

CITY OF MONETT, MISSOURI
FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 1996

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor Jerry Fulp,
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the accompanying financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996. These 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Monett, Missouri, as of March 31, 1996, and the results of its operation and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is 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 presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Wallace, Lowery & Associates, P.C.

Monett, Missouri
December 19, 1996

**CITY OF MONETT, MISSOURI
 COMBINED BALANCE SHEET-
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1996**

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
ASSETS AND OTHER DEBITS:			
Cash and cash equivalents	(\$18,133,122.19)	\$5,790.68	\$110,839.69
Cash with fiscal agent			109,800.00
Investments	6,922,547.00		
Accounts receivable:			
Federal monies	43,248.04		
Electric			
Water			
Sanitation	17,329.00		
Sewer			
Other	107,632.66		
Accrued interest on investments	1,068.00		
Property, plant, and equipment (net)			
Amount available in debt service fund for bond retirement			
Resources to be provided in future Years for debt retirement			
Total Assets and Other Debits	<u>(\$11,041,297.49)</u>	<u>\$5,790.68</u>	<u>\$220,639.69</u>
LIABILITIES, FUND EQUITY, and OTHER CREDITS			
Liabilities:			
Accounts payable	\$63,698.27	\$37,942.38	\$0.00
Accrued liabilities			
General obligation bonds payable			
Customer deposits	1,120.00		
Sewer bond payable			
Capital lease payable			
Total Liabilities	<u>\$64,818.27</u>	<u>\$37,942.38</u>	<u>\$0.00</u>
Fund Equity and Other Credits:			
Investment in general fixed assets	\$0.00	\$0.00	\$0.00
Reserve for debt service			220,639.69
Contributed capital			
Retained earnings			
Fund balance	(11,106,115.76)	(32,151.70)	
Total Fund Equity	<u>(\$11,106,115.76)</u>	<u>(\$32,151.70)</u>	<u>\$220,639.69</u>
Total Liabilities, Fund Equity, and Other Credits	<u>(\$11,041,297.49)</u>	<u>\$5,790.68</u>	<u>\$220,639.69</u>

The Notes to the Financial Statements are an integral part of this statement.

PROPRIETARY FUND TYPE	FIDUCIARY TYPE	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
		ENTERPRISE FUND	AGENCY FUND	LONG-TERM DEBT	
\$19,767,160.98	\$23,195.67	\$0.00	\$0.00	\$1,773,864.83	
300,000.00				109,800.00	
				7,222,547.00	
				43,248.04	
762,593.46				762,593.46	
61,480.67				61,480.67	
				17,329.00	
66,469.64				66,469.64	
				107,632.66	
				1,068.00	
14,557,774.50			13,056,817.04	27,614,591.54	
		220,639.69		220,639.69	
		124,004.15		124,004.15	
<u>\$35,515,479.25</u>	<u>\$23,195.67</u>	<u>\$344,643.84</u>	<u>\$13,056,817.04</u>	<u>\$38,125,268.68</u>	
\$583,371.42	\$23,195.67	\$0.00	\$0.00	708,207.74	
14,722.32				14,722.32	
		300,000.00		300,000.00	
204,920.45				206,040.45	
1,155,000.00				1,155,000.00	
		44,643.84		44,643.84	
<u>\$1,958,014.19</u>	<u>\$23,195.67</u>	<u>\$344,643.84</u>	<u>\$0.00</u>	<u>\$2,428,614.35</u>	
\$0.00	\$0.00	\$0.00	\$13,056,817.04	\$13,056,817.04	
				220,639.69	
3,017,829.05				3,017,829.05	
30,539,636.01				30,539,636.01	
				(11,138,267.46)	
<u>\$33,557,465.06</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$13,056,817.04</u>	<u>\$35,696,654.33</u>	
<u>\$35,515,479.25</u>	<u>\$23,195.67</u>	<u>\$344,643.84</u>	<u>\$13,056,817.04</u>	<u>\$38,125,268.68</u>	

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 ALL GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED MARCH 31, 1996**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
Revenues:		
Business licenses and permits	\$24,870.98	\$0.00
Charges for service	233,678.96	
Federal and state grants	425,124.66	
Fines and forfeitures	79,728.95	
Franchise fees	138,912.77	
Interest revenues	370,374.26	143.90
Intergovernmental revenues	6,874.60	894.96
Other revenues	97,910.96	254,098.22
Taxes, penalties and interest	1,569,101.39	
Total Revenues	<u>\$2,946,577.53</u>	<u>\$255,137.08</u>
Expenditures:		
Current		
General government	\$495,170.03	\$0.00
Public safety	1,489,427.96	
Highways and streets	643,940.03	
Public works	351,094.34	
Parks, recreation and golf		980,265.38
Capital Outlay-		
Current expenditures	1,124,300.96	35,956.06
Debt Service-		
Principal retirement		
Interest and fiscal agent fees	2,282.61	
Total Expenditures	<u>\$4,106,215.93</u>	<u>\$1,016,221.44</u>
Revenues over (under) expenditures	<u>(\$1,159,638.40)</u>	<u>(\$761,084.36)</u>
Other financing sources (uses)		
Transfers in (out)	(\$3,387,278.51)	\$736,143.66
Total Other Financing Sources (Uses)	<u>(\$3,387,278.51)</u>	<u>\$736,143.66</u>
Excess of revenues and other sources over (under) expenditures and other uses	(\$4,546,916.91)	(\$24,940.70)
Fund Balance, Beginning of Year	(6,635,712.40)	(7,211.00)
Prior Year Adjustment	76,513.55	0.00
Fund Balance, End of Year	<u>(\$11,106,115.76)</u>	<u>(\$32,151.70)</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>DEBT SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$0.00	\$24,870.98
	233,678.96
	425,124.66
	79,728.95
	138,912.77
3,467.60	373,985.76
	7,769.56
	352,009.18
	<u>1,569,101.39</u>
<u>\$3,467.60</u>	<u>\$3,205,182.21</u>
\$0.00	\$495,170.03
	1,489,427.96
	643,940.03
	351,094.34
	980,265.38
	1,160,257.02
200,000.00	200,000.00
29,770.60	32,053.21
<u>\$229,770.60</u>	<u>\$5,352,207.97</u>
<u>(\$226,303.00)</u>	<u>(\$2,147,025.76)</u>
<u>\$229,800.00</u>	<u>(\$2,421,334.85)</u>
<u>\$229,800.00</u>	<u>(\$2,421,334.85)</u>
\$3,497.00	(\$4,568,360.61)
217,142.69	(6,425,780.71)
0.00	76,513.55
<u>\$220,639.69</u>	<u>(\$10,917,627.77)</u>

