

CITY OF MONETT, MISSOURI
FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 1998

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Monett, Missouri, as of and for the year ended March 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose 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, special revenue fund and enterprise fund are not known and the effects on the financial position, results of operations and cash flow are not reasonably determinable.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Monett, Missouri, as of March 31, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 1998, on our consideration of the City of Monett, Missouri's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of City of Monett, Missouri. The accompanying schedule of expenditures of federal awards is presented for purposes of

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additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of City of Monett, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Monett, Missouri
September 8, 1998

**CITY OF MONETT, MISSOURI
 COMBINED BALANCE SHEET-
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1998**

	GOVERNMENTAL		
	FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND
<u>ASSETS AND OTHER DEBITS</u>			
Pooled cash and cash equivalents	\$ (4,056,870.25)	\$ 194,866.02	\$ -
Non-pooled cash and cash equivalents	103,926.04	13,515.41	
Investments	3,777,000.00		
Accounts receivable:			
Electric			
Water			
Sanitation	20,791.35		
Sewer			
Other	169,311.89		
Due from other funds	162,387.96		
Accrued interest on investments	762.40		
Property, plant, and equipment (net)			
Amount to be provided for payment of			
Net capital lease payable			
Total assets and other debits	<u>\$ 177,309.39</u>	<u>\$ 208,381.43</u>	<u>\$ -</u>
<u>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 112,319.38	\$ 45,993.47	\$ -
Accrued liabilities	3,808.85		
Due to other funds	1,011.15	162,387.96	
Customer deposits			
Net capital lease payable			
Sewer bond payable			
Total liabilities	<u>\$ 117,139.38</u>	<u>\$ 208,381.43</u>	<u>\$ -</u>
<u>FUND EQUITY AND OTHER CREDITS</u>			
Investment in general fixed assets	\$ -	\$ -	\$ -
Contributed capital			
Retained earnings-unreserved			
Fund balance-reserved	60,170.01	-	-
Fund balance-unreserved	-	-	-
Total fund equity	<u>\$ 60,170.01</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, fund equity, and other credits	<u>\$ 177,309.39</u>	<u>\$ 208,381.43</u>	<u>\$ -</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	
\$ 5,158,909.58	\$ -	\$ -	\$ -	\$ 1,296,905.35
169,964.34	11,021.91			298,427.70
300,000.00				4,077,000.00
800,584.16				800,584.16
66,800.13				66,800.13
				20,791.35
106,451.73				106,451.73
				169,311.89
	1,011.15			163,399.11
				762.40
14,576,069.30			15,770,626.61	30,346,695.91
		207,743.55		207,743.55
<u>\$ 21,178,779.24</u>	<u>\$ 12,033.06</u>	<u>\$ 207,743.55</u>	<u>\$ 15,770,626.61</u>	<u>\$ 37,554,873.28</u>
\$ 674,638.62	\$ 8,278.00	\$ -	\$ -	\$ 841,229.47
	3,755.06			7,563.91
				163,399.11
246,289.96				246,289.96
64,666.50		207,743.55		272,410.05
1,080,000.00				1,080,000.00
<u>\$ 2,065,595.08</u>	<u>\$ 12,033.06</u>	<u>\$ 207,743.55</u>	<u>\$ -</u>	<u>\$ 2,610,892.50</u>
\$ -	\$ -	\$ -	15,770,626.61	\$ 15,770,626.61
3,017,829.05				3,017,829.05
16,095,355.11				16,095,355.11
				60,170.01
<u>\$ 19,113,184.16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,770,626.61</u>	<u>\$ 34,943,980.78</u>
<u>\$ 21,178,779.24</u>	<u>\$ 12,033.06</u>	<u>\$ 207,743.55</u>	<u>\$ 15,770,626.61</u>	<u>\$ 37,554,873.28</u>

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**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 1998**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
<u>REVENUE</u>		
Business licenses and permits	\$ 25,625.81	\$ -
Charges for service	315,014.31	300,572.09
Federal and state grants	582,314.98	
Fines and forfeitures	87,177.22	
Franchise fees	177,979.32	
Interest income	310,427.22	
Intergovernmental revenues	2,721.18	663.25
Other revenues	268,469.32	8,679.12
Taxes, penalties and interest	1,390,273.77	56,328.16
Total revenues	<u>\$ 3,160,003.13</u>	<u>\$ 366,242.62</u>
<u>EXPENDITURES</u>		
Current		
General government	\$ 1,151,434.29	\$ -
Public safety	1,813,349.39	
Highways and streets	1,165,605.56	227,193.47
Public works	330,658.04	
Parks, recreation and golf		944,197.69
Capital outlay-		
Current expenditures	1,102,510.02	440,299.14
Debt service-		
Principal retirement		
Interest and fiscal agent fees	13,179.82	
Total expenditures	<u>\$ 5,576,737.12</u>	<u>\$ 1,611,690.30</u>
Excess(deficiency) of revenues over expenditures	<u>\$ (2,416,733.99)</u>	<u>\$ (1,245,447.68)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers from other funds	\$ 2,471,904.00	\$ 1,242,347.68
Sale of assets	5,000.00	3,100.00
Net other financing sources (uses)	<u>\$ 2,476,904.00</u>	<u>\$ 1,245,447.68</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ 60,170.01	\$ -
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 60,170.01</u>	<u>\$ -</u>

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

DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
\$ -	\$ 25,625.81
	615,586.40
	582,314.98
	87,177.22
	177,979.32
	310,427.22
	3,384.43
	277,148.44
	1,446,601.93
<u>\$ -</u>	<u>\$ 3,526,245.75</u>
\$ -	\$ 1,151,434.29
	1,813,349.39
	1,392,799.03
	330,658.04
	944,197.69
	1,542,809.16
100,000.00	100,000.00
3,300.00	16,479.82
<u>\$ 103,300.00</u>	<u>\$ 7,291,727.42</u>
<u>\$ (103,300.00)</u>	<u>\$ (3,765,481.67)</u>
\$ -	\$ 3,714,251.68
	8,100.00
<u>\$ -</u>	<u>\$ 3,722,351.68</u>
\$ (103,300.00)	\$ (43,129.99)
103,300.00	103,300.00
<u>\$ -</u>	<u>\$ 60,170.01</u>

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL -
 GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
 YEAR ENDED MARCH 31, 1998**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Business licenses and permits	\$ 25,625.81	\$ 25,625.81	\$ -
Charges for service	315,014.31	315,014.31	-
Federal and state grants	582,314.98	582,314.98	-
Fines and forfeitures	87,177.22	87,177.22	-
Franchise fees	177,979.32	177,979.32	-
Interest income	310,427.22	310,427.22	-
Intergovernmental revenues	2,721.18	2,721.18	-
Other revenues	268,469.32	268,469.32	-
Taxes, penalties and interest	1,390,273.77	1,390,273.77	-
Total revenues	<u>\$ 3,160,003.13</u>	<u>\$ 3,160,003.13</u>	<u>\$ -</u>
EXPENDITURES			
Current			
General government	\$ 1,151,434.29	\$ 1,151,434.29	\$ -
Public safety	1,813,349.39	1,813,349.39	-
Highways and streets	1,165,605.56	1,165,605.56	-
Public works	330,658.04	330,658.04	-
Parks, recreation and golf			-
Capital outlay-			
Current expenditures	1,102,510.02	1,102,510.02	-
Debt service-			
Principal retirement			-
Interest and fiscal agent fees	13,179.82	13,179.82	-
Total expenditures	<u>\$ 5,576,737.12</u>	<u>\$ 5,576,737.12</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (2,416,733.99)</u>	<u>\$ (2,416,733.99)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	\$ 2,471,904.00	\$ 2,471,904.00	\$ -
Sale of assets	5,000.00	5,000.00	-
Net other financing sources (uses)	<u>\$ 2,476,904.00</u>	<u>\$ 2,476,904.00</u>	<u>\$ -</u>
Excess of revenue and other sources over(under) expenditures and other uses	<u>\$ 60,170.01</u>	<u>\$ 60,170.01</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		<u>\$ 60,170.01</u>	

