

CITY OF MONETT, MISSOURI

FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 1997

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GENE R. WALLACE, C.P.A.

INDEPENDENT AUDITORS' REPORT

TELEPHONE
(417) 235-3650

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, 1997. 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, 1997, 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
September 22, 1997

**CITY OF MONETT, MISSOURI
 COMBINED BALANCE SHEET-
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1997**

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
ASSETS AND OTHER DEBITS:			
Cash and cash equivalents	(\$6,738,285.77)	\$26,189.47	\$0.00
Cash with fiscal agent			103,300.00
Investments	6,723,005.64		
Accounts receivable:			
Electric			
Water			
Sanitation	20,340.30		
Sewer			
Other	85,545.47		
Due from other funds	11,247.14		
Accrued interest on investments	2,937.93		
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>\$104,790.71</u>	<u>\$26,189.47</u>	<u>\$103,300.00</u>
LIABILITIES, FUND EQUITY, and OTHER CREDITS			
Liabilities:			
Accounts payable	\$103,390.71	\$26,189.47	\$0.00
Accrued liabilities	600.00		
Due to other funds			
General obligation bonds payable			
Customer deposits	800.00		
Sewer bond payable			
Capital lease payable			
Total Liabilities	<u>\$104,790.71</u>	<u>\$26,189.47</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			103,300.00
Contributed capital			
Retained earnings			
Fund balance			
Total Fund Equity	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$103,300.00</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$104,790.71</u>	<u>\$26,189.47</u>	<u>\$103,300.00</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	GENERAL FIXED ASSETS		
\$7,524,144.85	\$22,232.14	\$0.00	\$0.00	\$834,280.69	
				103,300.00	
300,000.00				7,023,005.64	
707,589.99				707,589.99	
58,588.23				58,588.23	
				20,340.30	
67,289.37				67,289.37	
				85,545.47	
				11,247.14	
				2,937.93	
14,349,411.77			14,298,552.74	28,647,964.51	
		103,300.00		103,300.00	
		217,153.05		217,153.05	
<u>\$23,007,024.21</u>	<u>\$22,232.14</u>	<u>\$320,453.05</u>	<u>\$14,298,552.74</u>	<u>\$37,882,542.32</u>	
\$599,970.47	\$10,985.00	\$0.00	\$0.00	\$740,535.65	
	11,247.14			600.00	
		100,000.00		11,247.14	
221,771.96				100,000.00	
1,120,000.00				222,571.96	
		220,453.05		1,120,000.00	
<u>\$1,941,742.43</u>	<u>\$22,232.14</u>	<u>\$320,453.05</u>	<u>\$0.00</u>	<u>\$2,415,407.80</u>	
\$0.00	\$0.00	\$0.00	\$14,298,552.74	\$14,298,552.74	
				103,300.00	
3,017,829.05				3,017,829.05	
18,047,452.73				18,047,452.73	
				0.00	
<u>\$21,065,281.78</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$14,298,552.74</u>	<u>\$35,467,134.52</u>	
<u>\$23,007,024.21</u>	<u>\$22,232.14</u>	<u>\$320,453.05</u>	<u>\$14,298,552.74</u>	<u>\$37,882,542.32</u>	

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 ALL GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED MARCH 31, 1997**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Revenues:		
Business licenses and permits	\$17,998.80	\$0.00
Charges for service	230,072.70	289,140.81
Federal and state grants	191,899.96	
Fines and forfeitures	83,934.00	
Franchise fees	176,727.58	
Interest income	424,297.23	133.07
Intergovernmental revenues		1,820.34
Sale of assets		49,650.00
Other revenues	127,129.89	20,107.10
Taxes, penalties and interest	1,423,402.81	
Total Revenues	<u>\$2,675,462.97</u>	<u>\$360,851.32</u>
Expenditures:		
Current		
General government	\$693,455.96	\$0.00
Public safety	1,731,702.51	
Highways and streets	1,070,387.43	
Public works	346,027.43	
Parks, recreation and golf		887,403.42
Capital Outlay-		
Current expenditures	942,993.82	114,020.85
Debt Service-		
Principal retirement		
Interest and fiscal agent fees	5,325.17	
Total Expenditures	<u>\$4,789,892.32</u>	<u>\$1,001,424.27</u>
Revenues over (under) expenditures	<u>(\$2,114,429.35)</u>	<u>(\$640,572.95)</u>
Other financing sources (uses)		
Transfers in (out)	\$13,220,545.11	\$672,724.65
Total Other Financing Sources (Uses)	<u>\$13,220,545.11</u>	<u>\$672,724.65</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$11,106,115.76	\$32,151.70
Fund Balance, Beginning of Year	<u>(11,106,115.76)</u>	<u>(32,151.70)</u>
Fund Balance, End of Year	<u>\$0.00</u>	<u>\$0.00</u>

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

<u>DEBT SERVICE FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$0.00	\$17,998.80
	519,213.51
	191,899.96
	83,934.00
	176,727.58
1,866.55	426,296.85
	1,820.34
	49,650.00
	147,236.99
	<u>1,423,402.81</u>
<u>\$1,866.55</u>	<u>\$3,038,180.84</u>
\$0.00	\$693,455.96
	1,731,702.51
	1,070,387.43
	346,027.43
	887,403.42
	1,057,014.67
200,000.00	200,000.00
27,825.12	33,150.29
<u>\$227,825.12</u>	<u>\$6,019,141.71</u>
<u>(\$225,958.57)</u>	<u>(\$2,980,960.87)</u>
\$108,618.88	\$14,001,888.64
<u>\$108,618.88</u>	<u>\$14,001,888.64</u>
(\$117,339.69)	\$11,020,927.77
220,639.69	<u>(10,917,627.77)</u>
<u>\$103,300.00</u>	<u>\$103,300.00</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, 1997**

	<u>BUDGET</u>	<u>GENERAL FUND ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Business licenses and permits	\$9,200.00	\$17,998.80	\$8,798.80
Charges for service	343,100.00	230,072.70	(113,027.30)
Federal and state grants	0.00	191,899.96	191,899.96
Fines and forfeitures	81,000.00	83,934.00	2,934.00
Franchise fees	150,250.00	176,727.58	26,477.58
Interest income	375,300.00	424,297.23	48,997.23
Intergovernmental revenues	4,100.00	0.00	(4,100.00)
Sale of assets			
Other revenues	74,556.00	127,129.89	52,573.89
Taxes, penalties and interest	1,488,400.00	1,423,402.81	(64,997.19)
Total Revenues	<u>\$2,525,906.00</u>	<u>\$2,675,462.97</u>	<u>\$149,556.97</u>
Expenditures:			
Current			
General government	\$521,784.00	\$693,455.96	(\$171,671.96)
Public safety	1,675,031.00	1,731,702.51	(56,671.51)
Highways and streets	1,046,505.00	1,070,387.43	(23,882.43)
Public works	363,490.00	346,027.43	17,462.57
Parks, recreation and golf			
Capital Outlay-			
Current expenditures	1,054,330.00	942,993.82	111,336.18
Debt Service-			
Principal retirement			
Interest and fiscal agent fees	1,000.00	5,325.17	(4,325.17)
Total Expenditures	<u>\$4,662,140.00</u>	<u>\$4,789,892.32</u>	<u>(\$127,752.32)</u>
Revenues over (under) expenditures	<u>(\$2,136,234.00)</u>	<u>(\$2,114,429.35)</u>	<u>\$21,804.65</u>
Other financing sources (uses)			
Transfers in (out)	\$141,450.00	\$13,220,545.11	\$13,079,095.11
Total Other Financing Sources (Uses)	<u>\$141,450.00</u>	<u>\$13,220,545.11</u>	<u>\$13,079,095.11</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(\$1,994,784.00)</u>	<u>\$11,106,115.76</u>	<u>\$13,100,899.76</u>
Fund Balance, Beginning of Year		<u>(11,106,115.76)</u>	
Fund Balance, End of Year		<u>\$0.00</u>	