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 ALL GOVERNMENTAL FUNDS
 FOR YEAR ENDED MARCH 31, 1996**

	<u>BUDGET</u>	<u>GENERAL FUND ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Business licenses and permits	\$8,500.00	\$24,870.98	\$16,370.98
Charges for service	185,000.00	233,678.96	48,678.96
Federal and state grants	431,330.00	425,124.66	(6,205.34)
Fines and forfeitures	90,000.00	79,728.95	(10,271.05)
Franchise fees	135,500.00	138,912.77	3,412.77
Interest revenues	400,100.00	370,374.26	(29,725.74)
Intergovernmental revenues	4,200.00	6,874.60	2,674.60
Other revenues	103,070.00	97,910.96	(5,159.04)
Taxes, penalties and interest	1,336,750.00	1,569,101.39	232,351.39
Total Revenues	<u>\$2,694,450.00</u>	<u>\$2,946,577.53</u>	<u>\$252,127.53</u>
Expenditures:			
Current			
General government	\$519,052.00	\$495,170.03	\$23,881.97
Public safety	1,523,630.00	1,489,427.96	34,202.04
Highways and streets	859,798.00	643,940.03	215,857.97
Public works	349,420.00	351,094.34	(1,674.34)
Parks, recreation and golf			
Capital Outlay-			
Current expenditures	1,142,811.00	1,124,300.96	18,510.04
Debt Service-			
Principal retirement			
Interest and fiscal agent fees		2,282.61	(2,282.61)
Total Expenditures	<u>\$4,394,711.00</u>	<u>\$4,106,215.93</u>	<u>\$288,495.07</u>
Revenues over (under) expenditures	<u>(\$1,700,261.00)</u>	<u>(\$1,159,638.40)</u>	<u>\$540,622.60</u>
Other financing sources (uses)			
Transfers in (out)	\$0.00	(\$3,387,278.51)	(\$3,387,278.51)
Total Other Financing Sources (Uses)	<u>\$0.00</u>	<u>(\$3,387,278.51)</u>	<u>(\$3,387,278.51)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(\$1,700,261.00)</u>	<u>(\$4,546,916.91)</u>	<u>(\$2,846,655.91)</u>
Fund Balance, Beginning of Year		(6,635,712.40)	
Prior Year Adjustment		<u>76,513.55</u>	
Fund Balance, End of Year		<u>(\$11,106,115.76)</u>	

The Notes to Financial Statements are an integral part of this statement.

SPECIAL REVENUE FUND		
BUDGET	ACTUAL	VARIANCE
\$0.00	\$0.00	\$0.00
	143.90	143.90
5,650.00	894.96	(4,755.04)
274,950.00	254,098.22	(20,851.78)
<u>\$280,600.00</u>	<u>\$255,137.08</u>	<u>(\$25,462.92)</u>

DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE
\$0.00	\$0.00	\$0.00
	3,467.60	(26,532.40)
30,000.00	3,467.60	(26,532.40)
<u>\$30,000.00</u>	<u>\$3,467.60</u>	<u>(\$26,532.40)</u>

\$0.00	\$0.00	\$0.00
657,223.00	980,265.38	(323,042.38)
266,655.00	35,956.06	230,698.94
<u>\$923,878.00</u>	<u>\$1,016,221.44</u>	<u>(\$92,343.44)</u>
<u>(\$643,278.00)</u>	<u>(\$761,084.36)</u>	<u>(\$117,806.36)</u>

\$0.00	\$0.00	\$0.00
	200,000.00	0.00
	30,000.00	229.40
<u>\$230,000.00</u>	<u>\$229,770.60</u>	<u>\$229.40</u>
<u>(\$200,000.00)</u>	<u>(\$226,303.00)</u>	<u>(\$26,303.00)</u>

\$0.00	\$736,143.66	\$736,143.66
<u>\$0.00</u>	<u>\$736,143.66</u>	<u>\$736,143.66</u>

\$0.00	\$229,800.00	\$229,800.00
<u>\$0.00</u>	<u>\$229,800.00</u>	<u>\$229,800.00</u>

<u>(\$643,278.00)</u>	<u>(\$24,940.70)</u>	<u>\$618,337.30</u>
	(7,211.00)	
	<u>(\$32,151.70)</u>	

<u>(\$200,000.00)</u>	<u>\$3,497.00</u>	<u>\$203,497.00</u>
	217,142.69	
	<u>\$220,639.69</u>	

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 ALL GOVERNMENTAL FUNDS
 FOR YEAR ENDED MARCH 31, 1996**

	TOTAL (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE
Revenues:			
Business licenses and permits	\$8,500.00	\$24,870.98	\$16,370.98
Charges for service	185,000.00	233,678.96	48,678.96
Federal and state grants	431,330.00	425,124.66	(6,205.34)
Fines and forfeitures	90,000.00	79,728.95	(10,271.05)
Franchise fees	135,500.00	138,912.77	3,412.77
Interest revenues	430,100.00	373,985.76	(56,114.24)
Intergovernmental revenues	9,850.00	7,769.56	(2,080.44)
Other revenues	378,020.00	352,009.18	(26,010.82)
Taxes, penalties and interest	1,336,750.00	1,569,101.39	232,351.39
Total Revenues	\$3,005,050.00	\$3,205,182.21	\$200,132.21
Expenditures:			
Current			
General government	\$519,052.00	\$495,170.03	\$23,881.97
Public safety	1,523,630.00	1,489,427.96	34,202.04
Highways and streets	859,798.00	643,940.03	215,857.97
Public works	349,420.00	351,094.34	(1,674.34)
Parks, recreation and golf	657,223.00	980,265.38	(323,042.38)
Capital Outlay-			
Current expenditures	1,409,466.00	1,160,257.02	249,208.98
Debt Service-			
Principal retirement	200,000.00	200,000.00	0.00
Interest and fiscal agent fees	30,000.00	32,053.21	(2,053.21)
Total Expenditures	\$5,548,589.00	\$5,352,207.97	\$196,381.03
Revenues over (under) expenditures	(\$2,543,539.00)	(\$2,147,025.76)	\$396,513.24
Other financing sources (uses)			
Transfers in (out)	\$0.00	(\$2,421,334.85)	(\$2,421,334.85)
Total Other Financing Sources (Uses)	\$0.00	(\$2,421,334.85)	(\$2,421,334.85)
Excess of revenues and other sources over (under) expenditures and other uses	(\$2,543,539.00)	(\$4,568,360.61)	(\$2,024,821.61)
Fund Balance, Beginning of Year		(6,425,780.71)	
Prior Year Adjustment		76,513.55	
Fund Balance, End of Year		(\$10,917,627.77)	

The Notes to 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, 1996**

Operating revenues:

Revenues	\$10,551,752.52
Tap-in charges	4,995.00
Sale of supplies	7,900.56
Penalties	37,324.39
Miscellaneous charges	14,406.45
Total Revenues	<u>\$10,616,378.92</u>

Operating expenses:

Salaries	\$957,503.69
Payroll taxes	74,172.99
Depreciation expense	769,435.33
Education	7,150.76
Electric purchases	5,879,231.46
Gas and oil	- 29,957.30
Health insurance and expenses	63,387.10
Insurance	86,508.00
Miscellaneous	10,594.76
Miscellaneous work compensation	45,273.53
Office supplies	13,109.54
Professional fees	58,644.17
Repairs and maintenance	163,832.37
Retirement	122,138.14
Supplies	304,685.57
Telephone	11,811.31
Travel	3,263.75
Uniform service	6,337.71
Utilities	226,143.50
Wellness program	689.10
Total Operating Expenses	<u>\$8,833,870.08</u>

Net Operating income (loss)	<u>\$1,782,508.84</u>
Non-operating revenues (expenses)	
Interest income	\$27,901.65
Interest expense & fees	(79,723.92)
Total non-operating revenues(expenses)	<u>(\$51,822.27)</u>
Net Income (loss) before transfers	\$1,730,686.57
Transfer in (out)	2,421,394.58
Net Income (Loss)	<u>\$4,152,081.15</u>
Retained earnings, beginning of year	26,403,552.57
Prior period adjustment	(15,997.71)
Retained earnings, end of year	<u>\$30,539,636.01</u>

The Notes to 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, 1996**

Cash flows from operating activities:

Adjustments to reconcile net income to net cash provided

by (used in) operating activities:

Net income (loss)	\$4,152,081.15
Depreciation	769,435.33
Net transfers	(2,421,394.58)
Interest on investments	(27,901.65)
(Increase) Decrease in accounts receivable	(221,709.16)
Increase (Decrease) in accounts payable	72,503.34
Increase (Decrease) in accrued liabilities	(37,458.46)
(Increase) Decrease in customer deposits	25,127.67
Net cash provided by (used in) operating activities	<u>\$2,310,683.64</u>

Cash flows from noncapital financing activities:

Increase (Decrease) in due to other funds	(\$2,387,881.14)
Net transfers	2,421,394.58
Net cash provided by (used in) noncapital financing activities	<u>\$33,513.44</u>

Cash flows from capital and related financing activities:

Purchase of capital acquisition	(\$290,421.28)
Redemption of bonds payable	(35,000.00)
Net cash provided by (used in) capital and related financing activities	<u>(\$325,421.28)</u>

Cash flows from investing activities:

Interest on investments	\$27,901.65
Net cash provided by (used in) investing activities	<u>\$27,901.65</u>

Net Cash Increase (Decrease)	\$2,046,677.45
Cash at Beginning of Year	<u>17,720,483.53</u>
Cash at End of Year	<u>\$19,767,160.98</u>

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1996**

1. SUMMARY OF ACCOUNTING POLICIES

The City of Monett, Missouri, was incorporated as a town in 1885 and, as a city 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 City of Monett (City) complies with Generally Accepted Accounting Principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (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, 1996. Proprietary fund and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions.