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

SPECIAL REVENUE FUND

DEBT SERVICE FUND

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300,572.09	300,572.09	-			-
		-			-
		-			-
		-			-
663.25	663.25	-			-
8,679.12	8,679.12	-			-
56,328.16	56,328.16	-			-
<u>\$ 366,242.62</u>	<u>\$ 366,242.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
227,193.47	227,193.47	-			-
944,197.69	944,197.69	-			-
440,299.14	440,299.14	-			-
		-	100,000.00	100,000.00	-
		-	3,300.00	3,300.00	-
<u>\$ 1,611,690.30</u>	<u>\$ 1,611,690.30</u>	<u>\$ -</u>	<u>\$ 103,300.00</u>	<u>\$ 103,300.00</u>	<u>\$ -</u>
<u>\$ (1,245,447.68)</u>	<u>\$ (1,245,447.68)</u>	<u>\$ -</u>	<u>\$ (103,300.00)</u>	<u>\$ (103,300.00)</u>	<u>\$ -</u>
\$ 1,242,347.68	\$ 1,242,347.68	\$ -	\$ -	\$ -	\$ -
3,100.00	3,100.00	-			-
<u>\$ 1,245,447.68</u>	<u>\$ 1,245,447.68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103,300.00)</u>	<u>\$ (103,300.00)</u>	<u>\$ -</u>
				103,300.00	
				<u>\$ -</u>	

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL -
 GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
 YEAR ENDED MARCH 31, 1998**

	TOTAL (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
<u>REVENUES</u>			
Business licenses and permits	\$ 25,625.81	\$ 25,625.81	\$ -
Charges for service	615,586.40	615,586.40	-
Federal and state grants	582,314.98	582,314.98	-
Fines and forfeitures	87,177.22	87,177.22	-
Franchise fees	177,979.32	177,979.32	-
Interest revenues	310,427.22	310,427.22	-
Intergovernmental revenues	3,384.43	3,384.43	-
Other revenues	277,148.44	277,148.44	-
Taxes, penalties and interest	1,446,601.93	1,446,601.93	-
Total revenues	<u>\$ 3,526,245.75</u>	<u>\$ 3,526,245.75</u>	<u>\$ -</u>
<u>EXPENDITURES</u>			
Current			
General government	\$ 1,151,434.29	\$ 1,151,434.29	\$ -
Public safety	1,813,349.39	1,813,349.39	-
Highways and streets	1,392,799.03	1,392,799.03	-
Public works	330,658.04	330,658.04	-
Parks, recreation and golf	944,197.69	944,197.69	-
Capital outlay-			
Current expenditures	1,542,809.16	1,542,809.16	-
Debt service-			
Principal retirement	100,000.00	100,000.00	-
Interest and fiscal agent fees	16,479.82	16,479.82	-
Total expenditures	<u>\$ 7,291,727.42</u>	<u>\$ 7,291,727.42</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (3,765,481.67)</u>	<u>\$ (3,765,481.67)</u>	<u>\$ -</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers from other funds	\$ 3,714,251.68	\$ 3,714,251.68	\$ -
Sale of assets	8,100.00	8,100.00	-
Net other financing sources (uses)	<u>\$ 3,722,351.68</u>	<u>\$ 3,722,351.68</u>	<u>\$ -</u>
Excess of revenue and other sources over (under) expenditures and other uses	<u>\$ (43,129.99)</u>	<u>\$ (43,129.99)</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>103,300.00</u>	
Fund Balance, End of Year		<u>\$ 60,170.01</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 FUND TYPES
 YEAR ENDED MARCH 31, 1998**

OPERATING REVENUES

Revenues	\$ 11,458,390.86
Tap-in charges	19,240.00
Sale of supplies	37,524.06
Penalties	34,404.91
Miscellaneous charges	53,519.24
Total operating revenue	<u>\$ 11,603,079.07</u>

OPERATING EXPENSES

Salaries	\$ 967,874.63
Payroll taxes	85,927.38
Depreciation expense	808,532.66
Education	23,975.44
Electric purchases	6,562,384.89
Gas and oil	26,975.13
Health and life insurance	42,205.55
Insurance	80,026.00
Miscellaneous	17,979.58
Office supplies	22,503.31
Professional fees	138,590.16
Radio expense	6,148.73
Repairs and maintenance	139,913.37
Retirement	133,286.70
Supplies	419,914.00
Telephone	31,696.43
Travel	3,826.29
Uniform service	6,694.82
Utilities	242,755.71
Wellness program	123.50
Workman's compensation	40,769.36
Total operating expenses	<u>\$ 9,802,103.64</u>

Operating income (loss) \$ 1,800,975.43

NON-OPERATING REVENUES(EXPENSES)

Investment Income	\$ 33,027.91
Interest expense & fees	(71,849.28)
Net non-operating revenues(expenses)	<u>\$ (38,821.37)</u>
Net income (loss) before transfers	\$ 1,762,154.06
Operating transfer to other funds	(3,714,251.68)
Net Income (Loss)	<u>\$ (1,952,097.62)</u>

Retained earnings, beginning of year	18,047,452.73
Retained earnings, end of year	<u>\$ 16,095,355.11</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 TYPES
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 YEAR ENDED MARCH 31, 1998**

<u>Cash flows from operating activities:</u>	
Operating income(loss)	\$ 1,800,975.43
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	808,532.66
(Increase) decrease in accounts receivable	(140,368.43)
Increase (decrease) in accounts payable	74,668.15
Increase (decrease) in customer deposits	24,518.00
Net cash provided by (used in) operating activities	<u>\$ 2,568,325.81</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating transfers to other funds	\$ (3,714,251.68)
Net cash provided by (used in) non-capital financing activities	<u>\$ (3,714,251.68)</u>
<u>Cash flows from capital and related financing activities:</u>	
Proceeds of capital lease	\$ 78,886.50
Interest expense & fees	(71,849.28)
Purchase of capital acquisitions	(1,035,190.19)
Principal paid on lease obligations	(14,220.00)
Redemption of bonds payable	(40,000.00)
Net cash provided by (used in) capital and related financing activities	<u>\$ (1,082,372.97)</u>
<u>Cash flows from investing activities:</u>	
Investment income	\$ 33,027.91
Net cash provided by (used in) investing activities	<u>\$ 33,027.91</u>
Net increase (decrease) in cash and cash equivalents	\$ (2,195,270.93)
Cash and cash equivalents at April 1, 1997	<u>7,524,144.85</u>
Cash and cash equivalents at March 31, 1998	<u>\$ 5,328,873.92</u>

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

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1998**

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, 1998. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The accounting and reporting framework and 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, 1998.

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 (Cont.)
MARCH 31, 1998**

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 parks, cemeteries, and tax increment financing operations.

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.

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. Agency funds are custodial in nature and do not involve measurement of results of operations.

In addition to the three broad types, 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 proprietary funds.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
MARCH 31, 1998

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principle balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. 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.

D. 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.

E. 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 1997.

The budgets for the operating and proprietary fund operations are prepared on the modified accrual basis. 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. 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, 1998, was adopted or amended March 25, 1998. Revisions were made to the budget after initial adoption by the City Council.