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

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
356,800.00	289,140.81	(67,659.19)			
0.00	133.07	133.07	16,350.00	1,866.55	(14,483.45)
500.00	1,820.34	1,320.34			
58,000.00	49,650.00	(8,350.00)			
5,550.00	20,107.10	14,557.10	500.00	0.00	(500.00)
<u>\$420,850.00</u>	<u>\$360,851.32</u>	<u>(\$59,998.68)</u>	<u>\$16,850.00</u>	<u>\$1,866.55</u>	<u>(\$14,983.45)</u>
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
810,195.00	887,403.42	(77,208.42)			
197,478.00	114,020.85	83,457.15			
			200,000.00	200,000.00	0.00
			16,850.00	27,825.12	(10,975.12)
<u>\$1,007,673.00</u>	<u>\$1,001,424.27</u>	<u>\$6,248.73</u>	<u>\$216,850.00</u>	<u>\$227,825.12</u>	<u>(\$10,975.12)</u>
<u>(\$586,823.00)</u>	<u>(\$640,572.95)</u>	<u>(\$53,749.95)</u>	<u>(\$200,000.00)</u>	<u>(\$225,958.57)</u>	<u>(\$25,958.57)</u>
\$0.00	\$672,724.65	\$672,724.65	\$200,000.00	\$108,618.88	(\$91,381.12)
\$0.00	\$672,724.65	\$672,724.65	\$200,000.00	\$108,618.88	(\$91,381.12)
<u>(\$586,823.00)</u>	\$32,151.70	<u>\$618,974.70</u>	<u>\$0.00</u>	<u>(\$117,339.69)</u>	<u>(\$117,339.69)</u>
	(32,151.70)			<u>220,639.69</u>	
	<u>\$0.00</u>			<u>\$103,300.00</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, 1997**

	TOTAL (MEMORANDUM ONLY)		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:			
Business licenses and permits	\$9,200.00	\$17,998.80	\$8,798.80
Charges for service	699,900.00	519,213.51	(180,686.49)
Federal and state grants	0.00	191,899.96	191,899.96
Fines and forfeitures	81,000.00	83,934.00	2,934.00
Franchise fees	150,250.00	176,727.58	26,477.58
Interest revenues	391,650.00	426,296.85	34,646.85
Intergovernmental revenues	4,600.00	1,820.34	(2,779.66)
Sale of assets	58,000.00	49,650.00	(8,350.00)
Other revenues	80,606.00	147,236.99	66,630.99
Taxes, penalties and interest	1,488,400.00	1,423,402.81	(64,997.19)
Total Revenues	<u>\$2,963,606.00</u>	<u>\$3,038,180.84</u>	<u>\$74,574.84</u>
Expenditures:			
Current			
General government	\$521,784.00	\$693,455.96	(\$171,671.96)
Public safety	1,675,031.00	1,731,702.51	(56,671.51)
Highways and streets	1,046,505.00	1,070,387.43	(23,882.43)
Public works	363,490.00	346,027.43	17,462.57
Parks, recreation and golf	810,195.00	887,403.42	(77,208.42)
Capital Outlay-			
Current expenditures	1,251,808.00	1,057,014.67	194,793.33
Debt Service-			
Principal retirement	200,000.00	200,000.00	0.00
Interest and fiscal agent fees	17,850.00	33,150.29	(15,300.29)
Total Expenditures	<u>\$5,886,663.00</u>	<u>\$6,019,141.71</u>	<u>(\$132,478.71)</u>
Revenues over (under) expenditures	<u>(\$2,923,057.00)</u>	<u>(\$2,980,960.87)</u>	<u>(\$57,903.87)</u>
Other financing sources (uses)			
Transfers in (out)	\$341,450.00	\$14,001,888.64	\$13,660,438.64
Total Other Financing Sources (Uses)	<u>\$341,450.00</u>	<u>\$14,001,888.64</u>	<u>\$13,660,438.64</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(\$2,581,607.00)</u>	\$11,020,927.77	<u>\$13,602,534.77</u>
Fund Balance, Beginning of Year		<u>(10,917,627.77)</u>	
Fund Balance, End of Year		<u>\$103,300.00</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, 1997**

Operating revenues:

Revenues	\$10,816,673.08
Tap-in charges	3,780.00
Sale of supplies	148,613.74
Penalties	39,593.09
Miscellaneous charges	27,706.85
Total Revenues	<u>\$11,036,366.76</u>

Operating expenses:

Salaries	\$981,387.75
Payroll taxes	76,264.74
Depreciation expense	791,388.39
Education	24,278.85
Electric purchases	6,343,730.31
Gas and oil	29,416.19
Health and life insurance	43,411.34
Insurance	80,779.25
Miscellaneous	14,442.53
Office supplies	15,732.25
Professional fees	104,860.28
Repairs and maintenance	158,745.06
Retirement	126,445.22
Supplies	403,259.01
Telephone	11,092.28
Travel	3,288.45
Uniform service	5,860.15
Utilities	247,529.76
Wellness program	1,423.17
Workman's compensation	45,206.53
Total Operating Expenses	<u>\$9,508,541.51</u>

Net Operating income (loss)	<u>\$1,527,825.25</u>
Non-operating revenues (expenses)	
Interest income	\$32,188.38
Gain or loss on sale of asset	5,970.49
Interest expense & fees	(56,278.76)
Total non-operating revenues(expenses)	<u>(\$18,119.89)</u>
Net Income (loss) before transfers	\$1,509,705.36
Transfer in (out)	(14,001,888.64)
Net Income (Loss)	<u>(\$12,492,183.28)</u>
Retained earnings, beginning of year	30,539,636.01
Retained earnings, end of year	<u>\$18,047,452.73</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, 1997**

Cash flows from operating activities:

Adjustments to reconcile net income to net cash provided

by (used in) operating activities:

Net income (loss)	(\$12,492,183.28)
Depreciation	791,388.39
Net transfers	14,001,888.64
Interest income	(32,188.38)
(Gain) or loss on sale of assets	(5,970.49)
(Increase) Decrease in accounts receivable	57,076.18
Increase (Decrease) in accounts payable	16,599.05
Increase (Decrease) in accrued liabilities	(14,722.32)
(Increase) Decrease in customer deposits	16,851.51
Net cash provided by (used in) operating activities	<u>\$2,338,739.30</u>

Cash flows from noncapital financing activities:

Net transfers	<u>(\$14,001,888.64)</u>
Net cash provided by (used in) noncapital financing activities	<u>(\$14,001,888.64)</u>

Cash flows from capital and related financing activities:

Sale of capital acquisitions	\$63,265.26
Purchase of capital acquisitions	(640,320.43)
Redemption of bonds payable	(35,000.00)
Net cash provided by (used in) capital and related financing activities	<u>(\$612,055.17)</u>

Cash flows from investing activities:

Interest income	<u>\$32,188.38</u>
Net cash provided by (used in) investing activities	<u>\$32,188.38</u>

Net Cash Increase (Decrease) (\$12,243,016.13)

Cash at Beginning of Year 19,767,160.98

Cash at End of Year \$7,524,144.85

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

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1997**

1. SUMMARY OF ACCOUNTING POLICIES

The City of Monett, Missouri, was incorporated as a town in 1888 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, 1997. 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, 1997.

