

CITY OF MONETT, MISSOURI

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

AND

INDEPENDENT AUDITORS' REPORT

FOR YEAR ENDED MARCH 31, 1999

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WALLACE, HARNER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANT

GENE R. WALLACE, CPA
LARRY R. LOWERY, CPA
DOROTHY T. PENDERGRASS, CPA
STEVEN L. HARNER, CPA

P.O. BOX 68 • 217 FOURTH STREET
MONETT, MISSOURI 65708

PHONE (417) 235-3650
FAX (417) 235-0334

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, 1999, 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.

Except as discussed in the following paragraph, 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. The City of Monett, Missouri, has included such disclosures in Note 8. Because of the unprecedented nature of Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determined until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of Monett, Missouri disclosure with respect to the Year 2000 Issue made in Note 8. Further, we do not provide assurance that the City of Monett, Missouri's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Monett, Missouri does business will be year 2000 ready.

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 of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosure and the effects on the financial statements of the omission of the accrual of compensated absences, 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, 1999, 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, 1999, 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 the City of Monett, Missouri. The accompanying schedule of expenditures of federal awards is presented for purposes of 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 the 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.

Wallace, Harner & Assoc., P.C.

Monett, Missouri
September 8, 1999

**CITY OF MONETT, MISSOURI
 COMBINED BALANCE SHEET-
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 1999**

	GOVERNMENTAL FUND TYPES	
	GENERAL FUND	SPECIAL REVENUE FUND
<u>ASSETS AND OTHER DEBITS</u>		
Pooled cash and cash equivalents	\$ (3,625,426.89)	\$ 1,472,669.86
Non-pooled cash and cash equivalents	6,822.89	
Investments	2,294,803.55	
Accounts receivable:		
Taxes	183,533.51	
Other	22,980.99	
Due from other funds	1,312,042.37	
Restricted assets:		
Non-pooled cash and cash equivalents	4,060.82	191,195.03
Property, plant, and equipment (net)		
Amount to be provided for payment of net capital lease payable and reimbursable project cost		
Total assets and other debits	<u>\$ 198,817.24</u>	<u>\$ 1,663,864.89</u>
<u>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</u>		
LIABILITIES		
Accounts payable	\$ 192,131.67	\$ 184,496.67
Deferred revenue	1,150.00	
Due to depositors	1,700.00	
Due to other funds		1,288,173.19
Net capital lease payable and reimbursable project cost		
Sewer bond payable		
Total liabilities	<u>\$ 194,981.67</u>	<u>\$ 1,472,669.86</u>
FUND EQUITY AND OTHER CREDITS		
Investment in general fixed assets	\$ -	\$ -
Contributed capital		
Retained earnings-reserved		
Retained earnings-unreserved		
Fund balance-reserved	3,835.57	191,195.03
Total fund equity	<u>\$ 3,835.57</u>	<u>\$ 191,195.03</u>
Total liabilities, fund equity, and other credits	<u>\$ 198,817.24</u>	<u>\$ 1,663,864.89</u>

See accompanying notes to financial statements.

DEBT SERVICE FUND	PROPRIETARY FUND TYPE	FIDUCIARY TYPE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	ENTERPRISE FUND	AGENCY FUND	LONG-TERM DEBT	GENERAL FIXED ASSETS	
\$ -	\$ 3,168,321.34	\$ -	\$ -	\$ -	\$ 1,015,564.31
					6,822.89
					2,294,803.55
	928,690.61				183,533.51
					951,671.60
					1,312,042.37
	302,754.44	24,094.69			522,104.98
	14,373,135.82			18,115,099.57	32,488,235.39
			2,348,357.66		2,348,357.66
<u>\$ -</u>	<u>\$ 18,772,902.21</u>	<u>\$ 24,094.69</u>	<u>\$ 2,348,357.66</u>	<u>\$ 18,115,099.57</u>	<u>\$ 41,123,136.26</u>
\$ -	\$ 731,963.76	\$ 225.51	\$ -	\$ -	\$ 1,108,817.61
					1,150.00
	269,624.93				271,324.93
		23,869.18			1,312,042.37
	46,930.98		2,348,357.66		2,395,288.64
	1,040,000.00				1,040,000.00
<u>\$ -</u>	<u>\$ 2,088,519.67</u>	<u>\$ 24,094.69</u>	<u>\$ 2,348,357.66</u>	<u>\$ -</u>	<u>\$ 6,128,623.55</u>
\$ -	\$ -	\$ -	\$ -	\$ 18,115,099.57	\$ 18,115,099.57
	3,017,829.05				3,017,829.05
	302,754.44				302,754.44
	13,363,799.05				13,363,799.05
					195,030.60
<u>\$ -</u>	<u>\$ 16,684,382.54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,115,099.57</u>	<u>\$ 34,994,512.71</u>
<u>\$ -</u>	<u>\$ 18,772,902.21</u>	<u>\$ 24,094.69</u>	<u>\$ 2,348,357.66</u>	<u>\$ 18,115,099.57</u>	<u>\$ 41,123,136.26</u>

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 1999**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
REVENUE		
Business licenses and permits	\$ 25,507.13	\$ -
Charges for service	369,573.64	308,023.68
Federal and state grants	1,482,883.35	
Fines and forfeitures	124,124.23	
Franchise fees	179,827.11	
Interest income	252,106.33	731.27
Intergovernmental revenues	1,251.70	2,585.73
Other revenues	306,036.86	25,527.78
Taxes, penalties and interest	1,665,273.73	176,998.85
Total revenues	<u>\$ 4,406,584.08</u>	<u>\$ 513,867.31</u>
EXPENDITURES		
Current		
General government	\$ 1,052,597.38	\$ -
Public safety	2,034,587.16	
Highways and streets	1,148,591.17	1,211,143.02
Public works	282,472.88	
Parks, recreation and golf		961,595.70
Capital outlay-		
Current expenditures	1,916,073.94	490,876.08
Debt service-		
Interest and fiscal agent fees	9,387.33	
Total expenditures	<u>\$ 6,443,709.86</u>	<u>\$ 2,663,614.80</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,037,125.78)</u>	<u>\$ (2,149,747.49)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers from other funds	<u>\$ 1,980,791.34</u>	<u>\$ 2,340,942.52</u>
Net other financing sources (uses)	<u>\$ 1,980,791.34</u>	<u>\$ 2,340,942.52</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (56,334.44)	\$ 191,195.03
Fund Balance, Beginning of Year	<u>60,170.01</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,835.57</u>	<u>\$ 191,195.03</u>

See accompanying notes to financial statements.

DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
\$ -	\$ 25,507.13
	677,597.32
	1,482,883.35
	124,124.23
	179,827.11
	252,837.60
	3,837.43
	331,564.64
	1,842,272.58
<u>\$ -</u>	<u>\$ 4,920,451.39</u>
\$ -	\$ 1,052,597.38
	2,034,587.16
	2,359,734.19
	282,472.88
	961,595.70
	2,406,950.02
	9,387.33
<u>\$ -</u>	<u>\$ 9,107,324.66</u>
<u>\$ -</u>	<u>\$ (4,186,873.27)</u>
<u>\$ -</u>	<u>\$ 4,321,733.86</u>
<u>\$ -</u>	<u>\$ 4,321,733.86</u>
\$ -	\$ 134,860.59
	60,170.01
<u>\$ -</u>	<u>\$ 195,030.60</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, 1999**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Business licenses and permits	\$ 25,507.13	\$ 25,507.13	\$ -
Charges for service	369,573.64	369,573.64	-
Federal and state grants	1,482,883.35	1,482,883.35	-
Fines and forfeitures	124,124.23	124,124.23	-
Franchise fees	179,827.11	179,827.11	-
Interest income	252,106.33	252,106.33	-
Intergovernmental revenues	1,251.70	1,251.70	-
Other revenues	306,036.86	306,036.86	-
Taxes, penalties and interest	1,665,273.73	1,665,273.73	-
Total revenues	<u>\$ 4,406,584.08</u>	<u>\$ 4,406,584.08</u>	<u>\$ -</u>
EXPENDITURES			
Current			
General government	\$ 1,052,597.38	\$ 1,052,597.38	\$ -
Public safety	2,034,587.16	2,034,587.16	-
Highways and streets	1,148,591.17	1,148,591.17	-
Public works	282,472.88	282,472.88	-
Parks, recreation and golf			-
Capital outlay-			
Current expenditures	1,916,073.94	1,916,073.94	-
Debt service-			
Interest and fiscal agent fees	9,387.33	9,387.33	-
Total expenditures	<u>\$ 6,443,709.86</u>	<u>\$ 6,443,709.86</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (2,037,125.78)</u>	<u>\$ (2,037,125.78)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	\$ 1,980,791.34	\$ 1,980,791.34	\$ -
Net other financing sources (uses)	<u>\$ 1,980,791.34</u>	<u>\$ 1,980,791.34</u>	<u>\$ -</u>
Excess of revenue and other sources over (under) expenditures and other uses	<u>\$ (56,334.44)</u>	<u>\$ (56,334.44)</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>60,170.01</u>	
Fund Balance, End of Year		<u>\$ 3,835.57</u>	

See accompanying notes to financial statements.

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
308,023.68	308,023.68	-			
731.27	731.27	-			
2,585.73	2,585.73	-			
25,527.78	25,527.78	-			
176,998.85	176,998.85	-			
<u>\$ 513,867.31</u>	<u>\$ 513,867.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,211,143.02	1,211,143.02	-			
961,595.70	961,595.70	-			
490,876.08	490,876.08	-			
<u>\$ 2,663,614.80</u>	<u>\$ 2,663,614.80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (2,149,747.49)</u>	<u>\$ (2,149,747.49)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,340,942.52</u>	<u>\$ 2,340,942.52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,340,942.52</u>	<u>\$ 2,340,942.52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 191,195.03</u>	<u>\$ 191,195.03</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	-			-	
	<u>\$ 191,195.03</u>			<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, 1999**

	TOTAL (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
REVENUES			
Business licenses and permits	\$ 25,507.13	\$ 25,507.13	\$ -
Charges for service	677,597.32	677,597.32	-
Federal and state grants	1,482,883.35	1,482,883.35	-
Fines and forfeitures	124,124.23	124,124.23	-
Franchise fees	179,827.11	179,827.11	-
Interest revenues	252,837.60	252,837.60	-
Intergovernmental revenues	3,837.43	3,837.43	-
Other revenues	331,564.64	331,564.64	-
Taxes, penalties and interest	1,842,272.58	1,842,272.58	-
Total revenues	<u>\$ 4,920,451.39</u>	<u>\$ 4,920,451.39</u>	<u>\$ -</u>
EXPENDITURES			
Current			
General government	\$ 1,052,597.38	\$ 1,052,597.38	\$ -
Public safety	2,034,587.16	2,034,587.16	-
Highways and streets	2,359,734.19	2,359,734.19	-
Public works	282,472.88	282,472.88	-
Parks, recreation and golf	961,595.70	961,595.70	-
Capital outlay-			
Current expenditures	2,406,950.02	2,406,950.02	-
Debt service-			
Interest and fiscal agent fees	9,387.33	9,387.33	-
Total expenditures	<u>\$ 9,107,324.66</u>	<u>\$ 9,107,324.66</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (4,186,873.27)</u>	<u>\$ (4,186,873.27)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	\$ 4,321,733.86	\$ 4,321,733.86	\$ -
Net other financing sources (uses)	<u>\$ 4,321,733.86</u>	<u>\$ 4,321,733.86</u>	<u>\$ -</u>
Excess of revenue and other sources over (under) expenditures and other uses	<u>\$ 134,860.59</u>	<u>\$ 134,860.59</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>60,170.01</u>	
Fund Balance, End of Year		<u>\$ 195,030.60</u>	

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPES
 YEAR ENDED MARCH 31, 1999**

OPERATING REVENUES

Revenues	\$ 12,364,509.53
Tap-in charges	17,416.64
Penalties	43,818.90
Miscellaneous charges	5,279.52
Total operating revenue	<u>\$ 12,431,024.59</u>

OPERATING EXPENSES

Salaries	\$ 1,060,650.25
Payroll taxes	82,829.35
Depreciation expense	806,430.77
Education	22,408.78
Electric purchases	7,159,675.92
Gas and oil	22,443.33
Health and life insurance	57,465.93
Insurance	83,839.00
Miscellaneous	23,291.78
Office supplies	57,795.08
Professional fees	107,499.19
Repairs and maintenance	150,304.20
Retirement	136,379.35
Supplies	414,770.71
Telephone	14,917.07
Travel	2,406.62
Utilities	275,569.11
Workman's compensation	40,419.98
Total operating expenses	<u>\$ 10,519,096.42</u>

Operating income (loss) \$ 1,911,928.17

NON-OPERATING REVENUES (EXPENSES)

Investment Income	\$ 31,677.89
Interest expense & fees	(50,673.82)
Net non-operating revenues (expenses)	<u>\$ (18,995.93)</u>
Net income (loss) before transfers	\$ 1,892,932.24

Operating transfer to other funds (4,321,733.86)
 Net Income (Loss) \$ (2,428,801.62)

Retained earnings, beginning of year 16,095,355.11
 Retained earnings, end of year \$ 13,666,553.49

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 YEAR ENDED MARCH 31, 1999**

Cash flows from operating activities:

Operating income (loss)	\$ 1,911,928.17
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	806,430.77
(Increase) decrease in accounts receivable	45,145.41
Increase (decrease) in accounts payable	57,325.14
Increase (decrease) in customer deposits	23,334.97
Net cash provided by (used in) operating activities	<u>\$ 2,844,164.46</u>

Cash flows from non-capital financing activities:

Operating transfers (to) other funds	\$ (4,321,733.86)
Net cash provided by (used in) non-capital financing activities	<u>\$ (4,321,733.86)</u>

Cash flows from capital and related financing activities:

Interest expense & fees	\$ (50,673.82)
Purchase of capital acquisitions	(603,497.29)
Principal paid on lease obligations	(17,735.52)
Redemption of bonds payable	(40,000.00)
Net cash provided by (used in) capital and related financing activities	<u>\$ (711,906.63)</u>

Cash flows from investing activities:

Proceeds from sale of investments	\$ 300,000.00
Investment income	31,677.89
Net cash provided by (used in) investing activities	<u>\$ 331,677.89</u>

Net increase (decrease) in cash and cash equivalents \$ (1,857,798.14)

Cash and cash equivalents at April 1, 1998 5,328,873.92

Cash and cash equivalents at March 31, 1999 \$ 3,471,075.78

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1999**

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, 1999. 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, 1999.