**CITY OF MONETT, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 MARCH 31, 1998**

F. Receivables

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

G. 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.

H. Fixed Assets, Depreciation, and Amortization

Property, plant and equipment of all funds and component units are stated at historical cost. Donated fixed assets are stated at their fair value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. The City has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the City government. Proprietary fund assets are recorded in the respective funds and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Building, land, improvements	5 - 40
Furniture, fixtures, and equipment	3 - 40

I. Property and Equipment

A summary of changes in general fixed assets is as follows:

	<u>Balance April 1, 1997</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 1998</u>
Land, Building, & Improvements	\$ 9,112,485.20	\$ 879,812.28	\$	\$ 9,992,297.48
Furniture, Fixtures & Equipment	5,086,839.04	514,679.84	(45,258.00)	
	5,556,260.88			
Assets Under Capital Lease	85,728.50	78,886.50		164,615.00
Construction in Progress		57,453.25		57,453.25
	<u>\$ 14,285,052.74</u>	<u>\$ 1,530,831.87</u>	<u>\$ (45,258.00)</u>	<u>\$15,770,626.61</u>

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

Property and equipment recorded in the City's various proprietary funds at March 31, 1998, are:

	<u>Electric</u>	<u>Mechanic</u>	<u>Sewer</u>	<u>Water</u>
Land, Building, & Improvements	\$ 3,351,310.22	\$ -	\$ 8,230,675.38	\$ 2,806,988.07
Furniture, Fixtures & Equipment	2,323,929.66	26,961.39	6,967,543.49	2,640,454.19
Assets Under Capital Lease			78,886.50	
Accumulated Depreciation	(3,997,402.67)	(4,926.28)	(5,464,465.00)	(2,383,885.65)
Construction in Progress				
Totals	<u>\$ 1,677,837.21</u>	<u>\$ 22,035.11</u>	<u>\$ 9,812,640.37</u>	<u>\$ 3,063,556.61</u>

J. Commitments

As of March 31, 1998, the following funds have service, construction, and equipment purchase commitments:

	<u>Service Contracts</u>	<u>Construction Contracts</u>	<u>Equipment Contracts</u>
General Fund:			
Administration Fund	\$ 16,500.00	\$ -	\$ -
Airport Fund	-	1,376,088.74	123,342.40
Street Fund	-	-	84,291.15
Enterprise Fund:			
Sewer Fund	-	-	64,666.50

K. Contingencies

Litigation

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Federal Grants

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

L. 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 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.

M. Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash.

Each fund's portion of a pool is displayed on its respective balance sheet as "pooled cash and cash equivalents". In addition, non-pooled cash and investments are separately held and reflected in their respective funds as "non-pooled cash and cash equivalents" and "investments". 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.

2. CASH, CASH EQUIVALENTS AND 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, 1998, the City's cash and cash equivalents were:

Cash	\$ 2,080,393.23
Cash Equivalents	<u>117,236.67</u>
	<u>\$ 2,197,629.90</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, 1998, were:

Certificates of Deposits (Original maturity greater than three months)	\$ 3,877,000.00
U.S. Treasury Note	<u>200,000.00</u>
	<u>\$ 4,077,000.00</u>

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value. All investments are insured or registered, with securities held by the City or its agent in the City's name.

3. DEPOSITORY SECURITY

It is the City's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. At March 31, 1998, the City had deposits of \$ 6,238,477.82, which were covered by federal depository insurance and/or collateralized by U.S. Treasury obligations and/or Federal agency bonds.

Federal depository insurance	\$ 972,000.00
U.S. treasury obligations	1,858,694.50
Federal agency bonds	<u>3,407,783.32</u>
	<u>\$ 6,238,477.82</u>

4. 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.

Assessed Valuation, Tax Levy and Legal Debt Margin

The 1997 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	\$ 43,208,213.00
Personal Property	<u>20,216,566.00</u>
TOTAL ASSESSED VALUATION	<u>\$ 63,424,779.00</u>
TAX RATES PER \$100 OF ASSESSED VALUATION	
General	\$.34
General Obligation Bonds	<u>.00</u>
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	<u>\$.34</u>

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

The legal debt margin at March 31, 1998, was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
General obligation debt limit	\$ 6,342,478	\$ 6,342,478	\$ 12,684,956
General obligation bonds payable	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Legal debt margin	<u>\$ 6,342,478</u>	<u>\$ 6,342,478</u>	<u>\$ 12,684,956</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.

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 1992A sewer project and 1992B sewer project requires the use of operations and maintenance, principal and interest, reserve account, and 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, 1998. 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 <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>
1999	\$ 70,220.00	\$ 45,220.00	5.40%	\$ 25,000.00	\$ 695,000.00
2000	73,650.00	43,650.00	5.60%	30,000.00	665,000.00
2001	71,895.00	41,895.00	5.80%	30,000.00	635,000.00
2002	70,110.00	40,110.00	5.90%	30,000.00	605,000.00
2003	73,142.50	38,142.50	6.00%	35,000.00	570,000.00
2004-2014	<u>798,742.50</u>	<u>228,742.50</u>	6.1-6.55%	<u>570,000.00</u>	
TOTALS	<u>\$ 1,157,760.00</u>	<u>\$ 437,760.00</u>		<u>\$ 720,000.00</u>	

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

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>
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	35,220.15	20,220.15	6.50%	15,000.00	285,000.00
2004-2014	<u>407,227.85</u>	<u>122,227.85</u>	6.60-7.0%	<u>285,000.00</u>	
TOTALS	<u>\$ 592,674.25</u>	<u>\$ 232,674.25</u>		<u>\$ 360,000.00</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.

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>
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	138,345.00	38,345.00	6.90%	100,000.00	485,000.00
2003	140,915.00	30,915.00	6.90%	110,000.00	375,000.00
2004-2006	<u>417,080.00</u>	<u>42,080.00</u>	6.90-7.25%	<u>375,000.00</u>	
TOTALS	<u>\$ 1,115,717.50</u>	<u>\$ 265,717.50</u>		<u>\$ 850,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at March 31, 1998, is \$ 912,054.80.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

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, 1998:

Fiscal Year Ending	
March 31, 1999	\$ 14,483.88
March 31, 2000	<u>6,034.95</u>
Total minimum lease payments	\$ 20,518.83
Less: Amount representing interest	<u>894.19</u>
Present value of minimum lease payments	<u>\$ 19,624.64</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, 1998:

Fiscal Year Ending	
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	\$ 135,509.02
Less: Amount representing interest	<u>12,056.62</u>
Present value of minimum lease payments	<u>\$ 123,452.40</u>

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a vactor combination sewer machine for the Street and Sewer 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, 1998:

Fiscal Year Ending	
March 31, 1999	\$ 35,763.12
March 31, 2000	35,763.12
March 31, 2001	35,763.12
March 31, 2002	<u>35,763.12</u>
Total minimum lease payments	\$ 143,052.48
Less: Amount representing interest	<u>13,719.47</u>
Present value of minimum lease payments	<u>\$ 129,333.01</u>

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Monett in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

The City of Monett's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 15.3% (general), 16.2% (police), 17.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 1997, the political subdivision's annual pension cost of \$397,214 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 1995, and/or 1996 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.0% per year, compounded annually, before retirement and 4.0% per year, compounded annually, after retirement, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the 1984 Group Annuity Mortality table set back no years for men and 6 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 1997 was 21 years.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1998

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost APC</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/95	\$ 320,694	100%	\$ -
6/30/96	352,358	100%	-
6/30/97	397,214	100%	-

D. Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 1998, was \$ 2,404,241.87; the City's total payroll was \$ 3,130,294.97. 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.

**SUPPLEMENTARY
INFORMATION**

**CITY OF MONETT, MISSOURI
SCHEDULE OF FUNDING PROGRESS-
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)
YEAR ENDED March 31, 1998**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/28/95	\$ 1,504,511	\$ 2,864,599	\$ 1,360,088	53%	\$ 2,394,776	57%
02/29/96	\$ 1,802,706	\$ 3,263,445	\$ 1,460,739	55%	\$ 2,465,662	59%
02/28/97	\$ 2,009,301	\$ 3,413,911	\$ 1,404,610	59%	\$ 2,655,233	53%
02/28/97#	\$ 2,009,301	\$ 3,534,555	\$ 1,525,254	57%	\$ 2,655,233	57%

After benefit changes.