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 31,1997

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 Fund

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 Fund

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:

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.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31,1997**

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, 1997, was adopted March 29, 1996. 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 31,1997

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, 1997

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, 1997, the carrying amount of the City's cash and cash equivalents were:

Cash	\$ 640,444.62
Cash Equivalents	<u>193,836.07</u>
	<u>\$ 834,280.69</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, 1997, were:

Certificates of Deposits	\$ 6,298,000.00
U.S. Treasuries	<u>725,005.64</u>
	<u>\$ 7,023,005.64</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, 1997

Assessed Valuation, Tax Levy and Legal Debt Margin

The 1996 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	\$ 37,576,145.00
Personal Property	<u>19,459,367.00</u>
TOTAL ASSESSED VALUATION	<u>\$ 57,035,512.00</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, 1997, was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
General obligation debt limit	\$ 5,703,551	\$ 5,703,551	\$ 11,407,102
General obligation bonds payable	<u>100,000</u>	<u>- 0 -</u>	<u>100,000</u>
Legal debt margin	<u>\$ 5,603,551</u>	<u>\$ 5,703,551</u>	<u>\$ 11,307,102</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, 1997**

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, 1997:

	<u>GENERAL OBLIGATION BONDS</u>
Debt outstanding April 1, 1996	\$ 300,000.00
Retirements	<u>200,000.00</u>
Debt outstanding March 31, 1997	<u>\$ 100,000.00</u>

Debt outstanding as of March 31, 1997, consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amounts Issued</u>	<u>Outstanding</u>
General Obligation Bonds:				
Overpass - 1987	6.5 - 6.6%	1998	<u>\$ 2,000,000.00</u>	<u>\$ 100,000.00</u>

GENERAL OBLIGATION BONDS

The City is indebted for the following General Obligation Bonds at March 31, 1997, 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 April 1st</u>
1998	<u>\$ 103,300.00</u>	<u>\$ 3,300.00</u>	6.60 %	<u>\$ 100,000.00</u>
Totals	<u>\$ 103,300.00</u>	<u>\$ 3,300.00</u>		<u>\$ 100,000.00</u>

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1997**

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, 1997. 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 March 31	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bonds Outstanding
1998	\$ 48,702.60	\$ 23,702.60	5.40%	\$ 25,000.00	\$ 720,000.00
1999	48,599.40	23,599.40	5.60%	25,000.00	695,000.00
2000	52,983.25	22,983.25	5.80%	30,000.00	665,000.00
2001	52,182.10	22,182.10	5.90%	30,000.00	635,000.00
2002	51,430.44	21,430.44	6.00%	30,000.00	605,000.00
2003-2014	<u>760,443.55</u>	<u>155,443.55</u>	6.1-6.55%	<u>605,000.00</u>	
TOTALS	<u>\$ 1,014,341.34</u>	<u>\$ 269,341.34</u>		<u>\$ 745,000.00</u>	

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

Fiscal Year Ended March 31	Total	Total Interest	Interest Rate	Principal Maturing May 1st	Bonds Outstanding
1998	\$ 39,755.00	\$ 24,755.00	5.5 %	\$ 15,000.00	\$ 360,000.00
1999	38,911.25	23,911.25	5.75%	15,000.00	345,000.00
2000	38,030.00	23,030.00	6.00%	15,000.00	330,000.00
2001	37,115.00	22,115.00	6.20%	15,000.00	315,000.00
2002	36,170.00	21,170.00	6.40%	15,000.00	300,000.00
2003-2014	<u>442,448.00</u>	<u>142,448.00</u>	6.50-7.0%	<u>300,000.00</u>	
TOTALS	<u>\$ 632,429.25</u>	<u>\$ 257,429.25</u>		<u>\$ 375,000.00</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, 1997

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>Bonds Outstanding</u>
1998	\$ 137,863.75	\$ 62,863.75	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	148,345.00	38,345.00	6.90%	100,000.00	485,000.00
2003-2006	<u>557,995.00</u>	<u>72,995.00</u>	6.90-7.25%	<u>485,000.00</u>	
TOTALS	<u>\$ 1,263,581.25</u>	<u>\$ 328,581.25</u>		<u>\$ 925,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at December 31, 1996, is \$ 934,606.58.

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, 1997:

Fiscal Year Ending	
March 31, 1998	\$ 14,483.88
March 31, 1999	14,483.88
March 31, 2000	<u>6,034.95</u>
Total minimum lease payments	\$ 35,002.71
Less: Amount representing interest	<u>2,494.22</u>
Present value of minimum lease payments	<u>\$ 32,508.49</u>

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a fuel tank for the Airport 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, 1997:

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
March 31, 1997

Fiscal Year Ending	
March 31, 1998	\$ 37,212.00
March 31, 1999	37,212.00
March 31, 2000	37,212.00
March 31, 2001	37,212.00
March 31, 2002	<u>23,873.02</u>
Total minimum lease payments	\$ 172,721.02
Less: Amount representing interest	<u>19,176.45</u>
Present value of minimum lease payments	<u>\$ 153,554.57</u>

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a grader 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, 1997:

Fiscal Year Ending	
March 31, 1998	<u>\$ 36,550.00</u>
Total minimum lease payments	\$ 36,550.00
Less: Amount representing interest	<u>2,150.00</u>
Present value of minimum lease payments	<u>\$ 34,400.00</u>

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, 1997, was \$ 2,673,373.78; the City's total payroll was \$ 3,058,740.03. 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, 1997, was \$387,360.94. The contributions represented 13.8% of covered payroll for general government, 16.4% for fire personnel, and 15.4% 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-(573)-636-9455.

