

CITY OF MONETT,
MISSOURI

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 1995

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Independent Auditors' Report

Honorable Mayor Jon Suit,
Jerry Fulp, 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, 1995, 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.

The financial statements referred to above do not include an accrual for compensated absences, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the general fund and enterprise fund is not known.

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, 1995 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.

Caviness & Kinzey

Monett, Missouri
September 29, 1995

FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1995

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
ASSETS			
Cash	\$(16,764,104)	\$ 5,647	\$ 100,942
Investments	7,721,958	--	--
Accounts receivable			
Taxes	361	--	--
Electric	--	--	--
Water	--	--	--
Sanitation	7,799	--	--
Sewer	--	--	--
Other	--	718	--
Property tax receivable	13,104	--	--
Sales tax receivable	66,464	--	--
Construction in progress	--	--	--
Due from other funds	2,387,881	--	--
Accrued interest receivable	71,470	--	--
Bond prepayment	--	--	116,200
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>\$ (6,495,067)</u>	<u>\$ 6,365</u>	<u>\$ 217,242</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 109,191	\$ 13,575	\$ --
Accrued liabilities	--	--	--
General obligation bonds			
payable	--	--	--
Due to other funds	--	--	--
Customer deposits	--	--	--
Due to employees	--	--	--
Sewer bond payable	--	--	--
Capital lease payable	31,453	--	--
Total Liabilities	<u>140,644</u>	<u>13,575</u>	<u>--</u>
Fund Equity			
Investment in General Fixed Assets	--	--	--
Reserve for debt service	--	--	--
Contributed capital	--	--	--
Retained earnings (deficit):	--	--	--
Fund Balance	(6,635,711)	(7,210)	227,242
Total Fund Equity	<u>(6,635,711)</u>	<u>(7,210)</u>	<u>227,242</u>
Total Liabilities			
and Fund Equity	<u>\$ (6,495,067)</u>	<u>\$ 6,365</u>	<u>\$ 217,242</u>

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

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		1995 TOTAL (MEMORANDUM ONLY)	1994 TOTAL (MEMORANDUM ONLY)
		LONG-TERM DEBT GROUP	GENERAL FIXED ASSETS		
\$17,522,976	\$ 25,740	\$ --	\$ --	\$ 891,198	\$ 1,667,702
300,000	--	--	--	8,021,958	8,007,776
--	--	--	--	361	10,079
566,615	--	--	--	566,615	682,627
52,266	--	--	--	52,266	49,112
--	--	--	--	7,799	11,325
49,954	--	--	--	49,954	50,704
--	--	--	--	718	21,604
--	--	--	--	13,104	8,563
--	--	--	--	66,464	61,143
--	--	--	--	--	5,363,938
--	--	--	--	2,387,881	1,866,861
--	--	--	--	71,470	55,000
--	--	--	--	116,200	122,500
1,278,506	--	--	--	1,278,506	1,217,199
15,036,788	--	--	11,884,524	26,921,312	19,685,855
--	--	217,142	--	217,142	101,158
--	--	282,858	--	282,858	598,842
<u>\$34,807,105</u>	<u>\$ 25,740</u>	<u>\$ 500,000</u>	<u>\$11,884,524</u>	<u>\$ 40,945,809</u>	<u>\$ 39,581,988</u>
\$ 510,867	\$ --	\$ --	\$ --	\$ 633,632	\$ 1,026,244
52,181	--	--	--	52,181	--
--	--	500,000	--	500,000	700,000
2,387,880	--	--	--	2,387,881	1,866,861
179,793	--	--	--	179,793	163,852
--	25,740	--	--	25,740	9,335
2,255,000	--	--	--	2,255,000	2,350,000
--	--	--	--	31,453	--
<u>5,385,721</u>	<u>25,740</u>	<u>500,000</u>	<u>--</u>	<u>6,065,680</u>	<u>6,116,292</u>
--	--	--	11,884,524	11,884,524	10,586,230
--	--	--	--	--	223,658
3,017,829	--	--	--	3,017,829	3,017,829
26,403,555	--	--	--	26,403,555	24,784,668
--	--	--	--	(6,425,779)	(5,146,689)
<u>29,421,384</u>	<u>--</u>	<u>--</u>	<u>11,884,524</u>	<u>34,880,129</u>	<u>33,465,696</u>
<u>\$34,807,105</u>	<u>\$ 25,740</u>	<u>\$ 500,000</u>	<u>\$11,884,524</u>	<u>\$ 40,945,809</u>	<u>\$ 39,581,988</u>

CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES
 FOR YEAR ENDED MARCH 31, 1995

	GOVERNMENTAL FUND TYPES	
	GENERAL	SPECIAL REVENUE
Revenues		
Property taxes, including penalties and interest	\$ 180,827	\$ --
Nonproperty taxes	1,084,322	--
Fines and forfeits	106,967	--
Licenses and permits	147,450	--
Fees and services	299,513	289,275
Intergovernmental	10,325	5,214
Miscellaneous	12,370	--
Interest	<u>367,430</u>	<u>--</u>
Total revenues	<u>2,209,204</u>	<u>294,489</u>
Expenditures		
Current		
General government	271,731	--
Public safety	1,415,691	--
Highways and streets	741,750	--
Public services	428,690	--
Culture and recreation	--	613,171
Capital outlay	1,479,163	125,368
Debt service		
Principal retirement	--	--
Interest and fiscal agent fees	<u>--</u>	<u>--</u>
Total expenditures	<u>4,337,025</u>	<u>738,539</u>
Excess of revenues over (under) expenditures	(2,127,821)	(444,050)
Other financing sources (uses)		
Sale of Land	--	64,500
Transfers in (out)	<u>633,219</u>	<u>377,920</u>
Total other financing sources	<u>633,219</u>	<u>442,420</u>
Excess of revenues and other sources over (under) expenditures and other uses	(1,494,602)	(1,630)
Fund balance, beginning of year	<u>(5,141,109)</u>	<u>(5,580)</u>
Prior year adjustment (Note H)	<u>--</u>	<u>--</u>
Fund balance, end of year	<u>\$ (6,635,711)</u>	<u>\$ (7,210)</u>