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 29, 1996, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

<u>SPECIAL REVENUE FUND</u>			<u>ENTERPRISE FUND</u>			<u>TOTAL TRANSFERS OUT/FROM</u>
<u>POOL FUND</u>	<u>RECREATION FUND</u>	<u>TAX INCREMENT FINANCING FUND</u>	<u>MECHANIC FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	
\$ 111,477.31	\$ 163,926.93	\$ 170,865.31	\$ 57,602.08	\$ 53,751.91	\$ 433,946.34	\$ 4,259,552.01
<u>\$ 111,477.31</u>	<u>\$ 163,926.93</u>	<u>\$ 170,865.31</u>	<u>\$ 57,602.08</u>	<u>\$ 53,751.91</u>	<u>\$ 433,946.34</u>	<u>\$ 4,259,552.01</u>

**CITY OF MONETT, MISSOURI
 SCHEDULE OF TRANSFERS WITHIN THE REPORTING ENTITY
 YEAR ENDED MARCH 31, 1998**

TRANSFERS OUT/FROM	SPECIAL REVENUE FUND					
	GENERAL FUND	CASINO FUND	CEMETERY FUND	GOLF FUND	NORTH PARK FUND	PARKS FUND
Enterprise Fund:						
Electric Fund	\$ 2,471,904.00	\$ 18,258.91	\$ 44,025.94	\$ 439,741.10	\$ 76,913.00	\$ 217,139.18
Total Transfers in	<u>\$ 2,471,904.00</u>	<u>\$ 18,258.91</u>	<u>\$ 44,025.94</u>	<u>\$ 439,741.10</u>	<u>\$ 76,913.00</u>	<u>\$ 217,139.18</u>

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND-COMBINED FUND TOTALS
 YEAR ENDED MARCH 31, 1998**

REVENUES

Business license and permits	\$ 25,625.81
Federal and state grants	582,314.98
Fines and forfeitures	87,177.22
Franchise fees	177,979.32
General property taxes	224,340.08
Interest income	310,427.22
Other revenue	306,920.58
Other taxes and assessments	261,119.24
Rental revenue	26,224.15
Sales tax	904,814.45
Sanitation revenues	253,060.08
Total revenues	<u>\$ 3,160,003.13</u>

EXPENDITURES

Salaries	\$ 1,780,313.64
Payroll taxes	139,447.05
Capital outlay	1,102,510.02
Community development block grant	384,378.06
Dry cleaning	19,663.06
Education	25,189.47
Election	2,860.64
Health and life insurance	95,942.40
Insurance	61,997.49
Interest and fees	13,179.82
Jail expenditure	5,826.56
Landfill and recycling	109,661.77
Miscellaneous	60,013.86
Professional and consulting service	285,970.99
Repairs and maintenance	923,249.97
Retirement	246,705.91
Supplies	95,882.55
Telephone	41,509.23
Travel	14,221.19
Uniform service	3,860.17
Utilities	43,083.99
Wellness program	3,063.24
Workman's compensation	118,206.04
Total expenditures	<u>\$ 5,576,737.12</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,416,733.99)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 2,471,904.00
Sales of assets	5,000.00
Net other financing sources (uses)	<u>\$ 2,476,904.00</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 60,170.01</u>

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

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - COMBINED DEPARTMENT TOTALS
YEAR ENDED MARCH 31, 1998**

REVENUES

911 System department	\$ 78,461.46
Administration department	2,077,040.73
Airport department	244,672.08
Building official and code administrators department	17,593.35
Communication center department	9,600.00
Fire department	1,268.08
Municipal court department	85,608.29
Police department	94,351.70
Sanitation department	276,465.80
Street department	274,941.64
Total revenues	<u>\$ 3,160,003.13</u>

EXPENDITURES

911 System department	\$ 56,858.46
Administration department	1,075,856.97
Airport department	696,216.14
Building official and code administrators department	121,630.97
Civil defense department	1,791.21
Communication center department	240,505.64
Fire department	622,974.43
Hazardous waste department	10,359.16
Municipal court department	32,135.04
Police department	933,051.78
Sanitation department	384,451.04
Street department	1,400,906.28
Total expenditures	<u>\$ 5,576,737.12</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,416,733.99)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 2,471,904.00
Sales of assets	5,000.00
Net other financing sources (uses)	<u>\$ 2,476,904.00</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 60,170.01</u>

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
YEAR ENDED MARCH 31, 1998

REVENUES

911 income	\$ 58,814.12
Other revenues	19,647.34
Total revenues	<u>\$ 78,461.46</u>

EXPENDITURES

Salaries	\$ 28,106.07
Payroll taxes	2,150.11
Capital outlay	701.00
Health and life insurance	1,345.75
Insurance	217.00
Miscellaneous	406.70
Professional and consulting service	112.50
Repairs and maintenance	1,297.50
Retirement	4,251.08
Supplies:	
- office	5.16
- operating	119.93
Telephone	18,014.93
Workman's compensation	130.73
Total expenditures	<u>\$ 56,858.46</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 21,603.00</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	\$ (21,603.00)
Sales of assets	
Net other financing sources (uses)	<u>\$ (21,603.00)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Business license and permits	\$ 10,838.13
Community development block grant	424,747.00
Franchise fees	177,979.32
General property taxes	224,340.08
Intangible tax	3,230.79
Interest income	310,367.91
Other revenue	19,789.11
Penalties and interest	933.94
Sales tax	904,814.45
Total revenues	<u>\$ 2,077,040.73</u>

EXPENDITURES

Salaries	\$ 138,819.76
Payroll taxes	11,130.44
Capital outlay	313,211.99
Community development block grant	384,378.06
Computer	723.46
Dry cleaning	929.37
Election expenditures	2,860.64
Health and life insurance	9,692.04
Insurance	7,085.57
Interest and fees	970.88
Miscellaneous	16,460.50
Professional and consulting service	133,994.47
Repairs and maintenance	10,887.71
Retirement	19,314.96
Supplies:	
- building	1,612.12
- office	9,357.36
- operating	2,578.00
Telephone	1,482.23
Travel	61.42
Utilities	8,183.63
Wellness program	45.50
Workman's compensation	2,076.86
Total expenditures	<u>\$ 1,075,856.97</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,001,183.76</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	\$ (941,013.75)
Sales of assets	
Net other financing sources (uses)	<u>\$ (941,013.75)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 60,170.01</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Airport rent received	\$ 26,224.15
Federal and state grants	157,567.98
Other revenue	60,879.95
Total revenues	<u>\$ 244,672.08</u>

EXPENDITURES

Salaries	\$ 53,275.89
Payroll taxes	4,075.61
Capital outlay	450,569.61
Gas and oil	3,821.82
Health and life insurance	2,704.99
Insurance	5,511.00
Interest and fees	7,028.35
Miscellaneous	1,374.14
Professional and consulting service	96,952.37
Repairs and maintenance	19,611.58
Retirement	4,790.35
Runway expenses	2,888.62
Supplies:	
- building	20,166.80
- operating	7,500.48
Telephone	2,313.80
Travel	1,434.48
Uniform service	666.58
Utilities	8,819.56
Workman's compensation	2,710.11
Total expenditures	<u>\$ 696,216.14</u>
Excess (deficiency) revenues over expenditures	<u>\$ (451,544.06)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 451,544.06
Sales of assets	
Net other financing sources (uses)	<u>\$ 451,544.06</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Interest income	\$	59.31
Other revenue		2,746.36
Permit		14,787.68
Total revenues	\$	<u>17,593.35</u>

EXPENDITURES

Salaries	\$	24,471.21
Payroll taxes		2,171.58
Education		591.48
Gas and oil		92.79
Health and life insurance		831.54
Insurance		274.00
Miscellaneous		807.43
Professional and consulting service		3,492.25
Repairs and maintenance		79,731.50
Retirement		3,437.17
Supplies:		
- office		1,126.05
- operating		70.04
Telephone		370.83
Travel		437.67
Utilities		1,871.50
Wellness program		3.90
Workman's compensation		1,850.03
Total expenditures	\$	<u>121,630.97</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(104,037.62)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	104,037.62
Sales of assets		
Net other financing sources (uses)	\$	<u>104,037.62</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</u>