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND
 FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Business license and permits	\$17,998.80
Federal and state grants	191,899.96
Fines and forfeitures	83,934.00
Franchise fees	176,727.58
General property taxes	223,663.14
Interest income	424,297.23
Other revenue	127,129.89
Other taxes and assessments	306,400.48
Rental revenue	3,160.00
Sales tax	893,339.19
Sanitation revenues	226,912.70
Total Revenues	<u>\$2,675,462.97</u>

Expenditures:

Salaries	\$1,697,715.31
Payroll taxes	130,906.28
Capital outlay	942,993.82
Community development block grant	111,500.00
Dry cleaning	18,347.61
Education	10,713.11
Election	2,407.59
Insurance	265,241.36
Interest and fees	5,325.17
Landfill and recycling	98,330.53
Miscellaneous	32,359.83
Professional and consulting service	259,881.46
Repairs and maintenance	727,289.53
Retirement	227,196.27
Supplies	183,606.43
Telephone	28,560.47
Travel	8,874.46
Uniform service	3,592.87
Utilities	35,050.22
Total Expenditures	<u>\$4,789,892.32</u>

Revenues over (under) expenditures (\$2,114,429.35)

Other financing sources (uses)

Transfers in (out)	<u>\$13,220,545.11</u>
Total other financing sources (uses)	<u>\$13,220,545.11</u>

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

\$11,106,115.76

The Notes to the 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, 1997**

Revenues:

911 System department	\$58,193.01
Administration department	1,865,601.16
Airport department	90,346.17
Building official and code administrators department	9,051.60
Civil defense department	200.00
Communication center department	9,777.50
Fire department	1,671.87
Hazardous waste department	6.19
Municipal court department	79,358.18
Police department	43,445.87
Sanitation department	229,326.40
Street department	288,485.02
Total Revenues	<u>\$2,675,462.97</u>

Expenditures:

911 System department	\$53,619.26
Administration department	452,916.94
Airport department	505,974.16
Building official and code administrators department	43,839.72
Civil defense department	30,175.75
Communication center department	335,770.93
Fire department	617,965.03
Hazardous waste department	14,404.33
Municipal court department	26,483.75
Police department	851,394.39
Sanitation department	628,720.04
Street department	1,228,628.02
Total Expenditures	<u>\$4,789,892.32</u>

Revenues over (under) expenditures (\$2,114,429.35)

Other financing sources (uses)

Transfers in (out) \$13,220,545.11

Total other financing sources (uses) \$13,220,545.11

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

\$11,106,115.76

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND - 911 SYSTEM DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

911 income	\$58,185.51
Other revenues	7.50
Total Revenues	<u>\$58,193.01</u>

Expenditures:

Salaries	\$26,747.05
Payroll taxes	2,046.22
Capital outlay	826.67
Education	157.50
Health and life insurance	1,345.97
Insurance	208.00
Miscellaneous	112.86
Professional and consulting service	52.50
Repairs and maintenance	7,789.10
Retirement	3,680.99
Supplies:	
- office	90.08
- operating	3,150.00
Telephone	7,289.28
Workman's compensation	123.04
Total Expenditures	<u>\$53,619.26</u>

Revenues over (under) expenditures	<u>\$4,573.75</u>
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The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - ADMINISTRATION DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

General property taxes	\$223,663.14
Sales tax	893,339.19
Penalties and interest	938.54
Franchise fees	176,727.58
Business license and permits	10,516.22
Intangible tax	2,531.80
Other revenue	2,333.18
Community development block grant	131,500.00
Interest income	424,051.51
Total Revenues	<u>\$1,865,601.16</u>

Expenditures:

Salaries	\$139,016.41
Payroll taxes	10,655.22
Capital outlay	22,754.65
Community development block grant	111,500.00
Dry cleaning	1,993.81
Election expenditures	2,407.59
Health and life insurance	8,778.08
Insurance	4,295.00
Interest and fees	883.04
Miscellaneous	6,998.20
Professional and consulting service	92,272.95
Repairs and maintenance	13,647.50
Retirement	13,954.10
Supplies:	
- building	447.16
- office	11,481.94
- operating	1,323.97
Telephone	1,554.76
Travel	731.32
Utilities	6,385.96
Wellness program	206.78
Workman's compensation	1,628.50
Total Expenditures	<u>\$452,916.94</u>

Revenues over (under) expenditures \$1,412,684.22

The Notes to the 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, 1997**

Revenues:

Airport rent received	\$3,160.00
Federal and state grants	60,399.96
Other revenue	26,786.21
Total Revenues	<u>\$90,346.17</u>

Expenditures:

Salaries	\$32,460.21
Payroll taxes	2,483.24
Capital outlay	309,496.92
Gas and oil	1,676.19
Health and life insurance	1,347.72
Insurance	4,680.00
Interest and fees	2,093.61
Miscellaneous	553.29
Professional and consulting service	118,807.98
Repairs and maintenance	6,123.57
Retirement	3,591.60
Runway expenses	995.60
Supplies:	
- building	2,892.05
- operating	7,330.62
Telephone	1,418.53
Travel	817.57
Uniform service	177.59
Utilities	7,435.04
Workman's compensation	1,592.83
Total Expenditures	<u>\$505,974.16</u>

Revenues over (under) expenditures (\$415,627.99)

The Notes to the 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, 1997**

Revenues:

Interest income	\$245.72
Other revenue	1,323.30
Permit	7,482.58
Total Revenues	<u>\$9,051.60</u>

Expenditures:

Salaries	\$26,594.88
Payroll taxes	2,049.26
Health and life insurance	963.58
Insurance	262.00
Misceilaneous	1,047.03
Professional and consulting service	3,752.56
Repairs and maintenance	1,779.96
Retirement	3,037.40
Supplies:	
- office	806.04
- operating	343.72
Telephone	417.98
Utilities	938.73
Wellness program	15.60
Workman's compensation	1,830.98
Total Expenditures	<u>\$43,839.72</u>

Revenues over (under) expenditures (\$34,788.12)

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

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - CIVIL DEFENSE DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Other revenues	\$200.00
Total Revenues	<u>\$200.00</u>

Expenditures:

Salaries	\$1,336.68
Payroll taxes	102.24
Capital outlay	25,793.55
Insurance	364.00
Miscellaneous	16.06
Repairs and maintenance	989.33
Supplies:	
- operating	242.84
Travel	1,331.05
Total Expenditures	<u>\$30,175.75</u>

Revenues over (under) expenditures	<u>(\$29,975.75)</u>
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The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - COMMUNICATION CENTER DEPARTMENT
 FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Other revenues	\$9,777.50
Total Revenues	<u>\$9,777.50</u>

Expenditures:

Salaries	\$148,211.94
Payroll taxes	11,338.21
Capital outlay	124,897.20
Dry cleaning	2,259.44
Health and life insurance	8,572.92
Miscellaneous	754.45
Radio expense	1,783.36
Repairs and maintenance	5,639.08
Retirement	20,329.31
Supplies:	
- building	725.25
- office	1,062.81
- operating	3,515.74
- training	1,616.76
Telephone	3,777.91
Travel	1,106.09
Wellness program	46.80
Workman's compensation	133.66
Total Expenditures	<u>\$335,770.93</u>

Revenues over (under) expenditures	<u>(\$325,993.43)</u>
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The Notes to the 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, 1997**

Revenues:

Intergovernmental revenue	\$431.90
Other revenues	1,239.97
Total Revenues	<u>\$1,671.87</u>

Expenditures:

Salaries	\$386,783.29
Payroll taxes	29,609.38
Capital outlay	16,795.92
Dry cleaning	1,733.43
Education	2,630.52
Gas and oil	3,980.61
Health and life insurance	18,684.77
Insurance	11,830.75
Miscellaneous	3,058.03
Professional and consulting service	2,428.96
Radio expense	3,762.21
Repairs and maintenance	7,794.37
Retirement	62,835.69
Supplies:	
- building	919.90
- office	1,269.07
- operating	23,322.16
- training	1,128.45
Telephone	1,607.73
Travel	2,678.47
Utilities	9,635.29
Wellness program	418.85
Workman's compensation	25,057.18
Total Expenditures	<u>\$617,965.03</u>