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, 1999**

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 Fund. 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, 1999**

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, 1999, was adopted or amended March 29, 1999. 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, 1999**

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. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. 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</u> <u>April 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 1999</u>
Land, Building, & Improvements	\$ 9,999,723.02	\$ 2,210,280.97	\$ -	\$ 12,210,003.99
Furniture, Fixtures & Equipment	5,319,627.83	282,202.25		5,601,830.08
Assets Under Capital Lease	303,265.50			303,265.50
Construction in Progress	<u>148,607.26</u>	<u>1,560,062.52</u>	<u>1,708,669.78</u>	<u>-</u>
	<u>\$ 15,771,223.61</u>	<u>\$ 4,052,545.74</u>	<u>\$ 1,708,669.78</u>	<u>\$ 18,115,099.57</u>

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999**

Property and equipment recorded in the City's various proprietary funds at March 31, 1999, are:

	<u>Electric</u>	<u>Mechanic</u>	<u>Sewer</u>	<u>Water</u>
Land, Building, & Improvements	\$ 3,351,310.22	\$ -	\$ 8,258,840.38	\$ 2,845,848.07
Furniture, Fixtures & Equipment	2,603,511.38	28,457.07	7,070,201.23	2,793,191.34
Assets Under Capital Lease			78,886.50	
Accumulated Depreciation	(4,187,563.95)	(8,278.13)	(5,889,556.36)	(2,571,711.93)
Construction in Progress				
Totals	<u>\$ 1,767,257.65</u>	<u>\$ 20,178.94</u>	<u>\$ 9,518,371.75</u>	<u>\$ 3,067,327.48</u>

J. Commitments

As of March 31, 1999, 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	\$ 44,760.00	\$ -	\$ 43,348.17
Airport		91,792.30	
Pool		200,889.20	
Street		1,084,972.84	
Enterprise Fund:			
Electric			43,348.17
Water			43,348.17
Sewer		46,930.99	43,348.17
	<u>\$ 44,760.00</u>	<u>\$ 1,424,585.33</u>	<u>\$ 173,392.68</u>

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, 1999**

L. Compensated Absences

For vacation leave the City's policy allows full-time employees or firefighters with 1 – 2 years city employment, 80 to 99 hours or 4 to 5 shifts vacation; 3 – 5 years employment, 96 to 112 hours or 5 to 6 shifts vacation; 6-11 years employment 120 to 160 hours or 7 to 10 shifts vacation. No extra vacation time accrues beyond 160 hours or ten shifts for firefighters. With supervisor approval, employees may carry over to the next calendar year, up to 40 hours vacation or two shifts for firefighters. All additional accrued but unused vacation shall be forfeited. All employees with greater than three years of service will start with 288 hours sick leave minus documented sick leave taken in the past three calendar years. Non-exempt Fire Department personnel will start with 403 hours (16.8 shifts) of sick leave minus documented sick leave in the past three years. Employees with less than three years of service will be credited for accumulated sick leave at the rate of four hours per pay period (5.6 hours for non-exempt Fire Department personnel) since date of hire minus any sick leave taken since that time. At the end of the year the employee would be paid for 32 hours at their regular rate (1/3 x 96) or 1/3 of any unused sick leave for the year. Should employment be terminated the employee is paid for accumulated vacation leave and 1/3 of the 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. Bank balances of deposits as of the balance sheet date were entirely insured or collateralized with securities held by the City or by its agent in the City's name.

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, 1999, the City's cash and cash equivalents were:

Cash and cash equivalents	<u>\$ 1,544,492.18</u>
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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, 1999, were \$ 2,294,803.55, certificates of deposits, original maturity greater than three months.

**CITY OF MONETT, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 March 31, 1999**

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 were collateralized by being insured or registered or securities held by the City or its agent in the City's name.

3. DEPOSITORY AND INVESTMENT SECURITIES

It is the City's policy for deposits and investments to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The City requires all collateral, regarding deposits and investments, to be insured or registered, or securities held by the City or its agent in the City's name. At March 31, 1999, the City had deposits and investments totaling \$ 4,348,071.60, which were collateralized by federal depository insurance, securities investor protection, U.S. Treasury obligations and/or asset and mortgage backed securities which were held by the City or its agent in the City's name.

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 1998 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	\$ 45,493,312.00
Personal Property	21,760,390.00
TOTAL ASSESSED VALUATION	<u>\$ 67,253,702.00</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>

On January 20, 1999, by ordinance number 6785, the personal and real property tax for the City of Monett was repealed.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999

The legal debt margin at March 31, 1999, was computed as follows:

	<u>Ordinary (1)</u>	<u>Additional (2)</u>	<u>Total</u>
General obligation debt limit	\$ 6,725,370	\$ 6,725,370	\$ 13,450,740
General obligation bonds payable	-	-	-
Legal debt margin	<u>\$ 6,725,370</u>	<u>\$ 6,725,370</u>	<u>\$ 13,450,740</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, 1999. These bonds are recorded in the Enterprise Fund since the repayment is to be from the operations for which the debt was issued.

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992A

Fiscal Year Ended March 31	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing May 1st</u>	<u>Bonds Outstanding</u>
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	70,946.25	35,946.25	6.30%	35,000.00	535,000.00
2005-2014	<u>727,796.25</u>	<u>192,796.25</u>	6.3-6.55%	<u>535,000.00</u>	
TOTALS	<u>\$ 1,087,540.00</u>	<u>\$ 392,540.00</u>		<u>\$ 695,000.00</u>	

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999

SEWERAGE REVENUE REFUNDING BONDS, SERIES 1992B

<u>Fiscal Year Ended March 31</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing May 1st</u>	<u>Bonds Outstanding</u>
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	39,055.00	19,055.00	6.60%	20,000.00	265,000.00
2005-2014	<u>368,172.85</u>	<u>103,172.85</u>	6.60-7.0%	<u>265,000.00</u>	
TOTALS	<u>\$ 553,763.00</u>	<u>\$ 208,763.00</u>		<u>\$ 345,000.00</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:

<u>Fiscal Year Ended March 31</u>	<u>Total</u>	<u>Total Interest</u>	<u>Interest Rate</u>	<u>Principal Maturing May 1st</u>	<u>Bonds Outstanding</u>
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	137,898.75	22,898.75	6.90%	115,000.00	260,000.00
2005-2006	<u>279,181.25</u>	<u>19,181.25</u>	6.90-7.25%	<u>260,000.00</u>	
TOTALS	<u>\$ 978,182.50</u>	<u>\$ 208,182.50</u>		<u>\$ 770,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at March 31, 1999, is \$ 797,638.90.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999

6. CAPITAL LEASES AND REIMBURSABLE PROJECT COSTS

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, 1999:

Fiscal Year Ending	
March 31, 2000	\$ 6,034.95
Less: Amount representing interest	<u>88.81</u>
Present value of minimum lease payments	<u>\$ 5,946.14</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, 1999:

Fiscal Year Ending	
March 31, 2000	\$ 37,212.00
March 31, 2001	37,212.00
March 31, 2002	<u>23,873.02</u>
Total minimum lease payments	\$ 98,297.02
Less: Amount representing interest	<u>6,504.72</u>
Present value of minimum lease payments	<u>\$ 91,792.30</u>

The City has entered into a cancelable lease agreement as lessee to finance the acquisition of a vector 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, 1999:

Fiscal Year Ending	
March 31, 2000	\$ 35,763.12
March 31, 2001	35,763.12
March 31, 2002	<u>29,353.27</u>
Total minimum lease payments	\$ 100,879.51
Less: Amount representing interest	<u>7,017.53</u>
Present value of minimum lease payments	<u>\$ 93,861.98</u>

As of March 31, 1999, the City had TIF reimbursable project cost contracts totaling \$ 2,203,688.23. The City shall issue obligations secured by all or any portion of the moneys in the TIF Special Allocation Fund as described in the TIF Redevelopment Plan on terms and at an interest rate determined by the market conditions at the time of issuance, the proceeds of which will be used to finance reimbursable contract costs incurred or to be incurred. As of March 31, 1999 the City has authorized no TIF bond obligations.

**CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999**

7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City of Monett participates 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 15.0% (general), 15.30% (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 1999, the political subdivision's annual pension cost of \$455,164 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 1997, and/or 1998 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, 1999 was 19 years.

CITY OF MONETT, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
March 31, 1999

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>
6/30/97	\$ 397,214	100%	\$ -
6/30/98	420,984	100	-
6/30/99	455,164	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, 1999, was \$ 2,811,000.03; the City's total payroll was \$ 3,414,206.54. 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.