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
 YEAR ENDED MARCH 31, 1998**

REVENUES

Other revenues	\$	-
Total revenues	\$	-

EXPENDITURES

Salaries	\$	1,370.04
Payroll taxes		104.81
Education		10.00
Miscellaneous		25.00
Repairs and maintenance		34.50
Supplies:		
- operating		190.75
Travel		56.11
Total expenditures	\$	1,791.21
Excess (deficiency) of revenues over expenditures	\$	(1,791.21)

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	1,791.21
Sales of assets		
Net other financing sources (uses)	\$	1,791.21
Revenues and other sources over (under) expenditures and other uses	\$	-

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Other revenues	\$ 9,600.00
Total revenues	<u>\$ 9,600.00</u>

EXPENDITURES

Salaries	\$ 153,427.70
Payroll taxes	11,737.22
Capital outlay	10,506.49
Computer	15,193.95
Dry cleaning	2,324.01
Education	633.23
Health and life insurance	7,416.26
Insurance	25.00
Miscellaneous	6,359.51
Professional and consulting	40.00
Radio expenditure	3,486.87
Retirement	21,678.66
Supplies:	
- building	667.22
- office	1,074.97
- operating	1,380.89
Telephone	3,564.54
Travel	176.95
Workman's compensation	812.17
Total expenditures	<u>\$ 240,505.64</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (230,905.64)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 230,905.64
Sales of assets	
Net other financing sources (uses)	<u>\$ 230,905.64</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Intergovernmental revenue	\$	163.55
Other revenues		1,104.53
Total revenues	\$	<u>1,268.08</u>

EXPENDITURES

Salaries	\$	396,187.18
Payroll taxes		30,819.06
Capital outlay		7,417.80
Dry cleaning		94.32
Education		11,776.41
Gas and oil		2,893.33
Health and life insurance		18,550.60
Insurance		9,683.25
Miscellaneous		5,229.64
Professional and consulting service		585.00
Radio expense		9,885.72
Repairs and maintenance		8,841.29
Retirement		64,557.29
Supplies:		
- building		1,123.12
- office		1,770.25
- operating		12,456.55
Telephone		334.14
Travel		2,835.15
Utilities		8,880.03
Wellness program		2,840.94
Workman's compensation		26,213.36
Total expenditures	\$	<u>622,974.43</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(621,706.35)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	621,706.35
Sales of assets		
Net other financing sources (uses)	\$	<u>621,706.35</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Other revenues	\$	-
Total revenues	\$	-

EXPENDITURES

Salaries	\$	5,391.11
Payroll taxes		412.42
Education		908.00
Insurance		51.00
Miscellaneous		346.62
Supplies:		
- office		33.71
- operating		1,810.00
Telephone		386.88
Travel		412.46
Utilities		247.20
Workman's compensation		359.76
Total expenditures	\$	10,359.16
Excess (deficiency) of revenues over expenditures	\$	(10,359.16)

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	10,359.16
Sales of assets		
Net other financing sources (uses)	\$	10,359.16
Revenues and other sources over (under) expenditures and other uses	\$	-

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Court fines	\$ 85,608.29
Total revenues	<u>\$ 85,608.29</u>

EXPENDITURES

Salaries	\$ 20,461.34
Payroll taxes	1,565.29
Capital outlay	2,624.00
Computer	189.50
Education	865.20
Health and life insurance	730.35
Insurance	115.00
Miscellaneous	2016.15
Professional and consulting	618.75
Retirement	1,690.15
Supplies:	
- office	694.22
Telephone	425.10
Workman's compensation	139.99
Total expenditures	<u>\$ 32,135.04</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 53,473.25</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	\$ (53,473.25)
Sales of assets	
Net other financing sources (uses)	<u>\$ (53,473.25)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Forfeiture revenue	\$ 1,568.93
Intergovernmental revenue	1,198.02
Other revenue	91,584.75
Total revenues	<u>\$ 94,351.70</u>

EXPENDITURES

Salaries	\$ 547,107.08
Payroll taxes	42,764.27
Canine expenditures	322.37
Capital outlay	33,566.00
Computer	4,098.02
Dog catcher expenditure	3,284.57
Dry cleaning	16,315.36
Education	7,644.56
Gas and oil	15,422.66
Health and life insurance	29,750.17
Insurance	19,885.67
Jail expenditure	5,826.56
Miscellaneous	5,323.13
Professional and consulting service	18,434.45
Radio expenditure	3,686.70
Repairs and maintenance	37,283.68
Retirement	70,731.19
Supplies:	
- building	1,680.01
- office	5,114.07
- operating	12,770.09
Telephone	9,641.98
Travel	6,530.30
Uniform service	461.06
Utilities	5,516.98
Wellness program	102.70
Workman's compensation	29,788.15
Total expenditures	<u>\$ 933,051.78</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (838,700.08)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 838,700.08
Sales of assets	
Net other financing sources (uses)	<u>\$ 838,700.08</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Sanitation charges	\$ 253,060.08
Penalties	1,950.85
Other revenues	21,379.88
Intergovernmental revenue	74.99
Total revenues	<u>\$ 276,465.80</u>

EXPENDITURES

Salaries	\$ 130,576.51
Payroll taxes	10,499.84
Capital outlay	53,793.00
Education	327.52
Gas and oil	7,012.24
Health and life insurance	7,058.03
Insurance	5,234.00
Landfill expenses	98,307.22
Miscellaneous	13.82
Professional and consulting service	781.27
Radio expense	1,549.25
Recycling expense	3,220.69
Repairs and maintenance	11,203.36
Retirement	22,275.12
Street sweeper expense	4,849.94
Supplies:	
- office	2,126.04
- operating	1,178.33
Travel	300.46
Uniform service	901.10
Wellness program	15.60
Workman's compensation	23,227.70
Total expenditures	<u>\$ 384,451.04</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (107,985.24)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 107,985.24
Sales of assets	
Net other financing sources (uses)	<u>\$ 107,985.24</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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
YEAR ENDED MARCH 31, 1998**

REVENUES

Intergovernmental revenue	\$ 1,284.62
Motor fuel tax distribution	182,281.65
Motor sales tax	42,119.16
Other revenue	15,513.25
Sale of asset	5,000.00
State fee increase	30,602.85
Street, sidewalk and curb repairs	3,140.11
Total revenues	<u>\$ 279,941.64</u>

EXPENDITURES

Salaries	\$ 281,119.75
Payroll taxes	22,016.40
Capital outlay	230,120.13
Computer	419.02
Education	2,433.07
Gas and oil	30,005.20
Health and life insurance	17,862.67
Insurance	13,916.00
Interest and fees	5,180.59
Miscellaneous	1,027.27
Miscellaneous street repair	557,900.83
Professional and consulting service	30,959.93
Radio expense	4,964.74
Repairs and maintenance	63,477.36
Retirement	33,979.94
Recycling expense	8,133.86
Supplies:	
- office	3,340.50
- operating	5,935.89
Telephone	4,974.80
Traffic and street lights	38,813.84
Travel	1,976.19
Uniform service	1,831.43
Utilities	9,565.09
Wellness program	54.60
Workman's compensation	30,897.18
Total expenditures	<u>\$ 1,400,906.28</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,120,964.64)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 1,115,964.64
Sales of assets	5,000.00
Net other financing sources (uses)	<u>\$ 1,120,964.64</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

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

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 SPECIAL REVENUE FUND
 YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$ 37,044.27
Fees	187,903.62
General property tax	16,122.93
Intergovernmental revenues	663.25
Other revenues	16,367.32
Rental	48,181.00
Sale of cemetery lots and grave openings	19,755.00
Sales tax	40,205.23
Total revenues	<u>\$ 366,242.62</u>