Revenues over (under) expenditures (\$616,293.16)

The Notes to the 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, 1997**

Revenues:

Other revenues	\$6.19
Total Revenues	<u>\$6.19</u>

Expenditures:

Salaries	\$5,971.67
Payroll taxes	456.85
Education	740.00
Insurance	49.00
Miscellaneous	51.94
Supplies:	
- office	12.75
- operating	5,477.05
- training	298.00
Telephone	311.22
Travel	567.63
Utilities	151.80
Workman's compensation	316.42
Total Expenditures	<u>\$14,404.33</u>

Revenues over (under) expenditures	<u>(\$14,398.14)</u>
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The Notes to the 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, 1997**

Revenues:

Court fines	\$79,274.95
Other revenues	83.23
Total Revenues	<u>\$79,358.18</u>

Expenditures:

Salaries	\$15,888.00
Payroll taxes	1,215.55
Capital outlay	2,624.00
Education	784.02
Health and life insurance	714.79
Insurance	110.00
Miscellaneous	1,189.54
Repairs and maintenance	504.17
Retirement	1,711.44
Supplies:	
- office	1,241.34
Telephone	377.99
Workman's compensation	122.91
Total Expenditures	<u>\$26,483.75</u>

Revenues over (under) expenditures	<u>\$52,874.43</u>
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The Notes to the 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, 1997**

Revenues:

Forfeiture revenue	\$1,935.32
Intergovernmental revenue	2,056.41
Other revenue	39,454.14
Total Revenues	<u>\$43,445.87</u>

Expenditures:

Salaries	\$510,158.75
Payroll taxes	39,046.75
Canine expenditure	1,305.86
Capital outlay	3,313.84
Computer	3,202.63
Dog catcher expenditure	3,725.20
Dry cleaning	12,360.93
Education	3,850.61
Gas and oil	16,134.09
Health and life insurance	24,795.84
Insurance	21,883.00
Jail expenditure	1,549.49
Miscellaneous	6,091.82
Professional and consulting service	26,911.23
Radio expenditure	6,801.75
Repairs and maintenance	13,146.52
Retirement	67,909.23
Supplies:	
- building	639.56
- office	3,095.07
- operating	37,125.06
- training	5,053.66
Telephone	8,636.23
Travel	701.22
Uniform service	434.34
Utilities	4,849.48
Wellness program	637.40
Workman's compensation	28,034.83
Total Expenditures	<u>\$851,394.39</u>

Revenues over (under) expenditures (\$807,948.52)

The Notes to the 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, 1997**

Revenues:

Sanitation charges	\$226,912.70
Penalties	1,785.19
Other revenues	528.69
Intergovernmental revenue	99.82
Total Revenues	<u>\$229,326.40</u>

Expenditures:

Salaries	\$146,021.18
Payroll taxes	11,795.68
Capital outlay	280,599.00
Education	517.00
Gas and oil	6,314.46
Health and life insurance	9,307.94
Insurance	5,570.00
Landfill expenses	85,975.67
Miscellaneous	482.72
Professional and consulting service	183.09
Radio expense	264.00
Recycling expense	12,354.86
Repairs and maintenance	13,572.93
Retirement	18,770.29
Street sweeper expense	5,860.26
Supplies:	
- office	2,063.85
- operating	876.10
Travel	37.44
Uniform service	1,280.62
Utilities	52.80
Wellness program	295.92
Workman's compensation	26,524.23
Total Expenditures	<u>\$628,720.04</u>

Revenues over (under) expenditures (\$399,393.64)

The Notes to the 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, 1997**

Revenues:

Intergovernmental revenue	\$3,376.97
Motor fuel tax distribution	176,763.73
Motor sales tax	38,892.94
Other revenue	12,558.89
State fee increase	30,026.50
Street, sidewalk and curb repairs	26,865.99
Total Revenues	<u>\$288,485.02</u>

Expenditures:

Salaries	\$258,525.25
Payroll taxes	20,107.68
Capital outlay	155,892.07
Construction	62,409.41
Education	2,033.46
Gas and oil	28,528.08
Health and life insurance	14,155.45
Insurance	15,122.00
Interest	2,348.52
Miscellaneous	4,835.16
Miscellaneous street repair	455,484.99
Professional and consulting service	15,472.19
Radio expense	8,353.50
Repairs and maintenance	60,977.40
Retirement	31,376.22
Supplies:	
- office	2,772.70
- operating	6,649.30
Telephone	3,168.84
Traffic and street lights	44,858.40
Travel	903.67
Uniform service	1,700.32
Utilities	5,601.12
Wellness program	516.32
Workman's compensation	26,835.97
Total Expenditures	<u>\$1,228,628.02</u>

Revenues over (under) expenditures (\$940,143.00)

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

**SUPPLEMENTARY
INFORMATION**

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 SPECIAL REVENUE FUND
 FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Concession sales	\$35,565.38
Fees	184,095.41
Interest	133.07
Intergovernmentals revenues	1,820.34
Other revenues	20,107.10
Rental	48,570.02
Sale of assets	49,650.00
Sale of cemetery lots and grave openings	20,910.00
Total Revenues	<u>\$360,851.32</u>

Expenditures:

Salaries	\$363,769.09
Payroll taxes	41,334.86
Health and life insurance	15,247.25
Insurance	17,350.83
Professional and consulting	4,098.00
Repairs and maintenance	156,096.65
Supplies:	
- building	13,156.11
- office	3,287.98
- operating	62,627.94
Telephone	3,723.79
Utilities	27,443.15
Workman's compensation	18,091.11
Capital outlay	114,020.85
Concession purchases	30,243.45
Dry cleaning	111.25
Gas and oil	12,220.95
Instructors	60,144.99
Miscellaneous	12,349.05
Rental	7,656.23
Retirement	33,719.45
Travel	2,974.30
Uniform service	1,256.13
Wellness program	500.86
Total Expenditures	<u>\$1,001,424.27</u>
Excess of revenues over (under) expenditures	<u>(\$640,572.95)</u>
Other financial sources (uses)	
Transfers in (out)	\$672,724.65
Total other sources (uses)	<u>\$672,724.65</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$32,151.70</u>

The Notes to the 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, 1997**

Revenues:

Casino department	\$23,336.73
Cemetery department	71,770.86
Golf department	143,613.29
North Park department	439.06
Parks department	494.15
Pool department	35,379.99
Recreation department	85,817.24
Total Revenues	<u>\$360,851.32</u>

Expenditures:

Casino department	\$41,164.69
Cemetery department	151,833.76
Golf department	244,073.54
North Park department	95,937.16
Parks department	142,214.09
Pool department	115,415.92
Recreation department	210,785.11
Total Expenditures	<u>\$1,001,424.27</u>

Revenues over (under) expenditures (\$640,572.95)

Other financial sources (uses)

Transfers in (out)	\$672,724.65
Total other sources (uses)	<u>\$672,724.65</u>

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

\$32,151.70

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - CASINO DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Concession sales	\$826.55
Other revenue	16.47
Rental	22,493.71
Total Revenues	<u>\$23,336.73</u>

Expenditures:

Salaries	\$17,462.39
Payroll taxes	1,335.87
Concession purchases	793.50
Gas & oil	45.86
Health and life insurance	1,387.65
Insurance	153.83
Miscellaneous	656.67
Repairs and maintenance	7,931.33
Retirement	1,830.70
Supplies:	
- building	275.85
- operating	3,176.57
Telephone	254.99
Utilities	5,706.10
Wellness program	7.80
Workman's compensation	145.58
Total Expenditures	<u>\$41,164.69</u>

Revenues over (under) expenditures (\$17,827.96)

Other financing sources (uses)
transfers in (out) \$16,410.85
Total other financing sources (uses) \$16,410.85

Revenues and other sources over (under)
expenditures and other uses (\$1,417.11)

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - CEMETERY DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Grave openings	\$12,025.00
Interest income	133.07
Intergovernmental revenue	17.64
Other revenue	1,060.15
Sale of asset	49,650.00
Sale of lots	8,885.00
Total Revenues	<u>\$71,770.86</u>

Expenditures:

Salaries	\$49,409.05
Payroll taxes	5,569.62
Capital outlay	60,814.00
Gas and oil	2,250.67
Health and life insurance	2,619.92
Insurance	1,286.00
Miscellaneous	1,414.83
Radio expenditure	1,287.50
Repairs and maintenance	8,529.77
Retirement	6,554.94
Supplies:	
- building	1,638.05
- office	186.81
- operating	2,540.88
Telephone	308.98
Travel	9.62
Uniform service	355.23
Utilities	2,713.75
Wellness program	50.88
Workman's compensation	4,293.26
Total Expenditures	<u>\$151,833.76</u>

Revenues over (under) expenditures (\$80,062.90)

Other financing sources (uses)
transfers in (out) \$79,844.76
Total other financing sources (uses) \$79,844.76

Revenues and other sources over (under)
expenditures and other uses (\$218.14)

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - GOLF DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Concession sales	\$17,378.05
Fees	88,688.89
Rental	24,819.56
Other revenue	12,377.54
Intergovernmental revenue	349.25
Total Revenues	<u>\$143,613.29</u>

Expenditures:

Salaries	\$104,784.17
Payroll taxes	15,392.71
Capital outlay	21,847.00
Concession purchases	14,823.48
Dry cleaning	111.25
Gas and oil	4,184.37
Health and life insurance	4,117.82
Insurance	2,528.00
Miscellaneous	2,030.28
Professional and consulting service	2,611.00
Rental	2,153.26
Repairs and maintenance	4,823.16
Retirement	8,368.22
Supplies:	
- building	2,711.44
- office	990.03
- operating	39,303.05
Telephone	773.26
Travel	2,794.68
Uniform service	176.62
Utilities	6,060.02
Wellness program	86.18
Workman's compensation	3,403.54
Total Expenditures	<u>\$244,073.54</u>

Revenues over (under) expenditures (\$100,460.25)

Other financing sources (uses)
transfers in (out) \$119,135.49
Total other financing sources (uses) \$119,135.49

Revenues and other sources over (under)
expenditures and other uses \$18,675.24

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - NORTH PARK DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Other revenue	\$439.06
Total Revenues	<u>\$439.06</u>

Expenditures:

Salaries	\$34,758.63
Payroll taxes	2,778.17
Ballfield expenditures	1,753.11
Capital outlay	20,069.51
Concession purchases	79.40
Gas and oil	1,761.90
Health and life insurance	1,477.99
Insurance	657.00
Miscellaneous	134.74
Radio expenditures	1,644.50
Repairs and maintenance	22,518.43
Retirement	2,439.67
Supplies:	
- operating	3,630.99
Tennis court expenditures	9.95
Uniform service	163.92
Utilities	288.72
Wellness program	35.28
Workman's compensation	1,735.25
Total Expenditures	<u>\$95,937.16</u>

Revenues over (under) expenditures (\$95,498.10)

Other financing sources (uses)	
transfers in (out)	<u>\$95,734.14</u>
Total other financing sources (uses)	<u>\$95,734.14</u>

Revenues and other sources over (under)
expenditures and other uses \$236.04

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - PARKS DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Intergovernmental revenue	\$373.61
Other revenue	120.54
Total Revenues	<u>\$494.15</u>

Expenditures:

Salaries	\$66,654.03
Payroll taxes	6,327.61
Capital outlay	4,778.75
Community building expenditure	560.65
Education	35.00
Gas & oil	3,480.88
Health and life insurance	4,311.30
Insurance	2,419.00
Miscellaneous	1,242.34
Professional and consulting service	10.00
Repairs and maintenance	23,552.56
Retirement	10,410.84
Supplies:	
- building	3,585.97
- office	330.39
- operating	6,221.67
Telephone	395.70
Uniform service	560.36
Utilities	2,050.55
Wellness program	222.79
Workman's compensation	5,063.70
Total Expenditures	<u>\$142,214.09</u>

Revenues over (under) expenditures (\$141,719.94)

Other financing sources (uses)
transfers in (out) \$138,263.19
Total other financing sources (uses) \$138,263.19

Revenues and other sources over (under)
expenditures and other uses (\$3,456.75)

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - POOL DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Concession sales	\$9,088.30
Fees	16,573.64
Rental	595.25
Swimming lessons	7,344.50
Intergovernmental revenue	1,021.50
Other revenue	756.80
Total Revenues	<u>\$35,379.99</u>

Expenditures:

Salaries	\$29,858.94
Payroll taxes	2,304.67
Insurance	458.00
Miscellaneous	1,145.32
Professional and consulting service	72.00
Repairs and maintenance	62,843.28
Supplies:	
- building	782.28
- office	164.83
- operating	4,535.51
Telephone	490.33
Concessions purchased	7,610.78
Utilities	3,498.20
Workman's compensation	1,651.78
Total Expenditures	<u>\$115,415.92</u>

Revenues over (under) expenditures (\$80,035.93)

Other financing sources (uses)
transfers in (out) \$79,531.65
Total other financing sources (uses) \$79,531.65

Revenues and other sources over (under)
expenditures and other uses (\$504.28)

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - RECREATION DEPARTMENT
FOR YEAR ENDED MARCH 31, 1997**

Revenues:

Concession sales	\$8,272.48
Fees	71,488.38
Intergovernmental Revenue	58.34
Other revenue	5,336.54
Rental	661.5
Total Revenues	<u>\$85,817.24</u>

Expenditures:

Salaries	\$60,841.88
Payroll taxes	7,626.21
Ball field expenditures	10,162.39
Capital outlay	6,511.59
Concession purchases	6,936.29
Gas & oil	497.27
Health and life insurance	1,332.57
Instructors	60,144.99
Insurance	9,849.00
Miscellaneous	5,689.87
Professional and consulting service	1,405.00
Rental	5,502.97
Repairs and maintenance	9,002.68
Retirement	4,115.08
Supplies:	
- building	531.53
- office	1,615.92
- operating	6,850.26
Telephone	1,500.53
Tennis courts expenditures	1,477.34
Travel	170.00
Utilities	7,125.81
Wellness program	97.93
Workman's compensation	1,798.00
Total Expenditures	<u>\$210,785.11</u>

Revenues over (under) expenditures (\$124,967.87)

Other financing sources (uses)
transfers in (out) \$143,804.57
Total other financing sources (uses) \$143,804.57