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

<u>DEBT SERVICE</u>	<u>1995 TOTAL (MEMORANDUM ONLY)</u>	<u>1994 TOTAL (MEMORANDUM ONLY)</u>
\$ --	\$ 180,827	\$ 210,610
--	1,084,322	1,028,782
--	106,967	81,037
--	147,450	184,025
--	588,788	543,085
--	15,539	132,594
--	12,370	36,200
<u>2,895</u>	<u>370,325</u>	<u>409,626</u>
<u>2,895</u>	<u>2,506,588</u>	<u>2,625,959</u>
--	271,731	268,724
--	1,415,691	1,313,959
--	741,750	491,822
--	428,690	454,372
--	613,171	601,353
--	1,604,531	765,442
200,000	200,000	200,000
<u>42,446</u>	<u>42,446</u>	<u>54,809</u>
<u>242,446</u>	<u>5,318,010</u>	<u>4,150,481</u>
(239,551)	(2,811,422)	(1,524,522)
--	64,500	--
<u>233,035</u>	<u>1,244,174</u>	<u>--</u>
<u>233,035</u>	<u>1,308,674</u>	<u>--</u>
(6,516)	(1,502,748)	(1,524,522)
<u>223,658</u>	<u>(4,923,031)</u>	<u>(3,439,474)</u>
--	--	40,965
<u>\$ 217,142</u>	<u>\$ (6,425,779)</u>	<u>\$ (4,923,031)</u>

CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUES, DEBT SERVICE,
 FOR YEAR ENDED MARCH 31, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 198,400	\$ 180,827	\$ (17,573)
Non-property taxes	919,000	1,084,322	165,322
Fines and forfeits	60,910	106,967	46,057
Licenses and permits	188,500	147,450	(41,050)
Fees and services	256,042	299,513	43,471
Intergovernmental	13,600	10,325	(3,275)
Miscellaneous	19,800	12,370	(7,430)
Interest	350,300	367,430	17,130
Total revenues	<u>2,006,552</u>	<u>2,209,204</u>	<u>202,652</u>
Expenditures			
Current			
General government	269,278	271,731	(2,453)
Public safety	1,516,482	1,415,691	100,791
Highways and streets	660,312	741,750	(81,438)
Public services	439,725	428,690	11,035
Culture and recreation	--	--	--
Capital outlay	1,846,373	1,479,163	367,210
Debt service			
Principal retirement	--	--	--
Interest and fiscal agent fees	--	--	--
Total expenditures	<u>4,732,170</u>	<u>4,337,025</u>	<u>395,145</u>
Excess of revenues over (under) expenditures	<u>(2,725,618)</u>	<u>(2,127,821)</u>	<u>597,797</u>
Other financing sources (uses)			
Sale of Land	--	--	--
Transfers in (out)	--	633,219	633,219
Total other financing sources	<u>--</u>	<u>633,219</u>	<u>633,219</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (2,725,618)</u>	<u>(1,494,602)</u>	<u>\$1,231,016</u>
Fund balance, beginning of year		<u>(5,141,109)</u>	
Fund balance, end of year		<u>\$ (6,635,711)</u>	

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

SPECIAL REVENUE FUND

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
259,675	289,275	29,600
5,650	5,214	(436)
--	--	--
--	--	--
<u>265,325</u>	<u>294,489</u>	<u>29,164</u>

DEBT SERVICE FUND

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	2,895	2,895
<u>--</u>	<u>2,895</u>	<u>2,895</u>

--	--	--
--	--	--
--	--	--
--	--	--
586,982	613,171	26,189
171,514	125,368	(46,146)
--	--	--
--	--	--
<u>758,496</u>	<u>738,539</u>	<u>(19,957)</u>

--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
200,000	200,000	--
54,225	42,446	11,779
<u>254,225</u>	<u>242,446</u>	<u>11,779</u>

<u>(493,171)</u>	<u>(444,050)</u>	<u>49,121</u>
--	64,500	64,500
--	<u>377,920</u>	<u>377,920</u>
--	<u>442,420</u>	<u>442,420</u>

<u>(254,225)</u>	<u>(239,551)</u>	<u>14,674</u>
254,225	233,035	(21,190)
<u>254,225</u>	<u>233,035</u>	<u>(21,190)</u>

<u>\$ (493,171)</u>	(1,630)	<u>\$ 491,541</u>
	<u>(5,580)</u>	
	<u>\$ (7,210)</u>	

<u>\$ --</u>	(6,516)	<u>\$ (6,516)</u>
	<u>223,658</u>	
	<u>\$ 217,142</u>	

CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUES, DEBT SERVICE (continued)
 FOR YEAR ENDED MARCH 31, 1995

	TOTALS		
	BUDGET	ACTUAL	VARIANCE
Revenues			
Property taxes, including penalties and interest	\$ 198,400	\$ 180,827	\$ (17,573)
Nonproperty taxes	919,000	1,084,322	165,322
Fines and forfeits	60,910	106,967	46,057
Licenses and permits	188,500	147,450	(41,050)
Fees and services	515,717	588,788	73,071
Intergovernmental	19,250	15,539	(3,711)
Miscellaneous	19,800	12,370	(7,430)
Interest	350,300	370,325	20,025
Total revenues	<u>2,271,877</u>	<u>2,506,588</u>	<u>234,711</u>
Expenditures			
Current			
General government	269,278	271,731	(2,453)
Public safety	1,516,482	1,415,691	100,791
Highways and streets	660,312	741,750	(81,438)
Public services	439,725	428,690	11,035
Culture and recreation	586,982	613,171	(26,189)
Capital outlay	2,017,887	1,604,531	413,356
Debt service			
Principal retirement	200,000	200,000	--
Interest and fiscal agent fees	54,225	42,446	11,779
Total expenditures	<u>5,744,891</u>	<u>5,318,010</u>	<u>426,881</u>
Excess of revenues over (under) expenditures	<u>(3,473,014)</u>	<u>(2,811,422)</u>	<u>661,592</u>
Other financing sources (uses)			
Sale of Land	--	64,500	64,500
Transfers in (out)	254,225	1,244,174	989,949
Total other financing sources(uses)	<u>254,225</u>	<u>1,308,674</u>	<u>1,054,449</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$(3,218,789)</u>	<u>(1,502,748)</u>	<u>\$ 1,716,041</u>
Fund balance beginning of year		<u>(4,923,031)</u>	
Fund balance end of year		<u>\$(6,425,779)</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, 1995