8. YEAR 2000 ISSUE

The year 2000 Issue is the result of shortcomings in many electronic processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the City's operations. Based on this inventory, the City is in the remediation state in that bid specifications have been drawn up to purchase, from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting systems; contracts totaling \$203,000.00 have been set as of March 31, 1999. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

SUPPLEMENTARY INFORMATION

**CITY OF MONETT, MISSOURI
SCHEDULE OF FUNDING PROGRESS-
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)
YEAR ENDED March 31, 1999**

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
02/28/97	\$ 2,009,301	\$ 3,534,555	\$ 1,525,254	57%	\$ 2,655,233	57%
02/29/98	2,404,991	3,698,148	1,293,157	65	2,575,729	50
02/28/99	2,852,277	4,093,211	1,240,934	70	2,966,496	42

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.

**CITY OF MONETT, MISSOURI
 SCHEDULE OF TRANSFERS WITHIN THE REPORTING ENTITY
 YEAR ENDED MARCH 31, 1999**

TRANSFERS OUT/FROM	SPECIAL REVENUE FUND					
	GENERAL FUND	CASINO FUND	CEMETERY FUND	GOLF FUND	NORTH PARK FUND	PARKS FUND
Enterprise Fund:						
Electric Fund	\$ 1,980,791.34	\$ 18,030.81	\$ 99,726.06	\$ 303,977.23	\$ 66,877.34	\$ 132,021.74
Total Transfers in	<u>\$ 1,980,791.34</u>	<u>\$ 18,030.81</u>	<u>\$ 99,726.06</u>	<u>\$ 303,977.23</u>	<u>\$ 66,877.34</u>	<u>\$ 132,021.74</u>

See accompanying notes to financial statements.

SPECIAL REVENUE FUND			ENTERPRISE FUND			TOTAL TRANSFERS OUT/FROM
POOL FUND	RECREATION FUND	TAX INCREMENT FINANCING FUND	MECHANIC FUND	WATER FUND	SEWER FUND	
\$245,913.03	\$249,788.38	\$ 1,224,607.93	\$71,490.19	\$ 164,931.60	\$(187,112.30)	\$4,371,043.35
<u>\$245,913.03</u>	<u>\$249,788.38</u>	<u>\$ 1,224,607.93</u>	<u>\$71,490.19</u>	<u>\$ 164,931.60</u>	<u>\$(187,112.30)</u>	<u>\$4,371,043.35</u>

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND-COMBINED FUND TOTALS
 YEAR ENDED MARCH 31, 1999**

REVENUES

Business license and permits	\$ 25,507.13
Federal and state grants	1,482,883.35
Fines and forfeitures	124,124.23
Franchise fees	179,827.11
General property taxes	205,536.20
Interest income	252,106.33
Other revenue	394,753.94
Other taxes and assessments	268,330.07
Rental revenue	22,745.00
Sales tax	1,191,407.46
Sanitation revenues	259,363.26
Total revenues	<u>\$ 4,406,584.08</u>

EXPENDITURES

Salaries	\$ 1,918,876.64
Payroll taxes	153,738.08
Capital outlay	1,916,073.94
Community development block grant	284,257.55
Education	26,539.08
Election	3,596.56
Health and life insurance	132,968.27
Insurance	65,683.00
Interest and fees	9,387.33
Landfill and recycling	97,064.92
Miscellaneous	142,453.16
Professional and consulting service	270,424.41
Repairs and maintenance	839,826.78
Retirement	267,835.36
Supplies	94,674.13
Telephone	52,227.02
Travel	26,373.43
Utilities	44,683.57
Workman's compensation	97,026.63
Total expenditures	<u>\$ 6,443,709.86</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,037,125.78)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 1,980,791.34
Net other financing sources (uses)	<u>\$ 1,980,791.34</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (56,334.44)</u>

See accompany notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - COMBINED DEPARTMENT TOTALS
YEAR ENDED MARCH 31, 1999**

REVENUES

911 System department	\$ 106,277.38
Administration department	2,050,741.10
Airport department	1,458,614.31
Building official and code administrators department	13,674.54
Communication center department	8,700.00
Fire department	6,944.01
Municipal court department	112,955.00
Police department	102,261.32
Sanitation department	261,242.49
Street department	285,173.93
Total revenues	<u>\$ 4,406,584.08</u>

EXPENDITURES

911 System department	\$ 59,729.45
Administration department	834,586.55
Airport department	1,848,675.34
Building official and code administrators department	60,618.27
Civil defense department	3,246.21
Communication center department	214,936.74
Fire department	748,140.26
Hazardous waste department	35,645.23
Municipal court department	36,593.95
Police department	1,111,905.52
Sanitation department	287,450.88
Street department	1,202,181.46
Total expenditures	<u>\$ 6,443,709.86</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,037,125.78)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 1,980,791.34</u>
Net other financing sources (uses)	<u>\$ 1,980,791.34</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (56,334.44)</u>

See accompany notes to financial statements.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - 911 SYSTEM DEPARTMENT
 YEAR ENDED MARCH 31, 1999**

REVENUES

911 income	\$ 106,277.38
Total revenues	<u>\$ 106,277.38</u>

EXPENDITURES

Salaries	\$ 32,756.38
Payroll taxes	2,497.13
Health and life insurance	1,845.28
Insurance	211.00
Miscellaneous	24.00
Retirement	4,922.39
Supplies:	
- office	100.00
Telephone	17,245.15
Workman's compensation	128.12
Total expenditures	<u>\$ 59,729.45</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 46,547.93</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	\$ (46,547.93)
Net other financing sources (uses)	<u>\$ (46,547.93)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - ADMINISTRATION DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Business license and permits	\$ 12,034.38
Community development block grant/matching	163,853.00
Franchise fees	179,827.11
General property taxes	205,536.20
Intangible tax	3,995.11
Interest income	252,106.33
Other revenue	38,190.86
Penalties and interest	3,790.65
Sales tax	1,191,407.46
Total revenues	<u>\$ 2,050,741.10</u>

EXPENDITURES

Salaries	\$ 150,502.24
Payroll taxes	11,513.43
Capital outlay	23,043.65
Community development block grant	284,257.55
Computer	2,010.04
Election expenditures	3,596.56
Health and life insurance	14,091.44
Insurance	6,191.00
Miscellaneous	97,582.65
Professional and consulting service	177,702.79
Repairs and maintenance	12,191.90
Retirement	20,009.19
Supplies:	
- building	3,004.75
- office	8,820.18
- operating	3,776.89
Telephone	3,559.80
Travel	2,426.47
Utilities	8,545.24
Workman's compensation	1,760.78
Total expenditures	<u>\$ 834,586.55</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,216,154.55</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	<u>\$ (1,272,488.99)</u>
Net other financing sources (uses)	<u>\$ (1,272,488.99)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (56,334.44)</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - AIRPORT DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Airport rent received	\$ 22,745.00
Federal and state grants	1,319,030.35
Other revenue	116,838.96
Total revenues	<u>\$ 1,458,614.31</u>

EXPENDITURES

Salaries	\$ 62,151.75
Payroll taxes	4,754.56
Capital outlay	1,689,181.44
Gas and oil	2,131.08
Health and life insurance	5,357.97
Insurance	4,099.00
Interest and fees	5,455.65
Miscellaneous	729.94
Repairs and maintenance	40,644.86
Retirement	9,306.88
Supplies:	
- building	1,402.27
- operating	5,573.89
Telephone	2,943.31
Travel	1,912.99
Utilities	10,526.47
Workman's compensation	2,503.28
Total expenditures	<u>\$ 1,848,675.34</u>
Excess (deficiency) revenues over expenditures	<u>\$ (390,061.03)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 390,061.03
Net other financing sources (uses)	<u>\$ 390,061.03</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - BUILDING OFFICIAL/CODE ADMIN. DEPARTMENT
 YEAR ENDED MARCH 31, 1999**