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, 1996.

A. The Reporting Entity

In evaluating how to define the city, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the city is able to exercise oversight responsibilities.

B. 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 three broad fund categories as follows:

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1996

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.

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 Municipal Court Bonds.

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

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1996

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 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.

C. 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.

Accrual Basis of Accounting

The proprietary fund (Enterprise Fund) uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

D. 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 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 budgets presented in the financial statements are reported on these bases. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The budget for the fiscal year ended March 31, 1996, was adopted March 31, 1995. Revisions were made to the budget after initial adoption by the City Council. The budget adopted for the Governmental Funds included deficit spending which is not in accordance with state statutes.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31,1996**

E. 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 allow 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. Vacation time and sick leave are considered as expenditures in year paid.

F. 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.

G. Receivables

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

H. Bad Debts Allowance

Accounts receivable are stated without allowance for doubtful accounts. The city uses the direct write-off method. Bad debts are considered expenses in the period in which they are written off.

I. 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 by 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 activity 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 fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996

J. Total Memorandum Only

Total columns captioned "Memorandum only" are 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.

2. Cash and Temporary Investments

Cash and Cash Equivalents

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 March 31, 1996, the carrying amount of the City's cash and cash equivalents were:

Cash	\$ 1,612,311.67
Cash Equivalents	<u>166,553.16</u>
	<u>\$ 1,773,864.83</u>

Investments

The city may purchase any investments allowed by state statute. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law. Investments at March 31, 1996 were:

Certificates of Deposits	\$ 3,949,000.00
U.S. Treasuries	2,273,547.00
Repurchases Agreement	<u>1,000,000.00</u>
	<u>\$ 7,222,447.00</u>

3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31. All unpaid taxes become delinquent January 1, of the following year. The collector collects the property taxes and remits them to the city on a monthly basis.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996

Assessed Valuation, Tax Levy and Legal Debt Margin

The 1995 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	\$ 35,487,273.68
Personal Property	<u>18,960,278.90</u>
TOTAL ASSESSED VALUATION	<u>\$ 54,447,552.58</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, 1996, was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
General obligation debt limit	\$ 5,444,755	\$ 5,444,755	\$ 10,889,510
General obligation bonds payable	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Legal debt margin	<u>\$ 5,144,755</u>	<u>\$ 5,444,755</u>	<u>\$ 10,588,510</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 of 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.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996**

4. CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

The following is the summary of the City's Long-Term debt transactions for the year ended, March 31, 1996:

	<u>GENERAL OBLIGATION BONDS</u>
Debt outstanding April 1, 1995	\$ 500,000.00
Retirements	<u>200,000.00</u>
Debt outstanding March 31, 1996	<u>\$ 300,000.00</u>

Debt outstanding as of March 31, 1996, consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amounts</u>	
			<u>Issued</u>	<u>Outstanding</u>
General Obligation Bonds:				
Overpass - 1987	6.5 - 6.6%	1998	<u>\$ 2,000,000.00</u>	<u>\$ 300,000.00</u>

GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1996, which are included in the Long-Term Debt Account Group.

GENERAL OBLIGATION OVERPASS CONSTRUCTION BONDS DATED APRIL 15, 1987

<u>Fiscal Year Ended March 31</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing October 1st and April 1st</u>	<u>Bond Outstanding</u>
1997	\$ 216,350.00	\$ 16,350.00	6.50%	\$ 200,000.00	\$ 100,000.00
1998	<u>103,300.00</u>	<u>3,300.00</u>	6.60%	<u>100,000.00</u>	
Totals	<u>\$ 319,650.00</u>	<u>\$ 19,650.00</u>		<u>\$ 300,000.00</u>	

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996

5. REVENUE BONDS

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 requires 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.

The City is indebted for the following revenue bonds at March 31, 1996. 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 REFUNDING BONDS, SERIES 1992A

Fiscal Year Ended		Total	Interest	Principal	Bond
<u>March 31</u>	<u>Total</u>	<u>Interest</u>	<u>Rate</u>	<u>Maturing May 1st</u>	<u>Outstanding</u>
1997	\$ 72,920.00	\$ 47,920.00	5.20%	\$ 25,000.00	\$ 745,000.00
1998	71,595.00	46,595.00	5.40%	25,000.00	720,000.00
1999	70,220.00	45,220.00	5.60%	25,000.00	695,000.00
2000	73,650.00	43,650.00	5.80%	30,000.00	665,000.00
2001	71,895.00	41,895.00	5.90%	30,000.00	635,000.00
2002-2013	<u>941,955.00</u>	<u>306,995.00</u>	6.0-6.55%	<u>635,000.00</u>	
TOTALS	<u>\$ 1,302,275.00</u>	<u>\$ 532,275.00</u>		<u>\$ 770,000.00</u>	

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

Fiscal Year Ended		Total	Interest	Principal	Bond
<u>March 31</u>	<u>Total</u>	<u>Interest</u>	<u>Rate</u>	<u>Maturing May 1st</u>	<u>Outstanding</u>
1997	\$ 35,430.00	\$ 25,430.00	5.25%	\$ 10,000.00	\$ 375,000.00
1998	39,755.00	24,755.00	5.50%	15,000.00	360,000.00
1999	38,911.25	23,911.25	6.00%	15,000.00	345,000.00
2000	38,030.00	23,030.00	6.20%	15,000.00	330,000.00
2001	37,115.00	22,115.00	6.20%	15,000.00	315,000.00
2001-2013	<u>478,600.00</u>	<u>163,600.00</u>	6.4-7%	<u>315,000.00</u>	
TOTALS	<u>\$ 667,841.25</u>	<u>\$ 282,841.25</u>		<u>\$ 385,000.00</u>	

ADVANCE REFUNDING OF REVENUE BONDS, SERIES OF 1990

During the year 1992, the city of Monett issued sewer system revenue refunding and improvement bonds series 1992A and 1992B. The net proceeds were used to provide improvements for the sewer fund and to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments on the series 1990 bonds. As a result, the series 1990 bonds are considered to be defeased and the liability for those bonds has been removed from the sewer fund, a component of the enterprise fund.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996

The annual requirements to amortize the 1990 bonds in defeases, including interest payments are as follows:

Fiscal Year Ended <u>March 31</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing May 1st</u>	<u>Bond Outstanding</u>
1997	\$ 137,812.50	\$ 67,812.50	6.80%	\$ 70,000.00	\$ 925,000.00
1998	137,863.75	62,863.25	6.85%	75,000.00	850,000.00
1999	137,535.00	57,535.00	6.90%	80,000.00	770,000.00
2000	141,647.50	51,647.50	6.90%	90,000.00	680,000.00
2001	140,195.00	45,195.00	6.90%	95,000.00	585,000.00
2002-2006	<u>696,340.00</u>	<u>117,340.00</u>	6.90-7.25%	<u>585,000.00</u>	
TOTALS	<u>\$ 1,391,693.75</u>	<u>\$ 396,093.75</u>		<u>\$ 995,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at March 31, 1996 is \$ 1,007,074.76.