EXPENDITURES

Salaries	\$ 382,106.70
Payroll taxes	32,333.66
Capital outlay	440,299.14
Concession purchases	32,638.10
Dry cleaning	692.84
Education	4,794.77
Gas and oil	10,050.15
Health and life insurance	17,052.44
Instructors	51,422.77
Insurance	17,948.27
Miscellaneous	12,903.57
Professional and consulting	10,727.79
Radio expenditures	2,135.89
Rental	11,176.30
Repairs and maintenance	183,086.53
Retirement	34,637.72
Supplies:	
- building	8,813.96
- office	2,975.90
- operating	79,863.67
Telephone	5,010.50
Traffic and street lights	227,193.47
Travel	2,667.49
Uniform service	1,495.95
Utilities	22,434.25
Wellness program	54.60
Workman's compensation	17,173.87
Total expenditures	<u>\$ 1,611,690.30</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,245,447.68)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 1,242,347.68
Sales of assets	3,100.00
Net other financing sources (uses)	<u>\$ 1,245,447.68</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</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
YEAR ENDED MARCH 31, 1998**

REVENUES

Casino department	\$ 23,551.87
Cemetery department	20,451.06
Golf department	133,961.11
North Park department	864.77
Parks department	813.45
Pool department	32,280.87
Recreation department	97,991.33
Tax increment financing(TIF)	56,328.16
Total revenues	<u>\$ 366,242.62</u>

EXPENDITURES

Casino department	\$ 41,810.78
Cemetery department	64,477.00
Golf department	573,702.21
North Park department	77,777.77
Parks department	221,052.63
Pool department	143,758.18
Recreation department	261,918.26
Tax increment financing(TIF)	227,193.47
Total expenditures	<u>\$ 1,611,690.30</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,245,447.68)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 1,242,347.68
Sales of assets	3,100.00
Net other financing sources (uses)	<u>\$ 1,245,447.68</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</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 - CASINO DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$ 619.60
Other revenue	3.02
Rental	22,929.25
Total revenues	<u>\$ 23,551.87</u>

EXPENDITURES

Salaries	\$ 17,678.95
Payroll taxes	1,352.44
Capital outlay	1,905.05
Concession purchases	534.75
Dry cleaning	614.26
Education	4,376.00
Gas & oil	143.30
Health and life insurance	1,303.05
Insurance	268.00
Miscellaneous	1,565.53
Repairs and maintenance	2,571.52
Retirement	2,017.85
Supplies:	
- building	3,318.08
- operating	2,819.68
Telephone	112.75
Utilities	70.34
Workman's compensation	1,159.23
Total expenditures	<u>\$ 41,810.78</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (18,258.91)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 18,258.91
Sales of assets	0.00
Net other financing sources (uses)	<u>\$ 18,258.91</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</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 - CEMETERY DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Grave openings	\$	13,025.00
Intergovernmental revenue		193.79
Other revenue		502.27
Sale of lots		6,730.00
Total revenues	\$	<u>20,451.06</u>

EXPENDITURES

Salaries	\$	32,240.29
Payroll taxes		3,210.45
Gas and oil		733.36
Health and life insurance		1,763.89
Insurance		1,317.00
Miscellaneous		1,215.67
Radio expenditure		880.27
Repairs and maintenance		9,726.57
Retirement		5,267.66
Supplies:		
- building		106.31
- office		157.46
- operating		3,012.88
Telephone		429.12
Travel		106.28
Uniform service		332.36
Utilities		911.64
Wellness program		7.80
Workman's compensation		3,057.99
Total expenditures	\$	<u>64,477.00</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(44,025.94)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	44,025.94
Sales of assets		0.00
Net other financing sources (uses)	\$	<u>44,025.94</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</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 - GOLF DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$	19,065.70
Fees		85,581.14
Rental		23,199.67
Other revenue		5,972.03
Intergovernmental revenue		142.57
Total revenues	\$	<u>133,961.11</u>

EXPENDITURES

Salaries	\$	118,641.22
Payroll taxes		9,586.78
Capital outlay		322,322.09
Concession purchases		17,706.40
Dry cleaning		78.58
Gas and oil		3,760.60
Health and life insurance		5,132.10
Insurance		3,151.31
Miscellaneous		2,417.28
Professional and consulting service		5,352.30
Rental		1,384.00
Repairs and maintenance		13,091.01
Retirement		9,663.90
Supplies:		
- building		1,506.44
- office		1,208.57
- operating		44,634.22
Telephone		1,163.13
Travel		2,122.39
Utilities		6,746.74
Wellness program		15.60
Workman's compensation		4,017.55
Total expenditures	\$	<u>573,702.21</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(439,741.10)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	439,741.10
Sales of assets		0.00
Net other financing sources (uses)	\$	<u>439,741.10</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</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 - NORTH PARK DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Fees	\$	239.00
Other revenue		625.77
Total Revenues	\$	<u>864.77</u>

EXPENDITURES

Salaries	\$	46,032.18
Payroll taxes		4,032.19
Concession purchases		71.93
Gas and oil		2,839.79
Health and life insurance		3,253.05
Insurance		635.00
Miscellaneous		2,313.49
Radio expenditures		795.84
Repairs and maintenance		10,073.93
Retirement		2,679.29
Supplies:		
- operating		1,689.62
Travel		80.29
Uniform service		193.85
Utilities		1,948.61
Wellness program		7.80
Workman's compensation		1,130.91
Total Expenditures	\$	<u>77,777.77</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(76,913.00)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	76,913.00
Sales of assets		0.00
Net other financing sources (uses)	\$	<u>76,913.00</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</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 - PARKS DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$	94.25
Intergovernmental revenue		302.32
Other revenue		416.88
Total revenues	\$	<u>813.45</u>

EXPENDITURES

Salaries	\$	67,599.88
Payroll taxes		5,682.12
Capital outlay		86,363.00
Education		25.99
Gas & oil		2,080.95
Health and life insurance		4,262.70
Insurance		2,594.00
Miscellaneous		2,148.17
Professional and consulting service		129.75
Radio expenditures		459.78
Repairs and maintenance		20,583.94
Retirement		10,352.26
Supplies:		
- building		2,679.42
- office		66.12
- operating		8,489.11
Telephone		651.22
Travel		90.40
Uniform service		969.74
Utilities		1,763.18
Wellness program		19.50
Workman's compensation		4,041.40
Total expenditures	\$	<u>221,052.63</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(220,239.18)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	217,139.18
Sales of assets		3,100.00
Net other financing sources (uses)	\$	<u>220,239.18</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</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 - POOL DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$	8,085.17
Fees		15,149.31
Rental		1,191.01
Swimming lessons		7,688.20
Other revenue		167.18
Total revenues	\$	<u>32,280.87</u>

EXPENDITURES

Salaries	\$	27,527.82
Payroll taxes		2,390.04
Capital outlay		4,357.00
Concession purchases		5,920.61
Insurance		480.00
Miscellaneous		1,108.58
Professional and consulting service		3,539.24
Repairs and maintenance		84,717.05
Supplies:		
- building		450.52
- office		210.51
- operating		6,771.42
Telephone		341.95
Travel		10.09
Utilities		4,122.30
Workman's compensation		1,811.05
Total expenditures	\$	<u>143,758.18</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(111,477.31)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	111,477.31
Sales of assets		
Net other financing sources (uses)	\$	<u>111,477.31</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</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 - RECREATION DEPARTMENT
YEAR ENDED MARCH 31, 1998**

REVENUES

Concession sales	\$ 9,179.55
Fees	86,934.17
Intergovernmental Revenue	24.57
Other revenue	991.97
Rental	861.07
Total revenues	<u>\$ 97,991.33</u>