Revenues and other sources over (under)
expenditures and other uses \$18,836.70

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

<u>CITY MECHANIC</u>	<u>TOTAL</u>
\$0.00	\$7,524,144.85
	300,000.00
	833,467.59
9,358.40	14,349,411.77
<u>\$9,358.40</u>	<u>\$23,007,024.21</u>

\$3,581.02	\$599,970.47
	221,771.96
	1,120,000.00
<u>\$3,581.02</u>	<u>\$1,941,742.43</u>

\$0.00	\$3,017,829.05
5,777.38	18,047,452.73
<u>\$5,777.38</u>	<u>\$21,065,281.78</u>
<u>\$9,358.40</u>	<u>\$23,007,024.21</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS -
 PROPRIETARY FUND
 MARCH 31, 1997**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
ASSETS			
Cash	\$16,792.77	\$7,201,087.00	\$306,265.08
Investments			300,000.00
Accounts receivable	58,588.23	707,589.99	67,289.37
Property, plant and equipment (net)	3,117,545.21	1,671,093.12	9,551,415.04
Total Assets	<u>\$3,192,926.21</u>	<u>\$9,579,770.11</u>	<u>\$10,224,969.49</u>
LIABILITIES AND RETAINED EARNINGS			
Liabilities			
Accounts payable	\$27,187.45	\$532,589.94	\$36,612.06
Customer deposits	50,296.20	171,475.76	
Sewer bonds payable			1,120,000.00
Total Liabilities	<u>\$77,483.65</u>	<u>\$704,065.70</u>	<u>\$1,156,612.06</u>
RETAINED EARNINGS			
Contributed capital	\$0.00	\$0.00	\$3,017,829.05
Retained earnings	3,115,442.56	8,875,704.41	6,050,528.38
Total Retained Earnings	<u>\$3,115,442.56</u>	<u>\$8,875,704.41</u>	<u>\$9,068,357.43</u>
Total Liabilities and Retained Earnings	<u>\$3,192,926.21</u>	<u>\$9,579,770.11</u>	<u>\$10,224,969.49</u>

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

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF REVENUES AND EXPENSES -
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1997**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
Operating revenues:			
Revenues	\$744,743.10	\$9,258,143.68	\$813,786.30
Tap-in charges	3,235.00		545.00
Sale of supplies	30,011.12	117,583.02	1,019.60
Penalties	6,184.76	30,750.68	2,657.65
Miscellaneous charges	10,883.25	7,814.01	8,555.82
Total operating revenues	<u>\$795,057.23</u>	<u>\$9,414,291.39</u>	<u>\$826,564.37</u>
Operating expenses:			
Salaries	\$240,779.14	\$391,843.79	\$263,300.59
Payroll taxes	18,491.24	29,981.79	21,137.15
Depreciation expense	173,078.63	226,389.64	389,556.89
Education	2,584.28	20,293.88	1,023.99
Electric purchases		6,343,730.31	
Gas and oil	9,498.25	8,192.23	10,086.72
Health and life insurance	12,603.31	16,433.63	12,160.49
Insurance	16,015.50	42,491.00	21,846.75
Miscellaneous	5,702.16	4,508.31	3,166.95
Office supplies	4,776.78	5,047.02	4,749.73
Professional fees	21,930.84	28,853.68	42,323.68
Repairs and maintenance	69,356.32	52,216.19	35,827.42
Retirement	31,258.46	52,189.04	32,245.81
Supplies	88,892.67	212,029.53	71,718.34
Telephone	2,440.35	5,124.53	1,781.59
Travel	215.26	885.11	2,119.89
Uniform service	1,595.96	2,636.43	1,438.90
Utilities	126,272.00	75.85	118,406.30
Wellness program	531.72	411.05	287.00
Workman's compensation	10,847.08	17,287.26	12,273.47
Total operating expenses	<u>\$836,869.95</u>	<u>\$7,460,620.27</u>	<u>\$1,045,451.66</u>
Net operating income	<u>(\$41,812.72)</u>	<u>\$1,953,671.12</u>	<u>(\$218,887.29)</u>
Non-operating revenues (expenses)			
Interest income	\$1,731.47	\$357.34	\$30,099.57
Gain or (loss) on sale of assets	17,326.25		
Interest expense & fees			(56,278.76)
Total non-operating revenues(expenses)	<u>\$19,057.72</u>	<u>\$357.34</u>	<u>(\$26,179.19)</u>
Net income (loss) before transfers	<u>(\$22,755.00)</u>	<u>\$1,954,028.46</u>	<u>(\$245,066.48)</u>
Transfer to other funds	<u>\$18,437.44</u>	<u>(\$14,182,629.41)</u>	<u>\$6,777.34</u>
Net income (loss)	<u>(\$4,317.56)</u>	<u>(\$12,228,600.95)</u>	<u>(\$238,289.14)</u>

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

CITY MECHANIC	CITY ENGINEER	TOTAL
\$0.00	\$0.00	\$10,816,673.08
		3,780.00
		148,613.74
		39,593.09
298.82	154.95	27,706.85
<u>\$298.82</u>	<u>\$154.95</u>	<u>\$11,036,366.76</u>
\$35,270.86	\$50,193.37	\$981,387.75
2,698.22	3,956.34	76,264.74
1,134.22	1,229.01	791,388.39
50.00	326.70	24,278.85
		6,343,730.31
1,211.49	427.50	29,416.19
1,347.72	866.19	43,411.34
426.00		80,779.25
245.17	819.94	14,442.53
	1,158.72	15,732.25
	11,752.08	104,860.28
983.75	361.38	158,745.06
4,607.43	6,144.48	126,445.22
27,503.25	3,115.22	403,259.01
276.31	1,469.50	11,092.28
37.44	30.75	3,288.45
188.86		5,860.15
2,408.08	367.53	247,529.76
170.00	23.40	1,423.17
1,828.04	2,970.68	45,206.53
<u>\$80,386.84</u>	<u>\$85,212.79</u>	<u>\$9,508,541.51</u>
<u>(\$80,088.02)</u>	<u>(\$85,057.84)</u>	<u>\$1,527,825.25</u>
\$0.00	\$0.00	\$32,188.38
	(11,355.76)	5,970.49
		(56,278.76)
<u>\$0.00</u>	<u>(\$11,355.76)</u>	<u>(\$18,119.89)</u>
<u>(\$80,088.02)</u>	<u>(\$96,413.60)</u>	<u>\$1,509,705.36</u>
<u>\$79,605.04</u>	<u>\$75,920.95</u>	<u>(\$14,001,888.64)</u>
<u>(\$482.98)</u>	<u>(\$20,492.65)</u>	<u>(\$12,492,183.28)</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND
 FOR YEAR ENDED MARCH 31, 1997**

**WATER
 OPERATIONS**

Cash flows from operating activities:

Adjustments to reconcile net income to net cash provided

by (used in) operating activities:

Net income (loss)	(\$4,317.56)
Depreciation	173,078.63
Net transfers	(18,437.44)
Interest income	(1,731.47)
(Gain) or loss on sale of assets	(17,326.25)
(Increase) Decrease in accounts receivable	2,892.44
Increase (Decrease) in accounts payable	9,135.85
Increase (Decrease) in accrued liabilities	
(Increase) Decrease in customer deposits	2,375.50
Net cash provided by (used in) operating activities	<u>\$145,669.70</u>