6. CAPITAL LEASES

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a backhoe for the Street Department. This lease qualifies as a capital lease for accounting purposes and therefore, has been recorded at its present value of the future minimum lease payments at the date of its 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, 1996:

Fiscal Year Ending	
March 31, 1997	\$ 14,483.88
March 31, 1998	14,483.88
March 31, 1999	14,483.88
March 31, 2000	<u>6,034.95</u>
Total minimum lease payments	\$ 49,486.59
Less: Amount representing interest	<u>4,842.75</u>
Present value of minimum lease payments	<u>\$ 44,643.84</u>

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1996

7. 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, 1996, was \$ 2,485,906.98; the City's total payroll was \$ 2,814,611.85. 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 or 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, 1996, was \$343,352.76. The contributions represented 13.3% of covered payroll for general government, 15.9% for fire personnel, and 14.3% for law enforcement offices.

Missouri Local Government Employees Retirements System (LAGERS) issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Missouri Local Government Retirement System, 1913 William Street, P. O. Box 1665, Jefferson City, Missouri, 65102 or by calling 1-(314)-636-9455.

8. Prior Period Adjustments

A prior period adjustment is a positive or negative restatement to the fund balance or retained earnings. The restatement is a correction to a prior years financial statement presentation. The city has elected to adjust the general fund and enterprise fund for prior year adjustments. The prior years adjustments recorded by the City of Monett, Missouri, for year ended March 31, 1996 were for: basis of accounting, Governmental Accounting Standard Board (GASB) pronouncements, and applicable Financial Accounting Standard Board (FASB) pronouncements.

Total Prior Period Adjustments	
General Fund	\$ 76,513.55
Enterprise Fund	<u>(15,997.71)</u>
TOTAL	<u>\$ 60,515.84</u>

**SUPPLEMENTARY
INFORMATION**

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND
 FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Business license and permits	\$24,870.98
Federal and state grants	425,124.66
Fines and forfeitures	79,728.95
Franchise fees	138,912.77
General property taxes	195,243.97
Interest on investments	370,374.26
Other revenue	91,062.00
Other taxes and assessments	311,362.31
Rental revenue	13,723.56
Sales and use tax	1,062,495.11
Sanitation revenues	233,678.96
Total Revenues	<u>\$2,946,577.53</u>

Expenditures:

Salaries	\$1,510,922.41
Payroll taxes	114,687.26
Capital outlay	1,124,300.96
Dry cleaning	14,421.14
Education	9,262.11
Health insurance and expenditures	94,812.21
Insurance	166,344.69
Interest	2,282.61
Landfill and recycling	100,301.24
Miscellaneous	34,051.79
Professional and consulting service	132,452.33
Radio Expenditure	15,729.86
Repairs and maintenance	419,422.66
Retirement	211,551.33
Supplies	104,088.96
Telephone	18,183.21
Travel	5,495.87
Uniform service	3,586.58
Utilities	24,318.71
Total Expenditures	<u>\$4,106,215.93</u>

Revenues over (under) expenditures (\$1,159,638.40)

Other financing sources (uses)

Transfers in (out) (\$3,387,278.51)

Total other financing sources (uses) (\$3,387,278.51)

Revenues and other sources over (under)
 expenditures and other uses

(\$4,546,916.91)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - DEPARTMENT TOTALS
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

911 Systems	\$60,212.58
Administration	1,819,752.13
Airport	446,671.84
Building official and code administrators	18,915.00
Fire department	539.76
Municipal court	74,870.26
Police department	51,864.74
Sanitation department	235,599.39
Street department	238,151.83
Total Revenues	<u>\$2,946,577.53</u>

Expenditures:

911 System	\$47,904.63
Administration	271,270.97
Airport	805,377.38
Building official and code administrators	34,125.98
Fire department	920,370.29
Hazardous waste	12,913.42
Municipal court	34,365.06
Police department	888,607.10
Sanitation department	375,809.54
Street department	715,471.56
Total Expenditures	<u>\$4,106,215.93</u>

Revenues over (under) expenditures (\$1,159,638.40)

Other financing sources (uses)

Transfers in (out) (\$3,387,278.51)

Total other financing sources (uses) (\$3,387,278.51)

Revenues and other sources over (under)
expenditures and other uses

(\$4,546,916.91)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - ADMINISTRATION
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

General property taxes	\$195,243.97
Sales and use tax	1,062,495.11
Penalties and interest	1,510.87
Franchise fees	138,912.77
Business license and permits	9,131.88
Intangible tax	30,216.12
Other revenue	13,224.04
Interest on investments	369,017.37
Total Revenues	<u>\$1,819,752.13</u>

Expenditures:

Salaries	\$152,892.76
Payroll taxes	10,215.93
Capital outlay	2,000.00
Dry cleaning	2,088.75
Health insurance and expenditures	10,947.10
Insurance	4,458.00
Miscellaneous	11,187.34
Professional and consulting service	18,978.53
Repairs and maintenance	18,444.76
Retirement	19,375.18
Supplies:	
- building	909.01
- office	8,799.73
Telephone	1,527.22
Travel	1,497.08
Uniform service	132.43
Utilities	6,444.58
Wellness program	93.43
Workman's compensation	1,279.14
Total Expenditures	<u>\$271,270.97</u>

Revenues over (under) expenditures \$1,548,481.16

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - POLICE DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Forfeiture revenue	\$4,858.69
Interest income	1,001.04
Intergovernmental revenue	4,853.70
Other revenue	41,151.31
Total Revenues	<u>\$51,864.74</u>

Expenditures:

Salaries	\$553,303.54
Payroll taxes	43,651.88
Canine expenditure	3,184.60
Capital outlay	4,458.93
Community programs	3,755.86
Computer	7,242.71
Dog catcher expenditure	1,524.04
Dry cleaning	9,746.96
Education	4,726.16
Gas and oil	14,905.91
Health insurance and expenditures	30,546.71
Insurance	22,807.00
Jail expenditure	1,436.83
Miscellaneous	6,250.33
Professional and consulting service	31,276.42
Radio expenditure	6,639.70
Repairs and maintenance	14,228.61
Retirement	71,756.06
Supplies:	
- building	1,237.86
- office	3,965.78
- operating	8,626.44
- training	4,540.25
Telephone	10,181.44
Travel	950.58
Uniform service	159.63
Utilities	4,443.62
Wellness program	790.90
Workman's compensation	22,268.35
Total Expenditures	<u>\$888,607.10</u>

Revenues over (under) expenditures (\$836,742.36)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - 911 SYSTEM
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

911 income	\$60,212.58
Total Revenues	<u>\$60,212.58</u>

Expenditures:

Salaries	\$23,575.09
Payroll taxes	1,803.49
Health insurance and expenditures	1,445.17
Insurance	210.00
Miscellaneous	198.90
Repairs and maintenance	16,730.71
Retirement	3,390.94
Supplies:	
-Office	204.46
Operating	186.37
Telephone	60.08
Workman's compensation	99.42
Total Expenditures	<u>\$47,904.63</u>

Revenues over (under) expenditures	<u>\$12,307.95</u>
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The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - FIRE DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Intergovernmental revenue	\$539.76
Total Revenues	<u>\$539.76</u>

Expenditures:

Salaries	\$364,263.90
Payroll taxes	27,896.55
Capital outlay	362,995.13
Civil defense	14.44
Dry cleaning	2,585.43
Education	999.70
Gas and oil	3,903.16
Health insurance and expenditures	21,181.81
Insurance	11,177.75
Miscellaneous	2,179.92
Professional and consulting service	3,026.74
Radio expense	6,168.14
Repairs and maintenance	7,359.06
Retirement	60,577.81
Supplies:	
- building	634.51
- office	952.68
- operating	6,843.07
- training	841.29
Telephone	2,887.04
Travel	1,967.66
Utilities	5,017.27
Wellness program	125.20
Workman's compensation	26,772.03
Total Expenditures	<u>\$920,370.29</u>