	<u>MARCH 31, 1995</u>	<u>MARCH 31, 1994</u>
Operating revenues		
Charges for services	\$ 9,834,451	\$ 9,383,890
Penalties	31,566	29,561
Other	192,797	65,417
Total operating revenues	<u>10,058,814</u>	<u>9,478,868</u>
Operating expenses		
Electric purchases	5,490,315	5,397,568
Salary and taxes	1,123,789	1,028,041
Utilities	235,002	231,274
Repairs and maintenance	97,364	126,296
Supplies	349,554	408,850
Depreciation	782,354	624,007
Other	401,746	329,557
Total operating expenses	<u>8,480,124</u>	<u>8,145,593</u>
Operating income	1,578,690	1,333,275
Non-operating revenues		
Interest income	135,262	136,509
Interest expense	(114,029)	(108,124)
Rental income	6,832	7,612
Sale of assets	12,132	--
Total non-operating revenues	<u>40,197</u>	<u>35,997</u>
Income before transfers	1,618,887	1,369,272
Transfers in (out)	<u>--</u>	<u>13,000</u>
Net income	1,618,887	1,382,272
Retained earnings, beg. of year	<u>24,784,668</u>	<u>23,402,396</u>
Retained earnings, end of year	<u>\$ 26,403,555</u>	<u>\$24,784,668</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, 1995

	<u>MARCH 31, 1995</u>	<u>MARCH 31, 1994</u>
Cash flows from operating activities		
Net Income	\$ 1,618,887	\$ 1,385,522
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	782,353	624,007
Decrease in investments	--	--
Decrease in accounts receivable	119,916	(39,554)
Decrease in accrued interest	--	5,151
Decrease in due from revolving fund	--	503,845
Decrease in sewer bond reserve	--	124,000
Decrease in construction in progress	--	(1,281,802)
Decrease in accounts payable	(173,513)	66,557
Increase in accrued liabilities	52,181	--
Increase in due to other funds	521,019	7,427
Decrease in restricted assets	(61,307)	1,848,421
Increase in customer deposits	15,941	10,982
Decrease in bonds payable	(95,000)	(60,000)
Net cash provided by operating activities	2,780,477	3,194,556
Cash uses from capital activities		
Payments for capital acquisitions	(1,362,774)	(1,408,555)
Net cash from capital activities	(1,362,774)	(1,408,555)
Cash flows from investing activities		
Contributed capital from EPA and DNR grants	--	44,838
Prior period adjustment	--	467,064
Net cash from investing activities	--	511,902
Net Cash Increase	1,417,700	2,297,903
Cash at beginning of year	16,105,273	13,807,370
Cash at end of year	\$17,522,976	\$16,105,273

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

NOTE A - SUMMARY OF ACCOUNTING POLICIES

INTRODUCTION

The City of Monett (City) complies with Generally Accepted Accounting Principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards (GASB) pronouncements, with the exception of the accrual of employee compensated absences. The City has not accrued compensated absences, vacation leave and sick leave benefits vested by employees as of March 31, 1995. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework on the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended March 31, 1995.

COMPONENT UNITS

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.

In determining how to define the reporting entity, all potential component units have been considered. Each potential component unit was evaluated using the criteria set forth in Governmental Accounting Standards Board pronouncements. These criteria include, but are not limited to manifestation of oversight responsibility, scope of public service, and special financing relationships. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing board and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, there are no additional entities which should be included in the financial statements.

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.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

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.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

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.

Modified Accrual Basis of Accounting

The City uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectable within the current period or soon thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales taxes, franchise taxes, property taxes, special assessments, intergovernmental revenues, and interest income.

Accrual Basis of Accounting

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 department heads of the City submit annual budgets, that are compiled by the City Clerk, to the City Council in accordance with the City Charter and with section 67.010, RSMo 1986.

The budgets for the operating and proprietary fund operations are prepared on the cash and expenditure basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year disbursement of monies is expected. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget and actual financial statements are reported on these bases. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

The budget for the fiscal year ended March 31, 1995 was adopted March 31, 1994. No revisions were made to the budget after initial adoption by the City Council. The budget adopted for the General Fund and Special Revenue Fund included deficit spending which is not in accordance with state statutes.

During the fiscal year ended March 31, 1995 actual expenditures exceeded budgeted expenditures in the General Fund and Special Revenue Fund. Overall the actual expenditures total for all governmental fund types exceeded budgeted expenditures. A resolution was not adopted by the City Council authorizing an increase of expenditures over budget as required by state statute.

5. Compensated Absences

The City has a citywide policy for vacation and sick leave. For vacation leave the City's policy allows full-time employees with 1 - 2 years city employment 1 week vacation; 2 - 5 years employment 2 weeks vacation; 5 - 15 years employment 3 weeks vacation; and over 15 years employment 4 weeks vacation. Sick leave for full-time employees allows 10 days per year and if not used, up to 5 days per year will be credited until 20 days has been accumulated or up to 30 days for employees with four or more years employment with the City. Should employment be terminated the employee is paid for accumulated vacation leave but is not paid for accumulated sick leave. No leave liability is recorded in the financial statements.

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. Receivables

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

8. Bad Debt Expense

Accounts receivable are stated without allowance for doubtful accounts. Accounts are written off as collection losses only after the entity has taken reasonable actions to collect from the taxpayer and/or customer.

9. 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.

10. Interest Receivable

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

11. Inventory

Inventories of the City are recorded as expenditures when purchased.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

12. Property, plant, and equipment

Property, plant and equipment of all funds 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. 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. 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. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and grounds	20-40
Improvements	5-40
Mobile equipment	5-20
Furniture, fixtures, and equipment	5-25

13. 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.

14. 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.

15. 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, 1995 was \$302,501.

16. 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.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995

NOTE B - DEFICIT FUND BALANCE

Governmental Fund Types

General Fund - The General Fund's deficit in fund balance of (\$6,635,711) is the result of revenues inadequate to cover expenditures. This condition has existed since fiscal year 1992, and following.

NOTE C - 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 carried at cost.

CASH AND INVESTMENTS

The City's reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. At year-end the carrying amount of the City's cash was \$ 1,080,738.

Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, other available bank investments and in direct debt securities of the United States. It is the City's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. As of March 31, 1995 all deposits were collateralized with securities held by the pledging institution's trust department or agent in the entity's name.

Investments

Investments at March 31, 1995 were in certificates of deposit in various financial institutions. For the certificates of deposit of \$8,021,958 the total investment was covered by collateral or FDIC insurance and held in the pledging bank's trust department in the City's name.

Restricted Cash - Enterprise Fund

As of March 31, 1995 Boatmen's Trust Company, Kansas City, Missouri, is holding \$1,080,998 in escrow. Monies in this account are restricted to pay principal and interest on the 1990 Sewerage Revenue Bonds. In addition, \$197,508 in cash and \$300,000 in investments are restricted to sewer and/or water operations and maintenance, principal and interest, and reserve depreciation and replacement account.