REVENUES

Other revenue	\$ 201.79
Permit	13,472.75
Total revenues	<u>\$ 13,674.54</u>

EXPENDITURES

Salaries	\$ 24,708.10
Payroll taxes	1,890.17
Capital outlay	9,848.00
Education	409.00
Gas and oil	121.58
Health and life insurance	957.44
Insurance	283.00
Miscellaneous	1,287.50
Professional and consulting service	3,081.45
Repairs and maintenance	8,447.71
Retirement	3,706.22
Supplies:	
- office	571.75
- operating	41.39
Telephone	490.47
Travel	105.56
Utilities	3,221.60
Workman's compensation	1,447.33
Total expenditures	<u>\$ 60,618.27</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (46,943.73)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 46,943.73
Net other financing sources (uses)	<u>\$ 46,943.73</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - CIVIL DEFENSE DEPARTMENT
 YEAR ENDED MARCH 31, 1999**

REVENUES

Other revenues	\$ -
Total revenues	<u>\$ -</u>

EXPENDITURES

Salaries	\$ 1,255.93
Payroll taxes	87.34
Insurance	21.00
Miscellaneous	133.00
Repairs and maintenance	14.46
Supplies:	
- operating	1,676.47
Travel	58.01
Total expenditures	<u>\$ 3,246.21</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,246.21)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 3,246.21
Net other financing sources (uses)	<u>\$ 3,246.21</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 GENERAL FUND - COMMUNICATION CENTER DEPARTMENT
 YEAR ENDED MARCH 31, 1999**

REVENUES

Other revenues	\$ 8,700.00
Total revenues	<u>\$ 8,700.00</u>

EXPENDITURES

Salaries	\$ 144,603.61
Payroll taxes	11,079.64
Computer	8,005.55
Education	1,060.00
Health and life insurance	9,493.20
Miscellaneous	95.82
Repairs and maintenance	17,037.58
Retirement	17,867.45
Supplies:	
- office	1,559.77
- operating	699.03
Telephone	2,046.42
Travel	637.23
Workman's compensation	751.44
Total expenditures	<u>\$ 214,936.74</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (206,236.74)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 206,236.74
Net other financing sources (uses)	<u>\$ 206,236.74</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - FIRE DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Intergovernmental revenue	\$ 73.78
Other revenues	6,870.23
Total revenues	<u>\$ 6,944.01</u>

EXPENDITURES

Salaries	\$ 432,698.43
Payroll taxes	33,100.81
Capital outlay	58,461.45
Education	6,240.70
Gas and oil	3,236.30
Health and life insurance	26,947.66
Insurance	10,017.00
Miscellaneous	4,516.13
Professional and consulting service	1,220.49
Repairs and maintenance	50,255.58
Retirement	61,615.58
Supplies:	
- building	3,046.82
- office	1,898.15
- operating	9,467.56
Telephone	3,800.95
Travel	5,763.03
Utilities	10,257.45
Workman's compensation	25,596.17
Total expenditures	<u>\$ 748,140.26</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (741,196.25)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 741,196.25
Net other financing sources (uses)	<u>\$ 741,196.25</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - HAZARDOUS WASTE DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Other revenues	\$ -
Total revenues	<u>\$ -</u>

EXPENDITURES

Salaries	\$ 5,463.93
Payroll taxes	418.03
Education	1,000.00
Insurance	42.00
Miscellaneous	400.41
Professional and consulting service	230.00
Supplies:	
- office	319.31
- operating	23,603.27
Telephone	1,309.21
Travel	2,224.27
Utilities	338.80
Workman's compensation	296.00
Total expenditures	<u>\$ 35,645.23</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (35,645.23)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 35,645.23
Net other financing sources (uses)	<u>\$ 35,645.23</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - MUNICIPAL COURT DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Court fines	\$ 112,955.00
Total revenues	<u>\$ 112,955.00</u>

EXPENDITURES

Salaries	\$ 25,698.05
Payroll taxes	1,965.93
Capital outlay	347.99
Computer	593.55
Education	827.63
Health and life insurance	1,088.81
Insurance	134.00
Miscellaneous	1,439.70
Professional and consulting	332.50
Retirement	1,643.24
Supplies:	
- office	1,571.14
Telephone	849.50
Workman's compensation	101.91
Total expenditures	<u>\$ 36,593.95</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 76,361.05</u>

OTHER FINANCING SOURCES (USES)

Operating transfers to other funds	\$ (76,361.05)
Net other financing sources (uses)	<u>\$ (76,361.05)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - POLICE DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Forfeiture revenue	\$ 11,169.23
Intergovernmental revenue	629.46
Other revenue	90,462.63
Total revenues	<u>\$ 102,261.32</u>

EXPENDITURES

Salaries	\$ 625,540.79
Payroll taxes	50,196.38
Capital outlay	80,554.80
Computer	1,713.17
Education	12,550.09
Gas and oil	18,537.05
Health and life insurance	38,555.30
Insurance	23,466.00
Miscellaneous	12,725.62
Professional and consulting service	28,830.18
Repairs and maintenance	67,234.17
Retirement	83,018.29
Supplies:	
- building	954.34
- office	6,025.60
- operating	7,157.93
Telephone	14,330.97
Travel	5,680.81
Utilities	5,906.96
Workman's compensation	28,927.07
Total expenditures	<u>\$ 1,111,905.52</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,009,644.20)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 1,009,644.20</u>
Net other financing sources (uses)	<u>\$ 1,009,644.20</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - SANITATION DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Sanitation charges	\$ 259,363.26
Penalties	1,854.50
Intergovernmental revenue	24.73
Total revenues	<u>\$ 261,242.49</u>

EXPENDITURES

Salaries	\$ 103,976.23
Payroll taxes	8,589.57
Capital outlay	4,978.00
Education	475.31
Gas and oil	6,908.68
Health and life insurance	5,997.22
Insurance	5,420.00
Landfill expenses	83,619.97
Miscellaneous	1,091.32
Recycling expense	11,306.45
Repairs and maintenance	27,830.83
Retirement	10,385.16
Supplies:	
- office	2,767.03
- operating	466.22
Travel	162.46
Workman's compensation	13,476.43
Total expenditures	<u>\$ 287,450.88</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (26,208.39)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 26,208.39
Net other financing sources (uses)	<u>\$ 26,208.39</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
GENERAL FUND - STREET DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Intergovernmental revenue	\$ 523.73
Motor fuel tax distribution	181,807.84
Motor sales tax	45,564.08
Other revenue	22,027.39
State fee increase	31,317.89
Street, sidewalk and curb repairs	3,933.00
Total revenues	<u>\$ 285,173.93</u>

EXPENDITURES

Salaries	\$ 309,521.20
Payroll taxes	27,645.09
Capital outlay	49,658.61
Computer	4,571.61
Education	3,976.35
Gas and oil	21,207.35
Health and life insurance	28,633.95
Insurance	15,799.00
Interest and fees	3,931.68
Miscellaneous	5,533.15
Miscellaneous street repair	475,976.51
Professional and consulting service	59,027.00
Repairs and maintenance	88,051.14
Retirement	55,360.96
Recycling expenditure	2,138.50
Supplies:	
- office	3,086.31
- operating	7,084.06
Telephone	5,651.24
Travel	7,402.60
Utilities	5,887.05
Workman's compensation	22,038.10
Total expenditures	<u>\$ 1,202,181.46</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (917,007.53)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 917,007.53
Net other financing sources (uses)	<u>\$ 917,007.53</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES-
 SPECIAL REVENUE FUND-COMBINED FUND TOTALS
 YEAR ENDED MARCH 31, 1999**