Cash flows from noncapital financing activities:

Net transfers	\$18,437.44
Net cash provided by (used in) noncapital financing activities	<u>\$18,437.44</u>

Cash flows from capital and related financing activities:

Sale of capital acquisitions	\$52,550.00
Purchase of capital acquisitions	(204,143.71)
Redemption of bonds payable	
Net cash provided by (used in) capital and related financing activities	<u>(\$151,593.71)</u>

Cash flows from investing activities:

Interest income	\$1,731.47
Net cash provided by (used in) investing activities	<u>\$1,731.47</u>

Net Cash Increase (Decrease) \$14,244.90

Cash at Beginning of Year 2,547.87

Cash at End of Year \$16,792.77

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

<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECHANIC</u>	<u>CITY ENGINEER</u>	<u>TOTAL</u>
(\$12,228,600.95)	(\$238,289.14)	(\$482.98)	(\$20,492.65)	(\$12,492,183.28)
226,389.64	389,556.89	1,134.22	1,229.01	791,388.39
14,182,629.41	(6,777.34)	(79,605.04)	(75,920.95)	14,001,888.64
(357.34)	(30,099.57)			(32,188.38)
			11,355.76	(5,970.49)
55,003.47	(819.73)			57,076.18
(16,272.66)	21,913.86	2,819.84	(997.84)	16,599.05
	(14,722.32)			(14,722.32)
14,476.01				16,851.51
<u>\$2,233,267.58</u>	<u>\$120,762.65</u>	<u>(\$76,133.96)</u>	<u>(\$84,826.67)</u>	<u>\$2,338,739.30</u>
<u>(\$14,182,629.41)</u>	<u>\$6,777.34</u>	<u>\$79,605.04</u>	<u>\$75,920.95</u>	<u>(\$14,001,888.64)</u>
<u>(\$14,182,629.41)</u>	<u>\$6,777.34</u>	<u>\$79,605.04</u>	<u>\$75,920.95</u>	<u>(\$14,001,888.64)</u>
\$0.00	\$0.00	\$0.00	\$10,715.26	\$63,265.26
(286,331.69)	(144,564.41)	(3,471.08)	(1,809.54)	(640,320.43)
	(35,000.00)			(35,000.00)
<u>(\$286,331.69)</u>	<u>(\$179,564.41)</u>	<u>(\$3,471.08)</u>	<u>\$8,905.72</u>	<u>(\$612,055.17)</u>
\$357.34	\$30,099.57	\$0.00	\$0.00	\$32,188.38
<u>\$357.34</u>	<u>\$30,099.57</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$32,188.38</u>
(\$12,235,336.18)	(\$21,924.85)	(\$0.00)	\$0.00	(\$12,243,016.13)
19,436,423.18	328,189.93			19,767,160.98
<u>\$7,201,087.00</u>	<u>\$306,265.08</u>	<u>(\$0.00)</u>	<u>\$0.00</u>	<u>\$7,524,144.85</u>

**CITY OF MONETT, MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
(By Function and Activity)
FOR YEAR ENDED MARCH 31,1997**

<u>Function and Activity</u>	<u>Balance April 1, 1996</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 1997</u>
Administration Department	\$329,088.20	\$22,754.65	\$0.00	\$351,842.85
Public Safety:				
911	\$61,362.84	\$826.67		62,189.51
Police	528,437.10	3,313.84		531,750.94
Communication center		124,897.20		124,897.20
Civil defense	705.00	25,793.55		26,498.55
Fire	1,343,200.27	16,795.92		1,359,996.19
Total Public Safety	<u>\$1,933,705.21</u>	<u>\$171,627.18</u>	<u>\$0.00</u>	<u>\$2,105,332.39</u>
Street	\$6,030,339.42	\$192,812.71	\$0.00	\$6,223,152.13
Cemetery	83,938.64	60,814.00	5,750.00	139,002.64
Court		2,624.00		2,624.00
Airport	2,525,000.03	463,047.31		2,988,047.34
Sanitation	346,286.91	280,599.00		626,885.91
Recreation	1,808,458.63	53,206.85		1,861,665.48
Total General Fixed Assets Allocated to Functions and Activities	<u>\$13,056,817.04</u>	<u>\$1,247,485.70</u>	<u>\$5,750.00</u>	<u>\$14,298,552.74</u>

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

**FEDERAL COMPLIANCE
SECTION**

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, 1997, and have issued our report thereon dated September 22, 1997.

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, 1997, 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.

September 22, 1997

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, 1997, and have issued our report thereon dated September 22, 1997.

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.

September 22, 1997

WALLACE, LOWERY & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 68
217 FOURTH STREET MONETT, MISSOURI 65708

GENE R. WALLACE, C.P.A.

INDEPENDENT AUDITORS' REPORT

TELEPHONE
(417) 235-3650

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, 1997, and have issued our report thereon dated September 22, 1997. 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.

September 22, 1997

**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, 1997, and have issued our report thereon dated September 22, 1997. 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 September 22, 1997.

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, 1997, 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 September 22, 1997.

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.

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 September 22 , 1997.

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.

September 22, 1997

**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, 1997 and have issued our report thereon dated September 22, 1997.

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, 1997.

- 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, HANSEN & ASSOC. P.C.

September 22, 1997

CITY OF MONETT, MISSOURI
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
March 31, 1997

<u>Federal Grantor/Program title</u>	<u>CFDA #</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
Department of Transportation				
Federal Aviation Agency passed through the Missouri Highway and Transportation Commission	20.106	\$1,223,000.00	\$57,220.62	\$57,220.62
Total Department of Transportation		<u>\$1,223,000.00</u>	<u>\$57,220.62</u>	<u>\$57,220.62</u>
Department of Housing and Urban Development				
Community Development Block Grant / State's Program	14.228	\$311,500.00	\$131,500.00	\$111,500.00
Total Department of Housing and Urban Development		<u>\$311,500.00</u>	<u>\$131,500.00</u>	<u>\$111,500.00</u>
Total Federal Programs			<u>\$188,720.62</u>	<u>\$168,720.62</u>

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

<u>Federal Grantor/Program title</u>	<u>MAJOR FEDERAL ASSISTANCE PROGRAM</u>	<u>PROGRAM SELECTED FOR INTERNAL CONTROL AND COMPLIANCE AREA REVIEW AND TESTING</u>
<p>Department of Transportation</p> <p>Federal Aviation Agency passed through the Missouri Highway and Transportation Commission</p>		
<p>Department of Housing and Urban Development</p> <p>Community Development Block Grant / State's Program</p>		<p>X</p>

CITY OF MONETT, MISSOURI
Schedule of Findings and Questioned Costs
Year Ended March 31, 1997

During the fiscal year ended March 31, 1997, actual expenditures exceeded budgeted expenditures in the General Fund and Debt Service 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, 1997, 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.

CITY OF MONETT, MISSOURI
Schedule of Resolution of Prior Year Audit Findings
Year Ended March 31, 1997

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 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.

Resolutions:

During the fiscal year ended March 31, 1997, the City had adjusted the General Fund and Special Revenue Fund in compliance with state statutes prohibiting deficit fund balances.

The City is in non-compliance with state statutes regarding budgetary procedures during the year ended March 31, 1997.