Revenues over (under) expenditures (\$919,830.53)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - STREET DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Intergovernmental revenue	\$1,225.32
Motor fuel tax distribution	153,896.00
Motor sales tax	37,394.76
Other revenue	13,213.65
State fee increase	29,642.85
Street, sidewalk and curb repairs	2,779.25
Total Revenues	<u>\$238,151.83</u>

Expenditures:

Salaries	\$201,629.58
Payroll taxes	15,454.96
Capital outlay	71,531.53
Construction	168,551.64
Education	624.88
Gas and oil	21,368.47
Health insurance and expenditures	13,086.90
Insurance	13,892.00
Interest	2,282.61
Miscellaneous	1,628.87
Miscellaneous street repair	1,866.75
Professional and consulting service	4,718.74
Radio expense	1,251.33
Repairs and maintenance	100,042.18
Retirement	26,451.70
Supplies:	
- office	723.68
- operating	2,585.47
Telephone	2,392.14
Traffic and street lights	38,433.04
Travel	363.44
Uniform service	1,863.16
Utilities	3,178.00
Wellness program	1,447.55
Workman's compensation	20,102.94
Total Expenditures	<u>\$715,471.56</u>

Revenues over (under) expenditures (\$477,319.73)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - AIRPORT DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Airport rent received	\$13,723.56
Federal and state grants	425,124.66
Other revenue	7,823.62
Total Revenues	<u>\$446,671.84</u>

Expenditures:

Salaries	\$22,831.84
Payroll taxes	1,746.64
Capital outlay	658,600.17
Gas and oil	879.50
Health insurance and expenditure	1,396.21
Insurance	5,270.00
Miscellaneous	325.53
Professional and consulting service	72,345.16
Repairs and maintenance	8,446.59
Retirement	3,213.88
Runway expenses	16,632.04
Supplies:	
- building	470.63
- operating	6,661.00
Telephone	33.39
Travel	318.29
Uniform service	159.63
Utilities	4,401.42
Workman's compensation	1,645.46
Total Expenditures	<u>\$805,377.38</u>

Revenues over (under) expenditures (\$358,705.54)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - SANITATION DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Sanitation charges	\$233,678.96
Penalties	1,678.10
Intergovernmental revenue	242.33
Total Revenues	<u>\$235,599.39</u>

Expenditures:

Salaries	\$141,289.61
Payroll taxes	10,005.90
Capital outlay	24,715.20
Education	211.00
Gas and oil	6,335.76
Health insurance and expenditures	10,275.20
Insurance	5,041.00
Landfill expenses	88,786.40
Miscellaneous	696.71
Professional and consulting service	314.58
Radio expense	1,670.69
Recycling expense	11,514.84
Repairs and maintenance	16,905.92
Retirement	21,006.93
Street sweeper expense	3,777.92
Supplies:	
- office	2,141.70
- operating	1,078.76
Uniform service	1,271.73
Utilities	6.72
Wellness program	1,409.54
Workman's compensation	27,353.43
Total Expenditures	<u>\$375,809.54</u>

Revenues over (under) expenditures (\$140,210.15)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - HAZARDOUS WASTE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1996**

Revenues:	<u>\$0.00</u>
Total Revenues	<u>\$0.00</u>
Expenditures:	
Salaries	\$5,108.01
Payroll taxes	390.76
Education	1,532.00
Insurance	50.00
Miscellaneous	787.86
Retirement	60.00
Supplies:	
- office	56.00
- operating	3,826.97
- training	152.59
Telephone	289.37
Travel	312.08
Utilities	59.10
Workman's compensation	288.68
Total Expenditures	<u>\$12,913.42</u>
Revenues over (under) expenditures	<u>(\$12,913.42)</u>

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - BUILDING OFFICIAL/CODE ADMIN. DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Interest income	\$355.85
Intergovernmental revenue	13.49
Other revenue	2,806.56
Permit	15,739.10
Total Revenues	<u>\$18,915.00</u>

Expenditures:

Salaries	\$21,468.10
Payroll taxes	1,642.31
Gas and oil	9.00
Health insurance and expenditures	718.06
Insurance	264.00
Miscellaneous	381.88
Professional and consulting service	1,792.16
Retirement	3,065.92
Supplies:	
- office	455.00
- operating	19.87
Telephone	368.77
Travel	86.74
Utilities	768.00
Wellness program	7.80
Workman's compensation	3,078.37
Total Expenditures	<u>\$34,125.98</u>

Revenues over (under) expenditures (\$15,210.98)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - MUNICIPAL COURT DEPARTMENT
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Court fines	\$74,870.26
Total Revenues	<u>\$74,870.26</u>

Expenditures:

Salaries	\$24,559.98
Payroll taxes	1,878.84
Education	1,168.37
Health insurance and expenditures	1,340.63
Insurance	111.00
Miscellaneous	498.68
Repairs and maintenance	760.73
Retirement	2,652.91
Supplies:	
- office	774.04
Telephone	443.76
Workman's compensation	176.12
Total Expenditures	<u>\$34,365.06</u>

Revenues over (under) expenditures	<u>\$40,505.20</u>
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The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 SPECIAL REVENUE FUND
 FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Concession sales	\$20,321.24
Fees	173,801.07
Interest	143.90
Intergovernmentals revenues	894.96
Other revenues	3,895.63
Rental	39,805.28
Sale of cemetery lots and grave openings	16,275.00
Total Revenues	<u>\$255,137.08</u>

Expenditures:

Salaries	\$332,778.63
Payroll taxes	36,800.64
Health insurance and expenditures	14,253.06
Insurance	19,163.65
Professional and consulting	17,753.42
Repairs and maintenance	332,811.88
Supplies:	
- building	6,117.50
- office	3,183.50
- operating	38,068.71
Telephone	3,712.82
Utilities	20,718.96
Workman's compensation	17,273.41
Capital outlay	35,956.06
Concession purchases	13,086.94
Dry cleaning	746.89
Education	342.88
Gas and oil	10,053.04
Instructors	35,349.48
Miscellaneous	3,704.36
Rental	30,804.46
Retirement	28,386.95
Travel	9,565.42
Uniform service	3,826.41
Wellness program	1,762.37
Total Expenditures	<u>\$1,016,221.44</u>

Excess of revenues over (under) expenditures	<u>(\$761,084.36)</u>
Other financial sources (uses)	
Transfers in (out)	<u>\$736,143.66</u>
Total other sources (uses)	<u>\$736,143.66</u>
Revenues and other sources over (under) expenditures and other uses	<u>(\$24,940.70)</u>

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND-DEPARTMENT TOTAL
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Parks department	\$21,368.60
Pool department	27,278.85
Golf department	90,714.92
Cemetery department	16,751.51
North Park department	5,523.44
Recreation department	93,499.76
Total Revenues	<u>\$255,137.08</u>

Expenditures:

Parks department	\$175,488.33
Pool department	81,473.66
Golf department	409,556.67
Cemetery department	68,190.86
North Park department	95,502.73
Recreation department	186,009.19
Total Expenditures	<u>\$1,016,221.44</u>

Excess of revenues over (under) expenditures	<u>(\$761,084.36)</u>
Other financial sources (uses)	
Transfers in (out)	<u>\$736,143.66</u>
Total other sources (uses)	<u>\$736,143.66</u>
Revenues and other sources over (under) expenditures and other uses	<u>(\$24,940.70)</u>

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - PARKS
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Intergovernmental revenue	\$314.62
Other revenue	2,126.98
Rental	18,927.00
Total Revenues	<u>\$21,368.60</u>