REVENUES

Concession sales	\$ 42,573.95
Fees	180,947.25
General property tax	108,320.34
Interest income	731.27
Intergovernmental revenues	2,585.73
Other revenues	37,682.18
Rental	57,313.08
Sale of cemetery lots and grave openings	15,035.00
Sales tax	68,678.51
Total revenues	<u>\$ 513,867.31</u>

EXPENDITURES

Salaries	\$ 435,422.46
Payroll taxes	36,954.31
Capital outlay	490,876.08
Concession purchases	33,054.23
Education	1,007.50
Gas and oil	9,256.61
Health and life insurance	21,879.96
Insurance	16,515.10
Miscellaneous	10,773.90
Professional and consulting	61,570.36
Rental	10,958.94
Repairs and maintenance	118,051.97
Retirement	32,572.88
Supplies:	
- building	23,780.68
- office	10,770.62
- operating	85,752.84
Telephone	6,729.35
Traffic and street lights	1,211,143.02
Travel	2,442.93
Utilities	26,580.27
Workman's compensation	17,520.79
Total expenditures	<u>\$ 2,663,614.80</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,149,747.49)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 2,340,942.52</u>
Net other financing sources (uses)	<u>\$ 2,340,942.52</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 191,195.03</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND-COMBINED DEPARTMENT TOTALS
YEAR ENDED MARCH 31, 1999**

REVENUES

Casino department	\$ 23,765.81
Cemetery department	15,712.15
Golf department	126,740.54
North Park department	200.00
Parks department	18,873.74
Pool department	53,079.47
Recreation department	97,765.48
Tax increment financing (TIF)	177,730.12
Total revenues	<u>\$ 513,867.31</u>

EXPENDITURES

Casino department	\$ 41,796.62
Cemetery department	115,438.21
Golf department	430,717.77
North Park department	67,077.34
Parks department	150,895.48
Pool department	298,992.50
Recreation department	347,553.86
Tax increment financing (TIF)	1,211,143.02
Total expenditures	<u>\$ 2,663,614.80</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,149,747.49)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 2,340,942.52</u>
Net other financing sources (uses)	<u>\$ 2,340,942.52</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 191,195.03</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - CASINO DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Concession sales	\$ 494.30
Other revenue	6.51
Rental	23,265.00
Total revenues	<u>\$ 23,765.81</u>

EXPENDITURES

Salaries	\$ 18,508.78
Payroll taxes	1,415.93
Capital outlay	2,023.34
Concession purchases	586.00
Gas & oil	143.41
Health and life insurance	1,760.14
Insurance	272.00
Miscellaneous	338.22
Repairs and maintenance	3,494.40
Retirement	1,654.82
Supplies:	
- building	4,206.34
- office	326.94
- operating	1,474.75
Telephone	9.99
Utilities	4,358.11
Workman's compensation	1,223.45
Total expenditures	<u>\$ 41,796.62</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (18,030.81)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 18,030.81
Net other financing sources (uses)	<u>\$ 18,030.81</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - CEMETERY DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Grave openings	\$	7,575.00
Intergovernmental revenue		240.83
Other revenue		436.32
Sale of lots		7,460.00
Total revenues	\$	<u>15,712.15</u>

EXPENDITURES

Salaries	\$	50,653.91
Payroll taxes		5,625.02
Capital outlay		10,427.27
Gas and oil		1,483.58
Health and life insurance		3,686.36
Insurance		1,444.00
Miscellaneous		1,155.36
Professional and consulting service		3,147.71
Repairs and maintenance		24,949.91
Retirement		6,085.59
Supplies:		
- building		67.44
- office		14.62
- operating		2,248.22
Telephone		751.01
Travel		90.55
Utilities		533.71
Workman's compensation		3,073.95
Total expenditures	\$	<u>115,438.21</u>
Excess (deficiency) of revenues over expenditures	\$	<u>(99,726.06)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$	99,726.06
Net other financing sources (uses)	\$	<u>99,726.06</u>
Revenues and other sources over (under) expenditures and other uses	\$	<u>-</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - GOLF DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Concession sales	\$ 16,136.34
Fees	82,355.37
Intergovernmental revenue	137.90
Other revenue	171.50
Rental	27,939.43
Total revenues	<u>\$ 126,740.54</u>

EXPENDITURES

Salaries	\$ 123,165.37
Payroll taxes	11,954.09
Capital outlay	181,584.25
Concession purchases	11,086.93
Gas and oil	2,493.79
Health and life insurance	6,644.98
Insurance	2,731.00
Miscellaneous	1,580.56
Professional and consulting service	2,500.17
Rental	1,542.21
Repairs and maintenance	14,039.77
Retirement	9,530.26
Supplies:	
- building	3,547.56
- office	5,916.50
- operating	41,509.40
Telephone	1,668.01
Travel	400.55
Utilities	5,875.12
Workman's compensation	2,947.25
Total expenditures	<u>\$ 430,717.77</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (303,977.23)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 303,977.23</u>
Net other financing sources (uses)	<u>\$ 303,977.23</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - NORTH PARK DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

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

EXPENDITURES

Salaries	\$ 31,666.18
Payroll taxes	2,422.45
Concession purchases	439.88
Gas and oil	1,846.04
Health and life insurance	2,487.30
Insurance	660.00
Miscellaneous	202.13
Repairs and maintenance	17,752.23
Retirement	3,638.96
Supplies:	
- office	12.64
- operating	1,762.29
Travel	90.55
Utilities	2,066.33
Workman's compensation	2,030.36
Total Expenditures	<u>\$ 67,077.34</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (66,877.34)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 66,877.34
Net other financing sources (uses)	<u>\$ 66,877.34</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - PARKS DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Other revenue	\$ 18,873.74
Total revenues	<u>\$ 18,873.74</u>

EXPENDITURES

Salaries	\$ 60,746.61
Payroll taxes	4,647.13
Capital outlay	21,702.71
Gas & oil	2,238.47
Health and life insurance	4,270.18
Insurance	2,662.00
Miscellaneous	2,623.45
Professional and consulting service	2,607.28
Repairs and maintenance	26,497.81
Retirement	6,211.89
Supplies:	
- building	2,134.47
- office	19.12
- operating	6,518.63
Telephone	930.17
Travel	90.55
Utilities	3,524.63
Workman's compensation	3,470.38
Total expenditures	<u>\$ 150,895.48</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (132,021.74)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 132,021.74
Net other financing sources (uses)	<u>\$ 132,021.74</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - POOL DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Concession sales	\$ 10,453.83
Fees	18,340.83
Intergovernmental revenue	2,207.00
Rental	4,614.75
Swimming lessons	12,154.40
Other revenue	5,308.66
Total revenues	<u>\$ 53,079.47</u>

EXPENDITURES

Salaries	\$ 50,997.56
Payroll taxes	3,265.42
Capital outlay	205,226.14
Concession purchases	8,680.30
Insurance	999.00
Miscellaneous	1,177.26
Repairs and maintenance	7,071.64
Supplies:	
- building	1,640.94
- office	132.16
- operating	13,409.34
Telephone	678.60
Utilities	3,534.80
Workman's compensation	2,179.34
Total expenditures	<u>\$ 298,992.50</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (245,913.03)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 245,913.03</u>
Net other financing sources (uses)	<u>\$ 245,913.03</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUES AND EXPENDITURES-
SPECIAL REVENUE FUND - RECREATION DEPARTMENT
YEAR ENDED MARCH 31, 1999**

REVENUES

Concession sales	\$ 15,489.48
Fees	80,251.05
Other revenue	531.05
Rental	1,493.90
Total revenues	<u>\$ 97,765.48</u>