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

Various bond indentures contain significant requirements for annual debt service and flow of funds through the various restricted accounts. Specifically, the bond indentures for the 1990 sewerage project require the use of reserve depreciation and replacement account; the bond indentures for the 1992A sewer project and 1992B sewer project require the use of operations and maintenance, principal and interest, and reserve depreciation and replacement account. The reporting entity is in compliance with all significant requirements of the various bond covenants.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1995**

The following is a summary of the City's Long-Term debt transactions for the year ended, March 31 1995:

	GENERAL OBLIGATION BONDS
Debt outstanding April 1, 1994	\$ 700,000
Retirements	200,000
Debt outstanding March 31, 1995	\$ 500,000

Debt outstanding as of March 31, 1995, consisted of the following:

	Interest Rate	Maturity Date	Amounts	
			Issued	Outstanding
General Obligation Bonds:				
Overpass-1987	6.4-6.6%	1998	2,000,000	\$ 500,000

GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1995, 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
1996	229,200	29,200	6.40%	200,000	300,000
1997	216,350	16,350	6.50%	200,000	100,000
1998	103,300	3,300	6.60%	100,000	--
Totals	\$ 548,850	\$48,850		\$500,000	

REVENUE BONDS

The City is indebted for the following revenue bonds at March 31, 1995. 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
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	141,648	51,648		90,000	680,000
2001- 2006	836,537	156,537	6.9 to	680,000	--
TOTALS	\$1,533,933	\$468,933	7.25	\$1,065,000	

CITY OF MONETT, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 1995

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992A

Fiscal Year Ended	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bond Outstanding
March 31, 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	73,650	43,650	5.80	30,000	665,000
2001-2013	<u>1,013,887</u>	<u>34,887</u>	5.9 to	<u>665,000</u>	--
TOTALS	<u>1,376,455</u>	<u>581,455</u>	6.55	<u>795,000</u>	

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

Fiscal Year Ended	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bond Outstanding
March 31, 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	38,911	23,911	6.00	15,000	345,000
2000	38,030	23,030	6.20	15,000	
2001-2013	<u>515,715</u>	<u>185,715</u>	6.20 to	<u>330,000</u>	--
TOTALS	<u>703,784</u>	<u>308,784</u>	7.00	<u>395,000</u>	

NOTE E - CAPITAL LEASES

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a backhoe for the Street Department. The equipment required a down payment of \$6,800. The lessor agreed to apply part of the past rent payments made before the City signed a lease purchase agreement. This lease qualifies as a capital lease for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a summary of future minimum lease payments under this capital lease and the present value of the net minimum lease payment at March 31, 1995:

Fiscal Year Ending	General Long-Term Debt
<u>June 30</u>	<u>Backhoe</u>
1996	\$17,751
1997	16,271
Total minimum lease payments	<u>34,022</u>
Less: Amount representing interest	<u>(2,569)</u>
Present value of minimum lease payments	<u>\$31,453</u>

CITY OF MONETT, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 1995

NOTE F - 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	\$1,066,548	--
Enterprise - Water	<u>1,321,333</u>	--
Total General Fund	<u>2,387,881</u>	<u>--</u>
Enterprise Fund		
General Fund	<u>--</u>	<u>2,387,881</u>
Total Enterprise Fund	<u>--</u>	<u>2,387,881</u>
TOTAL ALL FUNDS	<u>\$2,387,881</u>	<u>\$2,387,881</u>

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 - 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, 1995 was \$2,271,051; the City's total payroll was \$2,687,465. 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, 1995 was \$302,501. The contributions represented 13.3% 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

CITY OF MONETT, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 1995

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, 1994 for LAGERS as a whole, determined through an actuarial valuation, performed on February 28, 1994, was \$866,091,219. LAGERS' net assets available for benefits, at cost, exceeded the pension benefit obligation by \$55,304,442.

Ten-year historical trend information showing LAGERS' progress in accumulating sufficient assets to pay benefits when due is presented in LAGERS' June 30, 1994 comprehensive annual financial report.

NOTE I - ASSESSED VALUATION. TAX LEVY AND LEGAL DEBT MARGIN

The 1994 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	\$34,703,225
Personal property	<u>16,503,943</u>
TOTAL ASSESS VALUATION	<u>\$51,207,168</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, 1995 was computed as follows:

	Ordinary (1)	Additional (2)	Total
Constitutional debt limit	\$ 5,120,717	\$ 5,120,717	\$ 10,241,434
General obligation bonds payable	<u>500,000</u>	<u>--</u>	<u>500,000</u>
Local debt margin	<u>\$ 4,620,717</u>	<u>\$ 5,120,717</u>	<u>\$ 9,741,434</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.

SUPPLEMENTARY INFORMATION

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - NON-DEPARTMENTAL
FOR YEAR ENDED MARCH 31, 1995

Revenues

General property taxes	\$ 168,941
Sales and use tax	843,897
Penalties	563
Utility franchise	138,208
Business license and permits	9,242
Intangible tax	25,376
Other revenue	691
Intergovernmental revenue	4,986
Interest income	365,927

Total revenue	<u>1,557,831</u>
---------------	------------------

Expenditures

Salaries	156,934
Social security and unemployment taxes	12,028
Health insurance and expense	12,634
Wellness program	9
Retirement	17,667
Workman's compensation	486
Professional and consulting service	13,736
Telephone	1,885
Travel	1,161
Other fees and personal services	3,705
Insurance	4,084
Utilities	
- electric	5,262
- water	161
- gas	944
Repairs and maintenance	
- office equipment	20,694
- buildings	254
Dry cleaning	597
Reassessment expense	1,611
Postage	3,421
Supplies	
- office	6,862
- building	1,427
Miscellaneous	6,056
Uniform service	119
Capital outlay	14,549

Total expenditures	<u>286,286</u>
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Excess of revenues over
(under) expenditures and
other uses

<u>\$ 1,271,545</u>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES
 GENERAL FUND - POLICE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1995

Revenues

Forfeiture revenue	9,413
Sales and use tax	\$ 5
Court fines	97,554
Other public safety charges	22,821
Other revenue	4,847
Intergovernmental revenue	3,566
Interest income	104

Total revenue	138,310
---------------	---------

Expenditures

Salaries	559,306
Social security and unemployment taxes	42,835
Health insurance and expense	45,100
Wellness program	4,575
Retirement	63,581
Workman's compensation	28,718
Professional and consulting service	11,957
Education	5,376
Telephone	11,001
Travel	1,832
Insurance	24,242
Utilities	
- electric	3,885
- water	66
Repairs and maintenance	
- vehicles	8,108
- buildings	1,940
Dry cleaning	8,767
Care of prisoners	1,554
Postage	1,368
Supplies	
- office	2,947
- building	1,398
- operating	7,054
- training	6,359
Canine expense	1,583
Radio expense	10,243
Computer	7,302
Civil defense	1,673
Dog catcher expense	1,283
Gas and oil (trucks)	14,173
Miscellaneous	6,236
Uniform service	87
Jail income	(905)
Capital outlay	68,641