Expenditures:

Salaries	\$79,961.28
Payroll taxes	7,371.98
Ambulance building expenditure	1,542.71
Capital outlay	6,280.31
Community building expenditure	1,062.87
Dry cleaning	716.08
Education	342.88
Gas & oil	3,987.08
Health insurance and expenditures	6,242.88
Insurance	2,685.17
Miscellaneous	276.69
Professional and consulting service	525.36
Radio expenditures	242.01
Repairs and maintenance	30,742.18
Retirement	10,089.69
Supplies:	
- building	1,208.09
- office	206.09
- operating	7,361.76
Telephone	423.21
Uniform service	579.95
Utilities	7,168.75
Wellness program	42.10
Workman's compensation	6,429.21
Total Expenditures	<u>\$175,488.33</u>

Revenues over (under) expenditures (\$154,119.73)

Other financing sources (uses)
transfers in (out) \$152,824.93
Total other financing sources (uses) \$152,824.93

Revenues and other sources over (under)
expenditures and other uses (\$1,294.80)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - POOL
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Concession sales	\$8,259.38
Fees	15,254.57
Rental	97.25
Swimming lessons	3,210.70
Other revenue	456.95
Total Revenues	<u>\$27,278.85</u>

Expenditures:

Salaries	\$31,330.44
Payroll taxes	2,775.04
Capital outlay	3,041.01
Insurance	461.00
Miscellaneous	710.89
Professional and consulting service	316.89
Repairs and maintenance	24,279.41
Supplies:	
- building	2,209.76
- office	6.78
- operating	2,685.92
Telephone	316.38
Concessions purchased	9,113.67
Utilities	2,686.20
Workman's compensation	1,540.27
Total Expenditures	<u>\$81,473.66</u>

Revenues over (under) expenditures (\$54,194.81)

Other financing sources (uses)
transfers in (out) \$56,703.09
Total other financing sources (uses) \$56,703.09

Revenues and other sources over (under)
expenditures and other uses \$2,508.28

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - GOLF
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Concession sales	\$2,220.29
Fees	67,858.85
Rental	20,106.78
Other revenue	334.99
Intergovernmental revenue	194.01
Total Revenues	<u>\$90,714.92</u>

Expenditures:

Salaries	\$84,630.72
Payroll taxes	14,196.07
Capital outlay	13,350.49
Concession purchases	1,305.04
Dry cleaning	30.81
Gas and oil	2,726.45
Health insurance and expenditures	3,240.36
Insurance	2,640.48
Miscellaneous	686.30
Professional and consulting service	15,572.61
Rental	1,028.61
Repairs and maintenance	235,514.66
Retirement	7,068.66
Supplies:	
- building	2,331.70
- office	723.82
- operating	14,696.13
Telephone	678.61
Travel	321.50
Uniform service	146.82
Utilities	5,427.89
Wellness program	143.70
Workman's compensation	3,095.24
Total Expenditures	<u>\$409,556.67</u>

Revenues over (under) expenditures (\$318,841.75)

Other financing sources (uses)
transfers in (out) \$306,665.67
Total other financing sources (uses) \$306,665.67

Revenues and other sources over (under)
expenditures and other uses (\$12,176.08)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - CEMETERY
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Grave openings	\$7,875.00
Interest income	143.90
Intergovernmental revenue	308.81
Other revenue	23.80
Sale of lots	8,400.00
Total Revenues	<u>\$16,751.51</u>

Expenditures:

Salaries	\$37,353.91
Payroll taxes	2,704.28
Capital outlay	2,387.75
Gas and oil	1,969.56
Health insurance and expense	1,697.64
Insurance	1,269.00
Miscellaneous	108.44
Professional and consulting service	98.56
Radio expenditure	127.40
Repairs and maintenance	8,371.36
Retirement	5,005.24
Supplies:	
- building	120.41
- office	412.83
- operating	1,500.94
Telephone	316.38
Travel	10.25
Uniform service	319.24
Utilities	1,333.66
Wellness program	12.70
Workman's compensation	3,071.31
Total Expenditures	<u>\$68,190.86</u>

Revenues over (under) expenditures (\$51,439.35)

Other financing sources (uses)
transfers in (out) \$47,683.03
Total other financing sources (uses) \$47,683.03

Revenues and other sources over (under)
expenditures and other uses (\$3,756.32)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - NORTH PARK
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Concession sales	\$5,210.36
Fees	245.00
Other revenue	68.08
Total Revenues	<u>\$5,523.44</u>

Expenditures:

Salaries	\$48,023.54
Payroll taxes	3,689.86
Ballfield expenditures	14,994.02
Capital outlay	1,635.50
Concession purchases	4,579.38
Gas and oil	1,014.73
Health insurance and expense	1,756.05
Insurance	611.00
Miscellaneous	282.66
Repairs and maintenance	5,596.06
Retirement	2,841.62
Supplies:	
- operating	4,677.22
Tennis court expenditures	1,076.35
Travel	120.00
Uniform service	94.20
Utilities	1,505.81
Wellness program	7.80
Workman's compensation	2,996.93
Total Expenditures	<u>\$95,502.73</u>

Revenues over (under) expenditures (\$89,979.29)

Other financing sources (uses)
transfers in (out) \$87,407.95
Total other financing sources (uses) \$87,407.95

Revenues and other sources over (under)
expenditures and other uses (\$2,571.34)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - RECREATION
FOR YEAR ENDED MARCH 31, 1996**

Revenues:

Concession sales	\$4,631.21
Fees	87,231.95
Intergovernmental Revenue	77.52
Other revenue	884.83
Rental	674.25
Total Revenues	<u>\$93,499.76</u>

Expenditures:

Salaries	\$51,478.74
Payroll taxes	6,063.41
Ball field expenditures	5,369.00
Capital outlay	9,261.00
Concession purchases	7,202.52
Gas & oil	355.22
Health insurance and expenditures	1,316.13
Instructors	35,349.48
Insurance	11,497.00
Miscellaneous	1,269.97
Professional and consulting service	1,240.00
Rental	29,775.85
Repairs and maintenance	4,263.26
Retirement	3,381.74
Supplies:	
- building	247.54
- office	1,833.98
- operating	7,146.74
Telephone	1,978.24
Utilities	5,282.85
Wellness program	15.80
Workman's compensation	1,680.72
Total Expenditures	<u>\$186,009.19</u>

Revenues over (under) expenditures (\$92,509.43)

Other financing sources (uses)
transfers in (out) \$84,858.99
Total other financing sources (uses) \$84,858.99

Revenues and other sources over (under)
expenditures and other uses (\$7,650.44)

The Notes to Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS -
 PROPRIETARY FUND
 MARCH 31, 1996**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
ASSETS			
Cash	\$2,547.87	\$19,436,423.18	\$328,189.93
Investments			300,000.00
Accounts receivable	61,480.67	762,593.46	66,469.64
Property, plant and equipment (net)	3,121,703.88	1,611,151.07	9,796,407.52
Total Assets	<u>\$3,185,732.42</u>	<u>\$21,810,167.71</u>	<u>\$10,491,067.09</u>
LIABILITIES AND RETAINED EARNINGS			
Liabilities			
Accounts payable	\$18,051.60	\$548,862.60	\$14,698.20
Accrued liabilities			14,722.32
Customer deposits	47,920.70	156,999.75	
Sewer bonds payable			1,155,000.00
Total Liabilities	<u>\$65,972.30</u>	<u>\$705,862.35</u>	<u>\$1,184,420.52</u>
RETAINED EARNINGS			
Contributed capital	\$0.00	\$0.00	\$3,017,829.05
Retained earnings	3,119,760.12	21,104,305.36	6,288,817.52
Total Retained Earnings	<u>\$3,119,760.12</u>	<u>\$21,104,305.36</u>	<u>\$9,306,646.57</u>
Total Liabilities and Retained Earnings	<u>\$3,185,732.42</u>	<u>\$21,810,167.71</u>	<u>\$10,491,067.09</u>

The Notes to Financial Statements are an integral part of this statement.