EXPENDITURES

Salaries	\$ 72,386.36
Payroll taxes	6,079.64
Ball field expenditures	24,054.46
Capital outlay	25,352.00
Concession purchases	8,404.41
Education	392.78
Gas & oil	492.15
Health and life insurance	1,337.65
Instructors	51,422.77
Insurance	9,502.96
Miscellaneous	2,134.85
Professional and consulting service	1,706.50
Rental	9,792.30
Repairs and maintenance	17,717.80
Retirement	4,656.76
Supplies:	
- building	753.19
- office	1,333.24
- operating	12,446.74
Telephone	2,312.33
Tennis courts expenditures	550.25
Travel	258.04
Utilities	6,871.44
Wellness program	3.90
Workman's compensation	1,955.74
Total expenditures	<u>\$ 261,918.26</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (163,926.93)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 163,926.93
Sales of assets	
Net other financing sources (uses)	<u>\$ 163,926.93</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</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 - TAX INCREMENT FINANCING (TIF)
YEAR ENDED MARCH 31, 1998**

REVENUES

General property tax	\$ 16,122.93
Sales tax	40,205.23
Total revenues	<u>\$ 56,328.16</u>

EXPENDITURES

Traffic and street lights	\$ 227,193.47
Total expenditures	<u>\$ 227,193.47</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (170,865.31)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 170,865.31
Sales of assets	
Net other financing sources (uses)	<u>\$ 170,865.31</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

The Notes to the 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, 1998

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
<u>ASSETS AND OTHER DEBITS</u>			
Pooled cash and cash equivalents	\$ -	\$ 5,158,909.58	\$ -
Non-pooled cash and cash equivalents			169,964.34
Investments			300,000.00
Accounts receivable	66,800.13	800,584.16	106,451.73
Property, plant and equipment (net)	3,063,556.61	1,677,837.21	9,812,640.37
Total assets	<u>\$ 3,130,356.74</u>	<u>\$ 7,637,330.95</u>	<u>\$ 10,389,056.44</u>
<u>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</u>			
LIABILITIES			
Accounts payable	\$ 34,955.70	\$ 604,171.41	\$ 34,107.33
Customer deposits	54,227.70	192,062.26	
Capital lease payable			64,666.50
Sewer bonds payable			1,080,000.00
Total liabilities	<u>\$ 89,183.40</u>	<u>\$ 796,233.67</u>	<u>\$ 1,178,773.83</u>
<u>FUND EQUITY AND OTHER CREDITS</u>			
Contributed capital	\$ -	\$ -	\$ 3,017,829.05
Retained earnings-unreserved	3,041,173.34	6,841,097.28	6,192,453.56
Total fund equity and other credits	<u>\$ 3,041,173.34</u>	<u>\$ 6,841,097.28</u>	<u>\$ 9,210,282.61</u>
Total liabilities, fund equity, and other credits	<u>\$ 3,130,356.74</u>	<u>\$ 7,637,330.95</u>	<u>\$ 10,389,056.44</u>

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

<u>CITY MECHANIC</u>	<u>TOTAL</u>
\$ -	\$ 5,158,909.58
	169,964.34
	300,000.00
	973,836.02
22,035.11	14,576,069.30
<u>\$ 22,035.11</u>	<u>\$ 21,178,779.24</u>

\$ 1,404.18	\$ 674,638.62
	246,289.96
	64,666.50
	1,080,000.00
<u>\$ 1,404.18</u>	<u>\$ 2,065,595.08</u>

\$ -	\$ 3,017,829.05
20,630.93	16,095,355.11
<u>\$ 20,630.93</u>	<u>\$ 19,113,184.16</u>
<u>\$ 22,035.11</u>	<u>\$ 21,178,779.24</u>

CITY OF MONETT, MISSOURI
COMBINING STATEMENT OF REVENUES AND EXPENSES -
PROPRIETARY FUND
YEAR ENDED MARCH 31, 1998

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
<u>OPERATING REVENUES</u>			
Revenues	\$ 753,067.25	\$ 9,850,394.40	\$ 854,909.49
Tap-in charges	18,250.00		990.00
Sale of supplies	19,333.13	13,643.43	4,547.50
Penalties	5,449.47	26,998.53	1,956.91
Miscellaneous charges	7,523.77	8,820.57	37,001.44
Total operating revenues	<u>\$ 803,623.62</u>	<u>\$ 9,899,856.93</u>	<u>\$ 899,405.34</u>
<u>OPERATING EXPENSES</u>			
Salaries	\$ 268,041.25	\$ 393,040.64	\$ 281,174.58
Payroll taxes	21,015.90	40,704.52	22,020.60
Depreciation expense	174,603.87	224,396.95	406,908.55
Education	3,512.13	11,842.21	8,621.10
Electric purchases		6,562,384.89	
Gas and oil	8,983.57	4,819.89	10,809.12
Health and life insurance	13,117.47	15,634.29	12,208.49
Insurance	16,264.00	44,355.00	18,962.00
Miscellaneous	2,746.70	4,486.60	10,039.18
Office supplies	6,782.09	7,100.29	8,620.93
Professional fees	58,341.65	7,225.04	73,023.47
Repairs and maintenance	49,326.16	47,277.25	48,145.44
Retirement	36,035.07	58,965.16	36,173.71
Supplies	106,690.68	224,906.10	88,316.27
Telephone	23,040.10	6,188.76	2,285.08
Travel	795.50	2,017.76	799.66
Uniform service	1,892.35	3,012.28	1,560.59
Utilities	129,932.52	141.27	110,278.55
Wellness program	28.60	49.40	41.60
Workman's compensation	10,708.66	16,363.75	12,402.69
Total operating expenses	<u>\$ 931,858.27</u>	<u>\$ 7,674,912.05</u>	<u>\$ 1,152,391.61</u>
Operating income (loss)	<u>\$ (128,234.65)</u>	<u>\$ 2,224,944.88</u>	<u>\$ (252,986.27)</u>
<u>NON-OPERATING REVENUES(EXPENSES)</u>			
Investment Income	\$ 213.52	\$ -	\$ 32,814.39
Interest expense & fees			(71,849.28)
Net non-operating revenues(expenses)	<u>\$ 213.52</u>	<u>\$ -</u>	<u>\$ (39,034.89)</u>
Net income (loss) before transfers	\$ (128,021.13)	\$ 2,224,944.88	\$ (292,021.16)
Operating transfers from (to) other funds	53,751.91	(4,259,552.01)	433,946.34
Net income (loss)	<u>\$ (74,269.22)</u>	<u>\$ (2,034,607.13)</u>	<u>\$ 141,925.18</u>
Retained earnings-unreserved, April 1, 1997	3,115,442.56	8,875,704.41	6,050,528.38
Retained earnings-unreserved, March 31, 1998	<u>\$ 3,041,173.34</u>	<u>\$ 6,841,097.28</u>	<u>\$ 6,192,453.56</u>

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

<u>CITY</u> <u>MECHANIC</u>	<u>TOTAL</u>
\$ 19.72	\$ 11,458,390.86
	19,240.00
	37,524.06
	34,404.91
173.46	53,519.24
<u>\$ 193.18</u>	<u>\$ 11,603,079.07</u>
\$ 25,618.16	\$ 967,874.63
2,186.36	85,927.38
2,623.29	808,532.66
	23,975.44
	6,562,384.89
2,362.55	26,975.13
1,245.30	42,205.55
445.00	80,026.00
707.10	17,979.58
	22,503.31
	138,590.16
1,313.25	146,062.10
2,112.76	133,286.70
0.95	419,914.00
182.49	31,696.43
213.37	3,826.29
229.60	6,694.82
2,403.37	242,755.71
3.90	123.50
1,294.26	40,769.36
<u>\$ 42,941.71</u>	<u>\$ 9,802,103.64</u>
<u>\$ (42,748.53)</u>	<u>\$ 1,800,975.43</u>
\$ -	\$ 33,027.91
	(71,849.28)
<u>\$ -</u>	<u>\$ (38,821.37)</u>
\$ (42,748.53)	\$ 1,762,154.06
57,602.08	(3,714,251.68)
<u>\$ 14,853.55</u>	<u>\$ (1,952,097.62)</u>
5,777.38	18,047,452.73
<u>\$ 20,630.93</u>	<u>\$ 16,095,355.11</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND
 YEAR ENDED MARCH 31, 1998**