EXPENDITURES

Salaries	\$ 99,684.05
Payroll taxes	7,624.27
Capital outlay	69,912.37
Concession purchases	12,261.12
Education	1,007.50
Gas & oil	1,051.32
Health and life insurance	3,031.00
Insurance	7,747.10
Miscellaneous	3,696.92
Professional and consulting service	53,315.20
Rental	9,416.73
Repairs and maintenance	24,246.21
Retirement	5,451.36
Supplies:	
- building	12,183.93
- office	4,348.64
- operating	18,830.21
Telephone	2,691.57
Travel	1,770.73
Utilities	6,687.57
Workman's compensation	2,596.06
Total expenditures	<u>\$ 347,553.86</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (249,788.38)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	\$ 249,788.38
Net other financing sources (uses)	<u>\$ 249,788.38</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUES AND EXPENDITURES-
 SPECIAL REVENUE FUND - TAX INCREMENT FINANCING (TIF)
 YEAR ENDED MARCH 31, 1999**

REVENUES

General property tax	\$ 108,320.34
Interest income	731.27
Sales tax	<u>68,678.51</u>
Total revenues	<u>\$ 177,730.12</u>

EXPENDITURES

Traffic and street lights	<u>\$ 1,211,143.02</u>
Total expenditures	<u>\$ 1,211,143.02</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,033,412.90)</u>

OTHER FINANCING SOURCES (USES)

Operating transfers from other funds	<u>\$ 1,224,607.93</u>
Net other financing sources (uses)	<u>\$ 1,224,607.93</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 191,195.03</u>

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS -
 PROPRIETARY FUND
 MARCH 31, 1999**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
<u>ASSETS AND OTHER DEBITS</u>			
Pooled cash and cash equivalents	\$ -	\$ 3,168,321.34	\$ -
Restricted assets:			
Non-pooled cash and cash equivalents			302,754.44
Accounts receivable	68,705.63	781,571.24	78,413.74
Property, plant and equipment (net)	3,067,327.48	1,767,257.65	9,518,371.75
Total assets	<u>\$ 3,136,033.11</u>	<u>\$ 5,717,150.23</u>	<u>\$ 9,899,539.93</u>
<u>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</u>			
LIABILITIES			
Accounts payable	\$ 48,933.76	\$ 640,763.72	\$ 38,369.36
Due to depositors	56,401.27	213,223.66	
Net capital lease payable			46,930.98
Sewer bonds payable			1,040,000.00
Total liabilities	<u>\$ 105,335.03</u>	<u>\$ 853,987.38</u>	<u>\$ 1,125,300.34</u>
<u>FUND EQUITY AND OTHER CREDITS</u>			
Contributed capital	\$ -	\$ -	\$ 3,017,829.05
Retained earnings-reserved			\$ 302,754.44
Retained earnings-unreserved	3,030,698.08	4,863,162.85	5,453,656.10
Total fund equity and other credits	<u>\$ 3,030,698.08</u>	<u>\$ 4,863,162.85</u>	<u>\$ 8,774,239.59</u>
Total liabilities, fund equity, and other credits	<u>\$ 3,136,033.11</u>	<u>\$ 5,717,150.23</u>	<u>\$ 9,899,539.93</u>

See accompanying notes to financial statements.

<u>CITY MECHANIC</u>	<u>TOTAL</u>
\$ -	\$ 3,168,321.34
	302,754.44
	928,690.61
20,178.94	14,373,135.82
<u>\$ 20,178.94</u>	<u>\$ 18,772,902.21</u>

\$ 3,896.92	\$ 731,963.76
	269,624.93
	46,930.98
	1,040,000.00
<u>\$ 3,896.92</u>	<u>\$ 2,088,519.67</u>

\$ -	\$ 3,017,829.05
	302,754.44
16,282.02	13,363,799.05
<u>\$ 16,282.02</u>	<u>\$ 16,684,382.54</u>
<u>\$ 20,178.94</u>	<u>\$ 18,772,902.21</u>

**CITY OF MONETT, MISSOURI
COMBINING STATEMENT OF REVENUES AND EXPENSES -
PROPRIETARY FUND
YEAR ENDED MARCH 31, 1999**

	<u>WATER OPERATIONS</u>	<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>
<u>OPERATING REVENUES</u>			
Revenues	\$ 819,881.39	\$10,614,300.03	\$ 930,323.40
Tap-in charges	16,846.64		570.00
Penalties	6,911.39	34,875.98	2,031.53
Miscellaneous charges	3,375.38	1,120.97	783.17
Total operating revenues	<u>\$ 847,014.80</u>	<u>\$10,650,296.98</u>	<u>\$ 933,708.10</u>
<u>OPERATING EXPENSES</u>			
Salaries	\$ 286,920.90	\$ 456,950.54	\$ 290,262.70
Payroll taxes	21,949.50	35,616.21	23,235.12
Depreciation expense	187,826.28	190,161.28	425,091.36
Education	3,597.39	11,799.10	6,980.62
Electric purchases		7,159,675.92	
Gas and oil	7,963.51	3,829.75	9,813.58
Health and life insurance	17,183.04	22,885.36	15,590.83
Insurance	16,963.00	45,846.00	20,581.00
Miscellaneous	4,263.93	17,278.80	1,643.05
Office supplies	22,029.66	18,507.61	16,968.03
Professional fees	23,039.35	11,933.58	72,526.26
Repairs and maintenance	30,750.94	40,407.24	58,293.80
Retirement	40,143.27	53,632.44	38,713.45
Supplies	180,288.24	160,152.99	63,728.41
Telephone	3,158.09	7,932.50	2,801.26
Travel	240.66	1,967.53	198.43
Utilities	164,978.25	109.40	107,572.22
Workman's compensation	11,125.65	18,501.81	9,642.77
Total operating expenses	<u>\$ 1,022,421.66</u>	<u>\$ 8,257,188.06</u>	<u>\$ 1,163,642.89</u>
Operating income (loss)	<u>\$ (175,406.86)</u>	<u>\$ 2,393,108.92</u>	<u>\$ (229,934.79)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Investment Income	\$ -	\$ -	\$ 31,677.89
Interest expense & fees			(50,673.82)
Net non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,995.93)</u>
Net income (loss) before transfers	<u>\$ (175,406.86)</u>	<u>\$ 2,393,108.92</u>	<u>\$ (248,930.72)</u>
Operating transfers from (to) other funds	164,931.60	(4,371,043.35)	(187,112.30)
Net income (loss)	<u>\$ (10,475.26)</u>	<u>\$ (1,977,934.43)</u>	<u>\$ (436,043.02)</u>
Retained earnings-unreserved, April 1, 1998	3,041,173.34	6,841,097.28	6,192,453.56
Retained earnings-unreserved, March 31, 1999	<u>\$ 3,030,698.08</u>	<u>\$ 4,863,162.85</u>	<u>\$ 5,756,410.54</u>

See accompanying notes to financial statements.