<u>CITY MECHANIC</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
\$0.00	\$0.00	\$19,767,160.98
		300,000.00
		890,543.77
7,021.54	21,490.49	14,557,774.50
<u>\$7,021.54</u>	<u>\$21,490.49</u>	<u>\$35,515,479.25</u>

\$761.18	\$997.84	\$583,371.42
		14,722.32
		204,920.45
		1,155,000.00
<u>\$761.18</u>	<u>\$997.84</u>	<u>\$1,958,014.19</u>

\$0.00	\$0.00	\$3,017,829.05
6,260.36	20,492.65	30,539,636.01
<u>\$6,260.36</u>	<u>\$20,492.65</u>	<u>\$33,557,465.06</u>
<u>\$7,021.54</u>	<u>\$21,490.49</u>	<u>\$35,515,479.25</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF REVENUES AND EXPENSES -
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1996**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
Operating revenues:			
Revenues	\$701,028.40	\$9,065,902.73	\$784,821.39
Tap-in charges	3,975.00		1,020.00
Sale of supplies	2,824.07	4,922.42	154.07
Penalties	4,911.10	30,493.27	1,920.02
Miscellaneous charges	2,607.13	8,654.28	2,473.21
Total operating revenues	<u>\$715,345.70</u>	<u>\$9,109,972.70</u>	<u>\$790,388.69</u>
Operating expenses:			
Salaries	\$223,102.94	\$373,974.91	\$248,648.35
Payroll taxes	17,097.69	28,639.41	19,884.91
Depreciation expense	163,761.53	220,508.66	382,622.85
Education	2,876.36	3,255.85	1,018.55
Electric purchases		5,879,231.46	
Gas and oil	8,833.03	7,492.53	9,755.12
Health insurance and expenses	21,488.77	25,226.12	12,031.23
Insurance	15,776.00	41,188.00	27,918.00
Miscellaneous	3,292.49	4,777.44	1,776.54
Miscellaneous work compensation	12,150.88	13,773.50	12,057.27
Office supplies	3,700.17	4,168.12	3,707.44
Professional fees	8,754.87	7,471.17	37,484.59
Repairs and maintenance	23,654.05	81,361.09	47,606.64
Retirement	29,268.20	47,518.18	29,499.67
Supplies	62,353.25	162,366.04	62,055.91
Telephone	2,115.20	5,350.91	1,571.59
Travel	490.14	1,441.13	767.41
Uniform service	1,738.03	2,778.42	1,263.29
Utilities	124,554.38	50.19	98,873.94
Wellness program	235.60	218.70	201.40
Total operating expenses	<u>\$725,243.58</u>	<u>\$6,910,791.83</u>	<u>\$998,744.70</u>
Net operating income	<u>(\$9,897.88)</u>	<u>\$2,199,180.87</u>	<u>(\$208,356.01)</u>
Non-operating revenues (expenses)			
Interest income	\$1,637.38	\$0.00	\$26,264.27
Interest expense & fees			(79,723.92)
Total non-operating revenues(expenses)	<u>\$1,637.38</u>	<u>\$0.00</u>	<u>(\$53,459.65)</u>
Net income (loss) before transfers	<u>(\$8,260.50)</u>	<u>\$2,199,180.87</u>	<u>(\$261,815.66)</u>
Transfer to other funds	\$1,208,338.62	(\$154,724.45)	\$1,155,598.70
Net income (loss)	<u>\$1,200,078.12</u>	<u>\$2,044,456.42</u>	<u>\$893,783.04</u>

The Notes to Financial Statements are an integral part of this statement.

<u>CITY MECHANIC</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
\$0.00	\$0.00	\$10,551,752.52
		4,995.00
		7,900.56
		37,324.39
199.14	472.69	14,406.45
<u>\$199.14</u>	<u>\$472.69</u>	<u>\$10,616,378.92</u>
\$34,196.48	\$77,581.01	\$957,503.69
2,616.03	5,934.95	74,172.99
622.73	1,919.56	769,435.33
		7,150.76
		5,879,231.46
2,913.61	963.01	29,957.30
1,384.41	3,256.57	63,387.10
429.00	1,197.00	86,508.00
398.75	349.54	10,594.76
1,777.20	5,514.68	45,273.53
3.13	1,530.68	13,109.54
	4,933.54	58,644.17
3,739.44	7,471.15	163,832.37
4,628.35	11,223.74	122,138.14
15,894.16	2,016.21	304,685.57
288.21	2,485.40	11,811.31
	565.07	3,263.75
159.63	398.34	6,337.71
1,995.99	669.00	226,143.50
8.80	24.60	689.10
<u>\$71,055.92</u>	<u>\$128,034.05</u>	<u>\$8,833,870.08</u>
<u>(\$70,856.78)</u>	<u>(\$127,561.36)</u>	<u>\$1,782,508.84</u>
\$0.00	\$0.00	\$27,901.65
		(79,723.92)
<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$51,822.27)</u>
<u>(\$70,856.78)</u>	<u>(\$127,561.36)</u>	<u>\$1,730,686.57</u>
<u>\$72,202.75</u>	<u>\$139,978.96</u>	<u>\$2,421,394.58</u>
<u>\$1,345.97</u>	<u>\$12,417.60</u>	<u>\$4,152,081.15</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1996**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>
Cash flows from operating activities:		
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net income (loss)	\$1,200,078.12	\$2,044,456.42
Depreciation	163,761.53	220,508.66
Net transfers	(1,208,338.62)	154,724.45
Interest on investments	(1,637.38)	
(Increase) Decrease in accounts receivable	(9,214.53)	(195,979.46)
Increase (Decrease) in accounts payable	(2,742.52)	76,337.60
Increase (Decrease) in accrued liabilities		
(Increase) Decrease in customer deposits	15,277.50	9,850.17
Net cash provided by (used in) operating activities	<u>\$157,184.10</u>	<u>\$2,309,897.84</u>
Cash flows from noncapital financing activities:		
Increase (Decrease) in due to other funds	(\$1,321,333.24)	\$0.00
Net transfers	1,208,338.62	(154,724.45)
Net cash provided by (used in) noncapital financing activities	<u>(\$112,994.62)</u>	<u>(\$154,724.45)</u>
Cash flows from capital and related financing activities:		
Purchase of capital acquisition	(\$52,094.82)	(\$178,169.21)
Redemption of bonds payable		
Net cash provided by (used in) capital and related financing activities	<u>(\$52,094.82)</u>	<u>(\$178,169.21)</u>
Cash flows from investing activities:		
Interest on investments	\$1,637.38	\$0.00
Net cash provided by (used in) investing activities	<u>\$1,637.38</u>	<u>\$0.00</u>
Net Cash Increase (Decrease)	(\$6,267.96)	\$1,977,004.18
Cash at Beginning of Year	<u>8,815.83</u>	<u>17,459,419.00</u>
Cash at End of Year	<u>\$2,547.87</u>	<u>\$19,436,423.18</u>

The Notes to Financial Statements are an integral part of this statement.