Total expenditures	952,285
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Excess of revenues over
 (under) expenditures and
 other uses

(\$ 813,975)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES
 GENERAL FUND - 911 SYSTEM
 FOR YEAR ENDED MARCH 31, 1995

Revenues	
911 income	\$ 56,194
Total revenue	56,194
Expenditures	
Salaries	20,075
Social security and unemployment taxes	1,536
Health insurance and expense	480
Retirement	2,595
Telephone	25
Utilities	
Repairs and maintenance	
Postage	6
Supplies	
- operating	50
Miscellaneous	14
Capital outlay	61,363
Total expenditures	86,144
Excess of revenues over (under) expenditures and other uses	(\$ 29,950)

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - FIRE DEPARTMENT
FOR YEAR ENDED MARCH 31, 1995

Revenues	
Special fire protection	\$ 1,461
Other revenue	577
Intergovernmental revenue	382
	<hr/>
Total revenue	2,420
	<hr/>

Expenditures	
Salaries	330,371
Social security and unemployment taxes	25,345
Health insurance and expense	8,147
Wellness program	25
Retirement	40,131
Workman's compensation	12,978
Professional and consulting service	991
Education	1,894
Telephone	2,394
Travel	1,760
Insurance	10,983
Utilities	
- electric	436
- gas	353
Repairs and maintenance	
- vehicles	4,051
- equipment	1,778
Dry cleaning	1,569
Postage	132
Supplies	
- office	764
- building	1,501
- operating	5,382
- training	715
Radio expense	5,564
Civil defense	650
Gas and oil (trucks)	3,260
Miscellaneous	7,818
Capital outlay	451,050
	<hr/>
Total expenditures	920,042
	<hr/>

Excess of revenues over (under) expenditures and other uses	<hr/>
	(\$ 917,622)
	<hr/> <hr/>

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - STREET DEPARTMENT
FOR YEAR ENDED MARCH 31, 1995

Revenues	
Sales and use tax	\$ 1
Motor fuel tax distribution	179,386
Motor sales tax	35,658
Street, sidewalk and curb repairs	1,428
Other revenue	2,591
Intergovernmental revenue	1,047
	<hr/>
Total revenue	220,111
	<hr/>
Expenditures	
Salaries	137,231
Social security and unemployment taxes	10,713
Health insurance and expense	16,349
Wellness program	98
Retirement	18,084
Workman's compensation	12,122
Professional and consulting service	20,471
Education	100
Telephone	805
Travel	32
Insurance	8,496
Utilities	
- electric	508
- water	116
- gas	1,588
Repairs and maintenance	
- buildings	275
- equipment	14,641
Postage	12
Supplies	
- office	715
- operating	5,921
Radio expense	1,994
Gas and oil (trucks)	12,378
Miscellaneous	73,809
Miscellaneous street rep	57,580
Material (construction)	308,945
Traffic and street lights	37,765
Uniform service	1,002
Capital outlay	53,548
	<hr/>
Total expenditures	795,298
	<hr/>
Transfers in (out)	(233,035)
	<hr/>
Excess of revenues over (under) expenditures and other uses	(\$ 808,222)
	<hr/> <hr/>

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - AIRPORT DEPARTMENT
FOR YEAR ENDED MARCH 31, 1995

Revenues	
Airport rent received	\$ 14,342
Other revenue	10
Intergovernmental revenue	62
Total revenue	\$ 14,414
Expenditures	
Salaries	\$ 14,488
Social security and unemployment taxes	1,108
Health insurance and expense	348
Retirement	580
Workman's compensation	255
Professional and consulting service	114,025
Insurance	3,671
Utilities	
- electric	2,183
Repairs and maintenance	
- vehicles	1,500
- buildings	3,615
- equipment	8,103
Supplies	
- building	6,591
- operating	3,673
Runway expenses	25
Gas and oil (trucks)	1,386
Miscellaneous	10,030
Material (construction)	10,345
Uniform service	119
Capital outlay	698,799
Total expenditures	\$ 880,844
Transfers in (out)	866,254
Excess of revenues over (under) expenditures and other uses	(\$ 176)

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - SANITATION DEPARTMENT
FOR YEAR ENDED MARCH 31, 1995

Revenues	
Sanitation charges	\$ 203,267
Penalties	1,562
Other revenue	124
Intergovernmental revenue	204
	<hr/>
Total revenue	205,157
	<hr/>

Expenditures	
Salaries	144,073
Social security and unemployment taxes	10,925
Health insurance and expense	5,147
Wellness program	115
Retirement	16,475
Workman's compensation	15,748
Professional and consulting service	4,854
Education	100
Travel	20
Insurance	5,091
Utilities	
- electric	20
- water	29
Repairs and maintenance	
- vehicles	5,348
- equipment	2,069
Postage	1,492
Supplies	
- office	593
- operating	1,286
Radio expense	3,039
Gas and oil (trucks)	7,842
Miscellaneous	370
Street sweeper expense	4,888
Landfill expenses	87,783
Recycling expense	12,188
Uniform service	831
Capital outlay	17,189
	<hr/>
Total expenditures	347,515
	<hr/>

Excess of revenues over (under) expenditures and other uses	<hr/>
	(\$ 142,358)
	<hr/>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES
 GENERAL FUND - HAZARDOUS WASTE
 FOR YEAR ENDED MARCH 31, 1995

Revenues

Total revenue	0
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Expenditures

Salaries	4,800
Social security and unemployment taxes	367
Professional and consulting service	108
Education	1,028
Telephone	91
Travel	551
Utilities	
Repairs and maintenance	
Postage	19
Supplies	
- office	181
- operating	909
- training	2,062
Miscellaneous	263
Total expenditures	10,379

Excess of revenues over
 (under) expenditures and
 other uses

	(\$ 10,379)
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CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - BUILDING OFFICIAL/CODE ADMIN
FOR YEAR ENDED MARCH 31, 1995

Revenues	
General property taxes	\$ 9,761
Other revenue	3,530
Intergovernmental revenue	79
Interest income	1,400
Total revenue	14,770
Expenditures	
Salaries	20,512
Social security and unemployment taxes	1,592
Health insurance and expense	88
Retirement	2,637
Workman's compensation	502
Professional and consulting service	1,150
Telephone	769
Insurance	111
Utilities	
- electric	680
Repairs and maintenance	
- vehicles	132
Postage	70
Supplies	
- office	647
- operating	375
Gas and oil (trucks)	324
Miscellaneous	755
Total expenditures	30,344
Excess of revenues over (under) expenditures and other uses	(\$ 15,574)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES
 GENERAL FUND - MUNICIPAL COURT
 FOR YEAR ENDED MARCH 31, 1995