CITY MECHANIC	TOTAL
\$ -	\$ 12,364,504.82
	17,416.64
	43,818.90
4.71	5,284.23
<u>\$ 4.71</u>	<u>\$ 12,431,024.59</u>
\$ 26,516.11	\$ 1,060,650.25
2,028.52	82,829.35
3,351.85	806,430.77
31.67	22,408.78
	7,159,675.92
836.49	22,443.33
1,806.70	57,465.93
449.00	83,839.00
106.00	23,291.78
289.78	57,795.08
	107,499.19
20,852.22	150,304.20
3,890.19	136,379.35
10,601.07	414,770.71
1,025.22	14,917.07
	2,406.62
2,909.24	275,569.11
1,149.75	40,419.98
<u>\$ 75,843.81</u>	<u>\$ 10,519,096.42</u>
<u>\$ (75,839.10)</u>	<u>\$ 1,911,928.17</u>
\$ -	\$ 31,677.89
	(50,673.82)
<u>\$ -</u>	<u>\$ (18,995.93)</u>
<u>\$ (75,839.10)</u>	<u>\$ 1,892,932.24</u>
71,490.19	(4,321,733.86)
<u>\$ (4,348.91)</u>	<u>\$ (2,428,801.62)</u>
20,630.93	16,095,355.11
<u>\$ 16,282.02</u>	<u>\$ 13,666,553.49</u>

**CITY OF MONETT, MISSOURI
 COMBINING STATEMENT OF CASH FLOWS -
 PROPRIETARY FUND
 YEAR ENDED MARCH 31, 1999**

	<u>WATER OPERATIONS</u>
<u>Cash flows from operating activities:</u>	
Operating income (loss)	\$ (175,406.86)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	187,826.28
(Increase) decrease in investments	
(Increase) decrease in accounts receivable	(1,905.50)
Increase (decrease) in accounts payable	13,978.06
Increase (decrease) in customer deposits	2,173.57
Net cash provided by (used in) operating activities	<u>\$ 26,665.55</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating transfers from (to) other funds	\$ 164,931.60
Net cash provided by (used in) non-capital financing activities	<u>\$ 164,931.60</u>
<u>Cash flows from capital and related financing activities:</u>	
Proceeds capital lease	\$ -
Interest expense & fees	
Purchase of capital acquisitions	(191,597.15)
Principal payment on capital lease	
Redemption of bonds payable	
Net cash provided by (used in) capital and related financing activities	<u>\$ (191,597.15)</u>
<u>Cash flows from investing activities:</u>	
Investment income	\$ -
Net cash provided by (used in) investing activities	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ -
Cash and cash equivalents at April 1, 1998	<u>-</u>
Cash and cash equivalents at March 31, 1999	<u>\$ -</u>

See accompanying notes to financial statements.

<u>ELECTRIC OPERATIONS</u>	<u>SEWER OPERATIONS</u>	<u>CITY MECHANIC</u>	<u>TOTAL</u>
\$ 2,393,108.92	\$ (229,934.79)	\$ (75,839.10)	\$ 1,911,928.17
190,161.28	425,091.36	3,351.85	806,430.77
	300,000.00		300,000.00
19,012.92	28,037.99		45,145.41
36,592.31	4,262.03	2,492.74	57,325.14
21,161.40			23,334.97
<u>\$ 2,660,036.83</u>	<u>\$ 527,456.59</u>	<u>\$ (69,994.51)</u>	<u>\$ 3,144,164.46</u>
<u>\$ (4,371,043.35)</u>	<u>\$ (187,112.30)</u>	<u>\$ 71,490.19</u>	<u>\$ (4,321,733.86)</u>
<u>\$ (4,371,043.35)</u>	<u>\$ (187,112.30)</u>	<u>\$ 71,490.19</u>	<u>\$ (4,321,733.86)</u>
\$ -	\$ -	\$ -	\$ -
	(50,673.82)		(50,673.82)
(279,581.72)	(130,822.74)	(1,495.68)	(603,497.29)
	(17,735.52)		(17,735.52)
	(40,000.00)		(40,000.00)
<u>\$ (279,581.72)</u>	<u>\$ (239,232.08)</u>	<u>\$ (1,495.68)</u>	<u>\$ (711,906.63)</u>
\$ -	\$ 31,677.89	\$ -	\$ 31,677.89
<u>\$ -</u>	<u>\$ 31,677.89</u>	<u>\$ -</u>	<u>\$ 31,677.89</u>
\$ (1,990,588.24)	\$ 132,790.10	\$ -	\$ (1,857,798.14)
<u>5,158,909.58</u>	<u>169,964.34</u>	<u>-</u>	<u>\$ 5,328,873.92</u>
<u>\$ 3,168,321.34</u>	<u>\$ 302,754.44</u>	<u>\$ -</u>	<u>\$ 3,471,075.78</u>

CITY OF MONETT, MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
(By Function and Activity)
YEAR ENDED MARCH 31, 1999

<u>FUNCTION AND ACTIVITY</u>	<u>BALANCE APRIL 1, 1998</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE MARCH 31, 1999</u>
Public Safety:				
911	\$ 62,890.51	\$ -	\$ -	\$ 62,890.51
Police	565,316.94	80,554.88		645,871.82
Communication center	135,403.69			135,403.69
Civil defense	26,498.55			26,498.55
Fire	1,337,760.99	58,461.45		1,396,222.44
Total Public Safety	<u>\$ 2,127,870.68</u>	<u>\$ 139,016.33</u>	<u>\$ -</u>	<u>\$ 2,266,887.01</u>
Administration Department	665,054.84	32,891.65		697,946.49
Street	6,468,351.13	18,244.59		6,486,595.72
Cemetery	139,002.64	10,427.27		149,429.91
Court	5,248.00	347.99		5,595.99
Airport	3,395,060.79	1,657,521.32		5,052,582.11
Sanitation	680,678.91	4,978.00		685,656.91
Recreation	2,289,956.62	480,448.81		2,770,405.43
Total General Fixed Assets Allocated to Functions and Activities	<u>\$ 15,771,223.61</u>	<u>\$ 2,343,875.96</u>	<u>\$ -</u>	<u>\$ 18,115,099.57</u>

See accompanying notes to financial statements.

**FEDERAL COMPLIANCE
SECTION**

WALLACE, HARNER & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANT

GENE R. WALLACE, CPA
LARRY R. LOWERY, CPA
DOROTHY T. PENDERGRASS, CPA
STEVEN L. HARNER, CPA

P.O. BOX 68 • 217 FOURTH STREET
MONETT, MISSOURI 65708

PHONE (417) 235-3650
FAX (417) 235-0334

**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, 1999, and have issued our report thereon dated September 8, 1999, which was qualified because insufficient audit evidence exists to support the City of Monett's disclosure with respect to the Year 2000 Issue and the omission of accrued compensated absences. 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 to 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 and use of the Council of the City of Monett, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wallace, Harner & Assoc., P.C.

Monett, Missouri
September 8, 1999

WALLACE, HARNER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANT

GENE R. WALLACE, CPA
LARRY R. LOWERY, CPA
DOROTHY T. PENDERGRASS, CPA
STEVEN L. HARNER, CPA

P.O. BOX 68 • 217 FOURTH STREET
MONETT, MISSOURI 65708

PHONE (417) 235-3650
FAX (417) 235-0334

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, 1999. 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, 1999.

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 and use of the Council of the City of Monett, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wallace, Harner & Assoc., P.C.

Monett, Missouri
September 8, 1999

**CITY OF MONETT, MISSOURI
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
MARCH 31, 1999**

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Department of Transportation			
Federal Aviation Agency passed through the Missouri Highway and Transportation Commission	20.106	*	\$ 1,319,030.35
Total Department of Transportation			\$ 1,319,030.35
Department of Housing and Urban Development			
Community Development Block Grant / State's Program	14.219	N/A	\$ 210,087.44
Total Department of Housing and Urban Development			\$ 210,087.44
Total Federal Programs			\$ 1,529,117.79

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 - COMMUNITY SERVICES BLOCK GRANT

In accordance with terms of the grant, the city has expended matching contributions totaling \$20,233.00 during the year ended March 31, 1999.

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

See accompanying notes to financial statements.

**CITY OF MONETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 1999**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Qualified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes <u>X</u> No
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

Federal Awards

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

Type of auditors' report issued on compliance for major program:	<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	___ Yes <u>X</u> No
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Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000.00</u>
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Auditee qualified as low-risk auditee?	___ Yes <u>X</u> No
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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, 1999

No matters were noted.