) 235-3488
FAX (417) 235-8627

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Honorably Mayor H.C. Beckwith
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of City of Monett, Missouri for the year ended March 31, 1994, and have issued our report thereon dated September 9, 1994.

We have applied procedures to test City of Monett, Missouri, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended March 31, 1994: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, or administrative requirements.

Our procedures 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 were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Monett, Missouri, compliance with the requirements listed in the preceding paragraph. 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 second paragraph of this report. With respect to items not tested, there is more than a relatively low risk that the City of Monett, Missouri had not complied, in all material respects, with those requirements.

This report is intended for the information of the City Council of the city of Monett, Management, Environmental Protection Agency, the Cognizant Federal Audit Agency, and other audit agencies. However, this report is a matter of public record and its distribution is not limited.

Caviness & Blankinship, P.C.

September 9, 1993
Monett, Missouri

INDEPENDENT AUDITORS' OPINION ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAMS

Honorable Mayor H.C. Beckwith
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

We have also audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1994, and have issued our report thereon dated September 9, 1994.

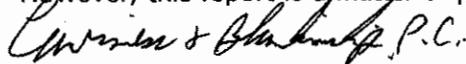
We have also audited the City of Monett, Missouri compliance with the requirements governing eligibility; types of costs allowed or unallowed; claims for advances and reimbursements; reporting; matching level of effort; that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the twelve months ended March 31, 1994. The management of the City of Monett, Missouri is responsible for the City's 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 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 the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, the City of Monett, Missouri complied, in all material respects, with the requirements described in paragraph one that are applicable to each of its major federal financial assistance programs for the year ended March 31, 1994.

This report is intended for the information of the City Council of the City of Monett, Management, Environmental Protection Agency, the Cognizant Federal Audit Agency, and other audit agencies. However, this report is a matter of public record and its distribution is not limited.



September 9, 1994
Monett, Missouri

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor, H.C. Beckwith
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

We have audited the general purpose financial statements of the City of Monett, Missouri as of and for the year ended March 31, 1994, and have issued our report thereon dated September 9, 1994.

We have 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City of Monett, Missouri for the year ended March 31, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities 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 purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Activity Cycles

- Treasury of Financing
- Revenues/accounts receivable/cash receipts
- Purchases/accounts payable/cash disbursements
- Payroll/personnel
- External financial reporting

Financial Statement Captions

- Cash and cash equivalents
- Receivables
- Property and equipment
- Payables and accrued liabilities
- Debt
- Surplus and fund balances

Accounting Applications

Billings	Cash disbursements
Receivables	Payroll
Cash receipts	Property and equipment
Purchasing and receiving	General ledger
Accounts payable	

Controls Used in Administering Compliance With Laws and Regulations

General controls:	
Political Activity	Davis-Bacon Act
Civil Rights	Cash Management
Drug-Free Workplace Act	Federal financial reports

Specific controls:	
Eligibility	Compliance with EPA regulations
Cost Allowed or Unallowed	Comparability
Matching, Level of Effort	Cost Allocation
Reporting	

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk. The purpose of our consideration of the internal control structure was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the general purpose financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the City Council of the City of Monett, management, Environmental Protection Agency, the cognizant federal audit agency and other audit agencies. However, this report is a matter of public record and its distribution is not limited.

Carver & Babin, P.C.
September 9, 1994
Monett, Missouri

212 C. Village Center Rd.
Nixa, Missouri 65714
(417) 725-1788
FAX (417) 725-5955

CAVINESS
&
BLANKINSHIP

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

218 Fifth Street
Monett, Missouri 65708
(417) 235-3488
FAX (417) 235-8627

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Honorable Mayor H.C. Beckwith
Jon Suit and Rex Lane, Councilmen
Monett, Missouri

We have audited the general purpose financial statements of City of Monett, Missouri, for the year ended March 31, 1994, and have issued our report thereon dated September 9, 1994. We have also audited City of Monett, Missouri's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 9, 1994.

We conducted our audits 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 general purpose financial statements are free of material misstatement and whether City of Monett, Missouri, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended March 31, 1994, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the City's general purpose financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 9, 1994.

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 general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable law 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 subjected 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 purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Activity Cycles

Revenues/accounts receivable/cash receipts
Purchases/accounts payable/cash disbursements
Payroll
External financial reporting

Financial Statement Captions

Cash and cash equivalents
Receivables
Property and equipment
Payables and accrued liabilities
Debt
Surplus and fund balances

Accounting Applications

Receivables	Cash disbursements
Cash receipts	Payroll
Purchasing and receiving	Property and equipment
Accounts payable	General ledger

Controls Used in Administering Compliance With Laws and Regulations

General controls:	Davis-Bacon Act
Political Activity	Cash Management
Civil Rights	Federal financial reports
	Drug-Free Workplace Act

Specific controls:

Eligibility	Compliance with EPA regulations
Cost Allowed or Unallowed	Comparability
Matching, Level of Effort	Cost Allocation
Reporting	
Special Requirements, if any	

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.

During the year ended March 31, 1994, City of Monett, Missouri expended 100% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, 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 that would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards issued by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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 believe the reportable conditions described above are material weaknesses.

This report is intended for the information of the City Council of the City of Monett, Management, Environmental Protection Agency, the Cognizant Federal Audit Agency and other audit agencies. However, this report is a matter of public record and its distribution is not limited.

Loviness & Blankinship, P.C.

September 9, 1994
Monett, Missouri

INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Honorable Mayor H.C. Beckwith
Jon Suit, and Rex Lane, Councilmen
Monett, Missouri

We have audited the general purpose financial statements of the City of Monett for the year ended March 31, 1994, and have issued our report thereon dated August 25, 1994. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements of the 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 general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects in relation to the general purpose financial statements taken as whole.

Caviness & Blankinship, P.C.

September 9,, 1994
Monett, Missouri

CITY OF MONETT, MISSOURI
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 MARCH 31, 1994

<u>Federal Grantor/ Program Title</u>	<u>CFDA NO.</u>	<u>Program or Award Amount</u>	<u>Receipts</u>	<u>Expenditures</u>
Environmental Protection Agency Construction Grants for Wastewater Treatment Works	66.418	<u>\$2,312,410</u>	<u>\$ 470,312</u>	<u>\$ 470,312</u>
Total EPA		<u>\$2,312,410</u>	<u>\$ 470,312</u>	<u>\$ 470,312</u>

CITY OF MONETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MARCH 31, 1994

There were no findings or questioned costs noted in the current year.

CITY OF MONETT, MISSOURI
SCHEDULE OF PRIOR YEAR FINDINGS
MARCH 31, 1994

EPA, CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS

There were no findings or questioned costs noted in the prior year.