Revenues

Total revenue

0

Expenditures

Salaries

23,217

Social security and
unemployment taxes

1,776

Health insurance and expense

7

Retirement

369

Education

974

Telephone

215

Utilities

Repairs and maintenance

Postage

217

Supplies

- office

375

- operating

172

- training

43

Computer

173

Miscellaneous

357

Total expenditures

27,895

Excess of revenues over
(under) expenditures and
other uses

(\$ 27,895)

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES
 GENERAL FUND - DEPARTMENT TOTALS
 FOR YEAR ENDED MARCH 31, 1995

GENERAL FUND - DEPARTMENT TOTALS

Revenues

Non-departmental	\$ 1,557,828
Police department	138,310
911 system	56,194
Fire department	2,420
Street department	220,111
Airport	14,414
Sanitation department	205,157
Hazardous waste	--
Building official and code administrators	14,770
Municipal court	--
Total revenues	2,209,204

Expenditures

Non-departmental	286,286
Police department	952,282
911 system	86,144
Fire department	920,041
Street department	795,298
Airport	880,842
Sanitation department	347,514
Hazardous waste	10,379
Building official and code administrators	30,344
Municipal court	27,895
Total expenditures	4,337,025

Transfers in (out)	633,219
--------------------	---------

Excess of revenues over (under) expenditures and other uses	\$ (1,494,602)
--	----------------

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND
FOR YEAR ENDED MARCH 31, 1995

ALL DEPARTMENTS

Revenues	
Golf	
- Green fees	\$ 91,594
- Cart rentals	21,875
- Equipment use	20,312
Swimming pool fees	28,728
Casino rentals	17,382
Sale of cemetery lots and grave openings	13,875
Recreation use fees	85,440
Intergovernmental	5,214
Other receipts	<u>10,069</u>
Total revenues	<u>294,489</u>
Expenditures	
Salaries - park	125,439
- golf	84,188
- cemetery	36,633
- pool	26,935
- recreation center	100,956
Social security and unemployment taxes	24,510
Health insurance and expense	(13,963)
Retirement	25,525
Insurance/bonds	12,035
Workman's compensation	7,298
Telephone	2,972
Professional & Consulting	7,542
Utilities - park & recreation	11,279
- golf	4,351
- cemetery	1,243
- pool	5,562
Repairs and maint. - Bldg	
-park, golf & recreation	32,119
- Building - pool	--
- autos and trucks	4,531
- equipment	16,637
Supplies - park & recreation center	6,645
- golf	1,499
- cemetery	1,244
- pool	7,382
Gas and oil - trucks	3,114
equipment	6,026
Rent	8,986
Miscellaneous -	9,085
Construction contracts	32,667
Capital outlay - park, pool & recreation	73,887
- golf	44,837
- cemetery	6,644
Concession expense	<u>20,731</u>
Total expenditures	<u>738,539</u>
Excess of revenues over (under)	
expenditures before transfers	(444,050)
Other financial sources	
Sale of land	64,500
Transfers in	<u>377,920</u>
Total other sources	<u>442,420</u>
Excess of revenues and transfers over	
(under) expenditures	<u>\$ (1,630)</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS
 PROPRIETARY FUND
 MARCH 31, 1995

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECH. OPERATIONS</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
ASSETS						
Cash	\$ 8,816	\$17,459,420	\$ 54,740	\$ --	\$ --	\$ 17,522,976
Investments	--	--	300,000	--	--	300,000
Accounts receivable	52,266	566,615	49,954	--	--	668,835
Restricted cash	--	--	1,278,506	--	--	1,278,506
Property, plant and equipment (net)	<u>3,233,370</u>	<u>1,653,490</u>	<u>10,136,938</u>	<u>4,915</u>	<u>8,075</u>	<u>15,036,788</u>
Total Assets	<u>\$3,294,452</u>	<u>\$19,679,525</u>	<u>\$11,820,138</u>	<u>\$ 4,915</u>	<u>\$ 8,075</u>	<u>\$ 34,807,105</u>
LIABILITIES AND RETAINED EARNINGS						
Liabilities						
Accounts payable	\$ 20,794	\$ 472,524	\$ 17,549	\$ --	\$ --	\$ 510,867
Accrued liabilities	--	--	52,181	--	--	52,181
Due to other funds	1,321,333	--	1,066,547	--	--	2,387,880
Customer deposits	32,643	147,150	--	--	--	179,793
Sewer Bonds payable	--	--	<u>2,255,000</u>	--	--	<u>2,255,000</u>
Total Liabilities	<u>1,374,770</u>	<u>619,674</u>	<u>3,391,277</u>	<u>--</u>	<u>--</u>	<u>5,385,721</u>
RETAINED EARNINGS						
Contributed capital	--	--	3,017,829	--	--	3,017,829
Retained earnings:						
Beginning balance	1,996,152	17,503,214	5,285,901	(599)	--	24,784,668
Current net income	<u>(76,470)</u>	<u>1,556,637</u>	<u>125,131</u>	<u>5,514</u>	<u>8,075</u>	<u>1,618,887</u>
Total Retained Earnings	<u>1,919,682</u>	<u>19,059,851</u>	<u>8,428,861</u>	<u>4,915</u>	<u>8,075</u>	<u>29,421,384</u>
Total Liabilities and Retained Earnings	<u>\$3,294,452</u>	<u>\$19,679,525</u>	<u>\$11,820,138</u>	<u>\$ 4,915</u>	<u>\$ 8,075</u>	<u>\$ 34,807,105</u>

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF REVENUES AND EXPENSES
 PROPRIETARY FUNDS
 FOR YEAR ENDED MARCH 31, 1995