	<u>WATER OPERATIONS</u>
<u>Cash flows from operating activities:</u>	
Operating income (loss)	\$ (128,234.65)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	174,603.87
(Increase) decrease in accounts receivable	(8,211.90)
Increase (decrease) in accounts payable	7,768.25
Increase (decrease) in customer deposits	3,931.50
Net cash provided by (used in) operating activities	<u>\$ 49,857.07</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating transfers from (to) other funds	\$ 53,751.91
Net cash provided by (used in) non-capital financing activities	<u>\$ 53,751.91</u>
<u>Cash flows from capital and related financing activities:</u>	
Proceeds capital lease	\$ -
Interest expense & fees	
Purchase of capital acquisitions	(120,615.27)
Principal payment on capital lease	
Redemption of bonds payable	
Net cash provided by (used in) capital and related financing activities	<u>\$ (120,615.27)</u>
<u>Cash flows from investing activities:</u>	
Investment income	\$ 213.52
Net cash provided by (used in) investing activities	<u>\$ 213.52</u>
Net increase (decrease) in cash and Cash equivalents	\$ (16,792.77)
Cash and cash equivalents at April 1, 1997	<u>16,792.77</u>
Cash and cash equivalents at March 31, 1998	<u>\$ -</u>

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>TOTAL</u>
\$ 2,224,944.88	\$ (252,986.27)	\$ (42,748.53)	\$ 1,800,975.43
224,396.95	406,908.55	2,623.29	808,532.66
(92,994.17)	(39,162.36)		(140,368.43)
71,581.47	(2,504.73)	(2,176.84)	74,668.15
20,586.50			24,518.00
<u>\$ 2,448,515.63</u>	<u>\$ 112,255.19</u>	<u>\$ (42,302.08)</u>	<u>\$ 2,568,325.81</u>
<u>\$ (4,259,552.01)</u>	<u>\$ 433,946.34</u>	<u>\$ 57,602.08</u>	<u>\$ (3,714,251.68)</u>
<u>\$ (4,259,552.01)</u>	<u>\$ 433,946.34</u>	<u>\$ 57,602.08</u>	<u>\$ (3,714,251.68)</u>
\$ -	\$ 78,886.50	\$ -	\$ 78,886.50
	(71,849.28)		(71,849.28)
(231,141.04)	(668,133.88)	(15,300.00)	(1,035,190.19)
	(14,220.00)		(14,220.00)
	(40,000.00)		(40,000.00)
<u>\$ (231,141.04)</u>	<u>\$ (715,316.66)</u>	<u>\$ (15,300.00)</u>	<u>\$ (1,082,372.97)</u>
<u>\$ -</u>	<u>\$ 32,814.39</u>	<u>\$ -</u>	<u>\$ 33,027.91</u>
<u>\$ -</u>	<u>\$ 32,814.39</u>	<u>\$ -</u>	<u>\$ 33,027.91</u>
\$ (2,042,177.42)	\$ (136,300.74)	\$ -	\$ (2,195,270.93)
7,201,087.00	306,265.08	-	\$ 7,524,144.85
<u>\$ 5,158,909.58</u>	<u>\$ 169,964.34</u>	<u>\$ -</u>	<u>\$ 5,328,873.92</u>

CITY OF MONETT, MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
(By Function and Activity)
YEAR ENDED MARCH 31, 1998

<u>FUNCTION AND ACTIVITY</u>	<u>BALANCE APRIL 1, 1997</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE MARCH 31, 1998</u>
Public Safety:				
911	\$ 62,189.51	\$ 701.00	\$ -	\$ 62,890.51
Police	531,750.94	33,566.00		565,316.94
Communication center	124,897.20	10,506.49		135,403.69
Civil defense	26,498.55			26,498.55
Fire	1,359,996.19	7,417.80	(30,250.00)	1,337,163.99
Total Public Safety	<u>\$ 2,105,332.39</u>	<u>\$ 52,191.29</u>	<u>\$ (30,250.00)</u>	<u>\$ 2,127,273.68</u>
Administration Department	351,842.85	313,211.99		665,054.84
Street	6,223,152.13	245,199.00		6,468,351.13
Cemetery	139,002.64			139,002.64
Court	2,624.00	2,624.00		5,248.00
Airport	2,988,047.34	420,513.45	(13,500.00)	3,395,060.79
Sanitation	626,885.91	53,793.00		680,678.91
Recreation	1,861,665.48	443,299.14	(15,008.00)	2,289,956.62
Total General Fixed Assets Allocated to Functions and Activities	<u>\$ 14,650,395.59</u>	<u>\$ 1,530,831.87</u>	<u>\$ (58,758.00)</u>	<u>\$ 15,770,626.61</u>

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

**FEDERAL COMPLIANCE
SECTION**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the City of Monett, Missouri as of and for the year ended March 31, 1998, and have issued our report thereon dated August 31, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Monett's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Monett's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Council of the City of Monett, management, and federal awarding agencies and pass-through entities. However this report is a matter of public record and its distribution is not limited.

**Monett, Missouri
September 8, 1998**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the City of Monett, Missouri as of and for the year ended March 31, 1998, and have issued our report thereon dated August 31, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Monett's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Monett's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Council of the City of Monett, management, and federal awarding agencies and pass-through entities. However this report is a matter of public record and its distribution is not limited.

WALLACE, HANSEN & ASSOC PC

**Monett, Missouri
September 8, 1998**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Monett, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended March 31, 1998. The City of Monett, Missouri's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on the City of Monett, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Monett, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Monett, Missouri's compliance with those requirements.

In our opinion, the City of Monett, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 1998.

Internal Control Over Compliance

The management of the City of Monett, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of law, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Monett, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Council of the City of Monett, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

WALLACE, HANNA & ASSC P.C.

**Monett, Missouri
September 8, 1998**

**CITY OF MONETT, MISSOURI
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 MARCH 31, 1998**

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AGENCY OF PASS-THROUGH NUMBER</u>	<u>EXPENDITURES</u>
Department of Transportation			
Federal Aviation Agency passed through the Missouri Highway and Transportation Commission	20.106	*	\$ 155,914.98
Total Department of Transportation			<u>\$ 155,914.98</u>
Department of Defense			
Federal Surplus Property Passed Through The Missouri State Agency For Surplus Property	39.003	632-1674	\$ 285.66
Total Department of Defense			<u>\$ 285.66</u>
Department of Housing and Urban Development			
Community Development Block Grant / State's Program	14.219	N/A	\$ 384,378.06
Total Department of Housing and Urban Development			<u>\$ 384,378.06</u>
Total Federal Programs			<u><u>\$ 540,578.70</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE B - NON CASH EXPENDITURES

Non-cash expenditures were determined using cost values provided by the Missouri State Agency for Surplus Property.

NOTE C - COMMUNITY SERVICES BLOCK GRANT

In accordance with terms of the grant, the city has expended matching contributions totaling \$ 81,982.55 during the year ended March 31, 1998.

* Identification number of the pass-through agency could not be determined.

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

**CITY OF MONETT, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED MARCH 31, 1998**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified
 Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Reportable condition(s) identified
 not considered to be material weaknesses? Yes No
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? Yes No
 Reportable condition(s) identified
 not considered to be material weaknesses? Yes No

Type of auditors’ report issued on compliance
 for major programs:

Unqualified

Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.219	Community Development Block Grants/Small Cities Program

Dollar threshold used to distinguish between
 Type A and Type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Findings
 No matters were noted.

Section III – Federal Award Findings and Questioned Costs
 No matters were noted.

CITY OF MONETT, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
March 31, 1998

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 fiscal year ended March 31, 1998, a resolution was adopted by the City Council authorizing an increase of expenditures over budget as required by state status.

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. During fiscal year ended March 31, 1998, the City complied with budgetary requirements of RSMo 67.010.