<u>SEWER OPERATIONS</u>	<u>CITY MECHANIC</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
\$893,783.04	\$1,345.97	\$12,417.60	\$4,152,081.15
382,622.85	622.73	1,919.56	769,435.33
(1,155,598.70)	(72,202.75)	(139,978.96)	(2,421,394.58)
(26,264.27)			(27,901.65)
(16,515.17)			(221,709.16)
(2,850.76)	761.18	997.84	72,503.34
(37,458.46)			(37,458.46)
			25,127.67
<u>\$37,718.53</u>	<u>(\$69,472.87)</u>	<u>(\$124,643.96)</u>	<u>\$2,310,683.64</u>
(\$1,066,547.90)	\$0.00	\$0.00	(\$2,387,881.14)
1,155,598.70	72,202.75	139,978.96	2,421,394.58
<u>\$89,050.80</u>	<u>\$72,202.75</u>	<u>\$139,978.96</u>	<u>\$33,513.44</u>
(\$42,092.37)	(\$2,729.88)	(\$15,335.00)	(\$290,421.28)
(35,000.00)			(35,000.00)
<u>(\$77,092.37)</u>	<u>(\$2,729.88)</u>	<u>(\$15,335.00)</u>	<u>(\$325,421.28)</u>
\$26,264.27	\$0.00	\$0.00	\$27,901.65
<u>\$26,264.27</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$27,901.65</u>
\$75,941.23	\$0.00	\$0.00	\$2,046,677.45
252,248.70	0.00	0.00	17,720,483.53
<u>\$328,189.93</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$19,767,160.98</u>

**CITY OF MONETT, MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
(By Function and Activity)
FOR YEAR ENDED MARCH 31, 1996**

<u>Function and Activity</u>	<u>Balance April 1, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 1996</u>
General Government Department:				
Buildings Department	\$123,891.25	\$0.00	\$0.00	\$123,891.25
Administration Department	203,196.95	2,000.00		\$205,196.95
Total General Government Department	<u>\$327,088.20</u>	<u>\$2,000.00</u>	<u>\$0.00</u>	<u>\$329,088.20</u>
Public Safety:				
911	\$61,362.84	\$0.00	\$0.00	\$61,362.84
Police	523,978.17	5,163.93		\$529,142.10
Fire	980,910.14	362,290.13		\$1,343,200.27
Total Public Safety	<u>\$1,566,251.15</u>	<u>\$367,454.06</u>	<u>\$0.00</u>	<u>\$1,933,705.21</u>
Street	\$5,945,421.38	\$118,940.10	\$34,022.06	\$6,030,339.42
Airport	1,866,399.86	658,600.17		\$2,525,000.03
Sanitation	321,571.71	24,715.20		\$346,286.91
Recreation	1,857,791.61	35,956.06	1,350.40	\$1,892,397.27
Total General Fixed Assets Allocated to Functions and Activities	<u>\$11,884,523.91</u>	<u>\$1,207,665.59</u>	<u>\$35,372.46</u>	<u>\$13,056,817.04</u>

The Notes to the Financial Statements are an integral part of this statement.

**FEDERAL COMPLIANCE
SECTION**

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the City for the year ended March 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the City 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 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 operations of policies and procedures may deteriorate.

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. We also performed tests of controls to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing and detecting irregularities that are material to the financial statements, and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests were less in scope than would be necessary to render an opinion on internal control structure policy 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 established by the American Institute of Certified Public Accountants. A material weakness is a 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 and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Council of the City of Monett, Missouri, management, and Federal Audit Agencies. However, this report is a matter of public record and its distribution is not limited.

Nallone, Juwey & Associates, P.C.

December 19, 1996

WALLACE, LOWERY & ASSOCIATES, P.C.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Reportable noncompliance findings consist of irregularities and illegal acts that are clearly inconsequential and instances of other noncompliance that are material to the financial statements. Irregularities are intentional misstatements or omissions of amounts or disclosures in financial statements. Illegal acts are violations of laws and regulations. Instances of other noncompliance include failures to follow requirements or violations of prohibitions contained in contracts or grant agreements that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our tests of compliance disclosed no reportable noncompliance findings.

The results of our tests disclosed certain immaterial instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Council of the City of Monett, Missouri, management, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Wallace, Lowery & Associates, P.C.

December 19, 1996

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996. These 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Our audit was made for the purpose of forming an opinion on the 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 financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Wallace Lowery & Associates, P.C.

December 19, 1996

WALLACE, LOWERY & ASSOCIATES, P.C.

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

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996. We have also audited the compliance of the City of Monett, Missouri, with the requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 19, 1996.

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 the financial statements are free of material misstatement and about whether the City 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, 1996, we considered the internal control structure of the City in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the City, and on the compliance of the City with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. 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 internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated December 19, 1996.

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

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting Applications:

- Budget
- Cash and investments
- Revenues collected
- Expenditures for goods and services
- Payroll
- Capital expenditures
- Debt and debt-service expenditures

General Requirements:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services allowed
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Cost allocation

For all of the internal control structure 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.

During the year ended March 31, 1996, the City 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 than 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 policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City in a separate letter dated December 19, 1996.

This report is intended for the information of the Council of the City of Monett, Missouri, management, and Federal Audit Agencies. However, this report is a matter of public record and its distribution is not limited.

Hollan, Lowrey & Associates, P.C.

December 19, 1996

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

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996.

We have applied procedures to test the City's 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, 1996.

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- 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 the City's compliance with the requirements listed above. 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, nothing came to our attention that caused us to believe that the City 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, Missouri, management, and Federal Audit Agencies. However, this report is a matter of public record and its distribution is not limited.

Wallace, Lowery & Associates, P.C.

December 19, 1996

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

Honorable Mayor Jerry Fulp
Jerry Dierker and Rex Lane, Councilmen
Monett, Missouri

We have audited the financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1996, and have issued our report thereon dated December 19, 1996.

We have also audited the City's compliance with the requirements governing types of services, eligibility, matching, level of effort and/or earmarking, reporting, and claims for advances and reimbursements and amounts used for matching that are applicable to each of its major federal financial assistance programs, which are identified as being tested in the accompanying Schedule of Federal Financial Assistance, for the year ended March 31, 1996. The management of 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 of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller general of the United States; and 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 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 disclosed no instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Monett, Missouri, complied, in all material respects, with the specific requirements referred to above that are applicable to each of its major federal financial assistance programs tested for the year ended March 31, 1996.

This report is intended for the information of the Council of the City of Monett, Missouri, management, and Federal Audit Agencies. However, this report is a matter of public record and its distribution is not limited.

Wallace Lowery & Associates, P.C.

December 19, 1996

CITY OF MONETT, MISSOURI
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 March 31, 1996

<u>Federal Grantor/Program title</u>	<u>CFDA NO.</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>MAJOR FEDERAL ASSISTANCE PROGRAM</u>
Department of Transportation					
Federal Aviation Agency passed through the Missouri Highway and Transportation Commission	20.106	\$364,500.00	\$328,050.01	\$328,050.01	X
	20.106	1,223,000.00	131,920.62	131,920.62	X
Total Department of Transportation		<u>\$1,587,500.00</u>	<u>\$459,970.63</u>	<u>\$459,970.63</u>	

The Notes to Financial Statements are an integral part of this statement.

CITY OF MONETT, MISSOURI
Schedule of Findings and Questioned Costs
Year Ended March 31, 1996

During the fiscal year ended March 31, 1996, actual expenditures exceeded budgeted expenditures in the Special Revenue Fund. A resolution was not adopted by the City Council authorizing an increase of expenditures over budget as required by state statute.

During the fiscal year ended year March 31, 1996, the City budgeted expenditures over budgeted revenues and available fund balance in the general fund and special revenue fund. This deficit budgeting is in violation of state statutes.

During the fiscal year ended March 31, 1996, the general fund and special revenue fund had a deficit year end fund balance. These fund deficits are in violation of state statutes.

CITY OF MONETT, MISSOURI
Schedule of Resolution of Prior Year Audit Findings
Year Ended March 31, 1996

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

During the fiscal year ended March 31, 1995, the City budgeted expenditures over budgeted revenues and available fund balance in the general fund and special revenue fund. This deficit budgeting is in violation of state statutes.

During the fiscal year ended March 31, 1995, the general fund and special revenue fund had a deficit year end fund balance. These fund deficits are in violation of state statutes.