	WATERWORKS OPERATIONS	ELECTRIC OPERATIONS	SEWER OPERATIONS	CITY MECHANIC OPERATIONS	CITY ENGINEER	TOTAL
Operating revenues						
Revenue	627,901	8,499,068	693,641	0	0	9,820,609
Tap-in charges	4,700	0	1,380	0	0	6,080
Sale of supplie	4,947	2,609	206	0	0	7,762
Penalties	4,915	24,693	1,958	0	0	31,566
Miscellaneous charges	1,351	44,140	95,717	51,588	0	192,797
	<u>643,814</u>	<u>8,570,510</u>	<u>792,902</u>	<u>51,588</u>	<u>0</u>	<u>10,058,814</u>
Operating expenses						
Electric purchases	0	5,490,315		0	0	5,490,315
Salaries	224,613	399,600	225,262	31,326	63,144	943,946
Health insurance and expenses	14,389	2,767	18,363	462	148	36,130
Retirement	23,803	47,861	29,133	3,710	4,252	108,759
Miscellaneous work comp	4,830	2,816	24,692	2,067	22,524	37,503
Social security and unemployment expense	17,206	30,593	17,256	2,397	4,831	72,282
Wellness program	28	35	105	0	7	175
Utilites - electric	115,894	0	93,168	162	617	209,841
- gas	474	827	13,600	381	0	15,283
Repairs and maintenance						
- autos and trucks	3,314	13,376	1,687	78	0	18,454
- equipment	7,848	19,297	38,072	0	0	65,218
- building	64	3,318	2,036	8,250	25	13,692
Postage and freight	2,245	2,187	2,174	34	405	7,044
Telephone	1,243	3,672	1,686	529	2,748	9,878
Office supplies	3,506	3,669	1,473	91	2,315	11,055
Gas and oil - trucks	6,947	9,339	2,205	2,390	473	21,354
- equipment	1,416	1,021	6,517	798	0	9,752
Professional fees	15,860	6,979	31,197	0	1,861	55,897
Supplies	85,157	162,910	42,281	39,416	1,692	331,455
Insurance	14,903	37,480	23,687	404	1,232	77,706
Travel	165	2,861	727	175	171	4,100
Depreciation Expense	172,615	226,413	381,882	546	897	782,354
Miscellaneous	9,263	28,939	3,821	815	4,862	47,698
Bond fees	0	741	161,308	0	0	161,308
Sales & Use Tax	(29)	0	8	0	0	704
Uniform service	1,191	2,159	953	119	160	4,583
Const contracts/tree trim	0	16,893	200	1,551	0	18,644
	<u>726,945</u>	<u>6,516,068</u>	<u>1,074,093</u>	<u>95,701</u>	<u>67,316</u>	<u>8,480,124</u>
Total operating expenses						
Operating income	(83,131)	2,054,442	(281,191)	(44,113)	(67,316)	1,578,690
Non-operating revenues (expenses)						
Interest income	1,313	0	88,300	0	0	89,613
1990 Sewer Dep & Repl	0	0	45,648	0	0	45,648
Interest expense	0	0	37,001	0	0	(37,001)
Rent	1,635	5,197	0	0	0	6,832
Sale Of Assets	8,490	2,123	1,000	0	519	12,132
Expenditures	0	0	77,028	0	0	(77,028)
	<u>11,438</u>	<u>7,320</u>	<u>20,919</u>	<u>0</u>	<u>519</u>	<u>40,196</u>
Total non-operating revenues						
Income before transfers	(71,693)	2,061,762	(260,272)	(44,113)	(66,797)	1,618,886
Transfer To Other Funds	(4,777)	(505,125)	385,403	49,627	74,872	0
	<u>(76,470)</u>	<u>1,556,637</u>	<u>125,131</u>	<u>5,514</u>	<u>8,075</u>	<u>1,618,886</u>
Net Income (Loss)						

CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1995

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECH. OPERATIONS</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
Cash flows from operating activities						
Net income (loss)	\$ (76,470)	\$ 1,556,637	\$ 125,131	\$ 5,514	\$ 8,075	\$ 1,618,887
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation	172,615	226,413	381,882	546	897	782,353
Dec in investments	--	--	--	--	--	--
Inc in accounts receivable	3,154	116,012	750	--	--	119,916
Inc in accounts payable	(96,138)	(1,211)	(75,565)	(599)	--	(173,513)
Inc in accrued liabilities	--	--	52,181	--	--	52,181
Inc in due to other funds	337,004	--	184,015	--	--	521,019
Dec in restricted assets	--	--	(61,307)	--	--	(61,307)
Inc in customer deposits	1,842	14,099	--	--	--	15,941
Dec in bonds payable	--	--	(95,000)	--	--	(95,000)
Net cash provided by operating activities	<u>342,007</u>	<u>1,911,950</u>	<u>512,087</u>	<u>5,461</u>	<u>8,972</u>	<u>2,780,477</u>
Cash used from capital activities						
Payments for capital acquisition	<u>(307,080)</u>	<u>(555,558)</u>	<u>(485,703)</u>	<u>(5,461)</u>	<u>(8,972)</u>	<u>(1,362,774)</u>
Net cash from capital activities	<u>(307,080)</u>	<u>(555,558)</u>	<u>(485,703)</u>	<u>(5,461)</u>	<u>(8,972)</u>	<u>(1,362,774)</u>
Net Cash Increase (Decrease)	34,927	1,356,392	26,384	--	--	1,417,700
Cash at beginning of year	<u>(26,111)</u>	<u>16,103,028</u>	<u>28,356</u>	<u>--</u>	<u>--</u>	<u>16,105,273</u>
Cash at end of year	<u>\$ 8,816</u>	<u>\$17,459,420</u>	<u>\$ 54,740</u>	<u>--</u>	<u>--</u>	<u>\$17,522,976</u>

CITY OF MONETT, MISSOURI
 COMBINING BALANCE SHEET
 FIDUCIARY FUNDS
 MARCH 31, 1995

AGENCY FUNDS

	<u>Payroll Escrow</u>	<u>Health Self-Insurance</u>	<u>Total</u>
ASSETS			
Cash	\$ 16,218	\$ 9,522	\$ 25,740
Total Assets	<u>\$ 16,218</u>	<u>\$ 9,522</u>	<u>\$ 25,740</u>
LIABILITIES			
Due to employees	\$ 16,218	\$ --	\$ 16,218
Due to employees from self-insurance	--	9,522	9,522
Total Liabilities	<u>\$ 16,218</u>	<u>\$ 9,522</u>	<u>\$ 25,740</u>

CITY OF MONETT
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 PAYROLL AGENCY FUND
 FOR YEAR ENDED MARCH 31, 1995

	Balance 4-1-94	Additions	Deductions	Balance 3-31-95
Assets				
Cash	<u>\$ 10,496</u>	<u>\$2,893,763</u>	<u>\$2,888,041</u>	<u>\$ 16,218</u>
Total Assets	<u>\$ 10,496</u>	<u>\$2,893,763</u>	<u>\$2,888,041</u>	<u>\$ 16,218</u>
Liabilities				
Due to employees	<u>\$ 10,496</u>	<u>\$2,893,763</u>	<u>\$2,888,041</u>	<u>\$ 16,218</u>
Total Liabilities	<u>\$ 10,496</u>	<u>\$2,893,763</u>	<u>\$2,888,041</u>	<u>\$ 16,218</u>

CITY OF MONETT
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 HEALTH SELF-INSURANCE AGENCY FUND
 FOR YEAR ENDED MARCH 31, 1995

	Balance 4-1-94	Additions	Deductions	Balance 3-31-95
Assets				
Cash	<u>\$ (1,161)</u>	<u>\$ 227,039</u>	<u>\$ 216,356</u>	<u>\$ 9,522</u>
Total Assets	<u>\$ (1,161)</u>	<u>\$ 227,039</u>	<u>\$ 216,356</u>	<u>\$ 9,522</u>
Liabilities				
Due to	<u>\$ (1,161)</u>	<u>\$ 227,039</u>	<u>\$ 216,356</u>	<u>\$ 9,522</u>
Total Liabilities	<u>\$ (1,161)</u>	<u>\$ 227,039</u>	<u>\$ 216,356</u>	<u>\$ 9,522</u>

CITY OF MONETT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR YEAR ENDED MARCH 31, 1995

	Balance 4-1-94	Additions	Deductions	Balance 3-31-95
Assets				
Cash	<u>\$ 9,335</u>	<u>\$3,120,802</u>	<u>\$3,104,397</u>	<u>\$ 25,740</u>
Total Assets	<u>\$ 9,335</u>	<u>\$3,120,802</u>	<u>\$3,104,397</u>	<u>\$ 25,740</u>
Liabilities				
Due to employees	<u>\$ 10,496</u>	<u>\$2,893,763</u>	<u>\$2,888,041</u>	<u>\$ 16,218</u>
from self-insurance	<u>(1,161)</u>	<u>227,039</u>	<u>216,356</u>	<u>9,522</u>
Total Liabilities	<u>\$ 9,335</u>	<u>\$3,120,802</u>	<u>\$3,104,397</u>	<u>\$ 25,740</u>

CITY OF MONETT, MISSOURI
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 (By Function and Activity)
 FOR YEAR ENDED MARCH 31, 1995

Function and Activity	Balance <u>April 1, 1994</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>March 31, 1995</u>
General government				
Buildings	\$ 123,891	--	--	\$ 123,891
Administration	287,225	26,697	110,725	203,197
Total Gen. Govt.	<u>411,116</u>	26,697	110,725	<u>327,088</u>
Public safety				
911	--	61,363	--	61,363
Police	606,880	68,641	151,543	523,978
Fire	506,029	474,881	--	980,910
Total public safety	1,112,909	604,885	151,543	1,566,251
Street	5,891,874	120,410	66,862	5,945,422
Report	1,053,576	812,824	--	1,866,400
Maintenance	304,383	17,189	--	321,572
Creation	<u>1,812,342</u>	<u>165,561</u>	<u>120,112</u>	<u>1,857,791</u>
Total general fixed assets allocated to functions and activities	<u>\$10,586,200</u>	<u>\$1,747,566</u>	<u>\$ 449,242</u>	<u>\$11,884,524</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 Jon Suit
Jerry Fulp, 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, 1995, and have issued our report thereon dated September 29, 1995.

We conducted our audit in accordance with generally accepted accounting 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 29, 1995
Monett, Missouri

Carver & Kinze

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

Honorable Mayor Jon Suit
Jerry Fulp, and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statement of City of Monett, Missouri for the year ended March 31, 1995, and have issued our report thereon dated September 29, 1995.

We have applied procedures to test City of Monett, Missouri, compliance with the following requirements applicable to its federal assistance programs, which are identified in the schedule of federal financial assistance, for the year ended March 31, 1995: 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.

September 29, 1995
Monett, Missouri

James Kinzey

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

Honorable Mayor Jon Suit
Jerry Fulp, and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statement of City of Monett, Missouri for the year ended March 31, 1995, and have issued our report thereon dated September 29, 1995.

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, 1995. 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 accounting 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, 1995.

This report is intended for the information of the City Council of the City of Monett, Missouri, 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 29, 1995
Monett, Missouri

Caviness & Kinzey

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 Jon Suit
Jerry Fulp, and Rex Lane, Councilmen
Monett, Missouri

We have audited the general purpose financial statement of City of Monett, Missouri for the year ended March 31, 1995, and have issued our report thereon dated September 29, 1995.

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 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.

In planning and performing our audit of general purpose financial statements of the City of Monett, Missouri for the year ended March 31, 1995, we considered its internal control structure in order to determine our auditing procedures for 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 judgements 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 safeguards 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 financing 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
Purchasing and receiving	Property and equipment
Accounts payable	General Ledger

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	

or 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 risk control. 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 operations 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.

Amber King

September 29, 1995
Monett, Missouri

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

Honorable Mayor Jon Suit
Jerry Fulp, and Rex Lane, Councilmen
Monett, Missouri

We have audited the general purpose financial statement of City of Monett, Missouri for the year ended March 31, 1995, and have issued our report thereon dated September 29, 1995. 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 29, 1995.

We conducted our audits in accordance with generally accepted accounting 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, 1995, 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 on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This reports 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 29, 1995.

The management of City of Monett, Missouri is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related cost 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 of disposition, that transactions are executed in accordance with management 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
Purchase/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	
Specific 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, 1995, 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 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 of 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.

ur consideration of the internal control structure would not necessarily disclose all matters in he internal control structure that might be reportable conditions and, accordingly, would not ecessarily disclose all reportable conditions that are also considered to be material weaknesses s defined above. However, we believe the reportable conditions described above are material eaknesses.

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

Cummin & King

September 29, 1995
Monett, Missouri

CITY OF MONETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MARCH 31, 1995

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

CITY OF MONETT, MISSOURI
SCHEDULE OF PRIOR YEAR FINDINGS
MARCH 31, 1995

EPA, CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS

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

INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Honorable Mayor Jon Suit
Jerry Fulp 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, 1995, and have issued our report thereon dated September 29, 1995. 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 a-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 a whole.

Caviness & Kinzey

September 29, 1995
Monett, Missouri

CITY OF MONETT, MISSOURI
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 MARCH 31, 1995

<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	\$2,312,410	\$ 1,174	\$ 1,174
Total EPA		<u>\$ 2,312,410</u>	<u>\$ 1,174</u>	<u>\$ 1,174</u>
Department of Transportation Federal Aviation Agency Airport improvement program		<u>\$ 1,100,700</u>	<u>\$ 636,899</u>	<u>\$ 636,899</u>
Total Dept. of Transportation	20.106	<u>\$ 1,100,700</u>	<u>\$ 636,899</u>	<u>\$ 636,899</u>
Total - All Programs		<u>\$3,413,110</u>	<u>\$ 638,073</u>	<u>\$ 638,073</u>