

**CITY OF MONETT, MISSOURI**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT**

**FOR YEAR ENDED MARCH 31, 2003**

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

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

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor Jerry Fulp,  
Jerry Dierker and Ron Overeem, 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, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include an accrual for compensated absences, which should be included to conform with generally accepted accounting principles. The amount that should be recorded in the general fund, special revenue fund and enterprise fund are not known and the effects on the financial position, results of operations and cash flow are not reasonably determinable.

In our opinion, except for the effects on the financial statements of the omission, 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, 2003, 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 August 18, 2003 on our consideration of the City of Monett, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.



Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of City of Monett, Missouri, taken as a whole. 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 (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the general-purpose financial statements. 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, Caviness, Harner & Assoc, P.C.*

Wallace, Caviness, Harner & Associates, p.c.

August 18, 2003



**CITY OF MONETT, MISSOURI  
 COMBINED BALANCE SHEET-  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 MARCH 31, 2003**

	Governmental Fund Types		Proprietary Fund Type
	General Fund	Special Revenue Fund	Enterprise Fund
	Fund	Fund	Fund
<b><u>Assts and other debits</u></b>			
Pooled cash and cash equivalents	\$ 1,320.45	\$ 691.18	\$ 77,862.00
Accounts receivable:			
Taxes	199,345.39	-	-
Other	45,660.08	-	1,433,863.05
Due from other funds	18,771.44	-	384,622.17
Prepaid workmens compensation	188,670.00	40,739.00	88,029.00
Restricted assets:			
Pooled cash and cash equivalents	148,277.65	-	-
Non-pooled cash and cash equivalents	6,716.22	399,772.22	31,241.71
Investments - held to maturity, non restricted	90,409.40	-	1,046,769.73
Investments - held to maturity, restricted	-	-	2,202,076.17
Property, plant, and equipment, net	-	-	-
Amount to be provided for payment of net capital lease payable and reimbursable project cost	-	-	13,507,340.72
Total assets and other debits	<u>\$ 699,170.63</u>	<u>\$ 441,202.40</u>	<u>\$ 18,771,804.55</u>
<b><u>Liabilities, fund equity, and other credits</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 38,418.30	\$ 8,612.57	\$ 662,436.08
Accrued payroll	108,796.29	13,546.18	64,066.81
Deferred revenue	750.00	-	-
Due to depositors	11,375.00	500.00	349,426.19
Due to other funds	384,622.17	18,771.44	-
Current portion of long-term debt	-	-	35,000.00
Net capital lease payable and reimbursable project cost	-	-	-
Sewer bond payable	-	-	535,000.00
Total liabilities	<u>\$ 543,961.76</u>	<u>\$ 41,430.19</u>	<u>\$ 1,645,929.08</u>
<b>Fund equity and other credits:</b>			
Investment in general fixed assets	\$ -	\$ -	\$ -
Contributed capital	-	-	3,017,829.05
Retained earnings-reserved	-	-	10,397,536.17
Retained earnings-unreserved	-	-	3,710,510.25
Fund balance-reserved	155,208.87	399,772.21	-
Total fund equity	<u>\$ 155,208.87</u>	<u>\$ 399,772.21</u>	<u>\$ 17,125,875.47</u>
Total liabilities, fund equity, and other credits	<u>\$ 699,170.63</u>	<u>\$ 441,202.40</u>	<u>\$ 18,771,804.55</u>

See Accompanying Notes to the Financial Statements.

Fiduciary Type	Account Groups			Total (Memorandum Only)
	Agency Fund	Long-term Debt	General Fixed Assets	
\$ -	\$ -	\$ -	\$ 79,873.63	
-	-	-	199,345.39	
-	-	-	1,479,523.13	
-	-	-	403,393.61	
-	-	-	317,438.00	
-	-	-	148,277.65	
1,051.72	-	-	438,781.87	
-	-	-	1,137,179.13	
-	-	-	2,202,076.17	
-	-	17,927,380.03	17,927,380.03	
-	4,980,795.58	-	18,488,136.30	
<u>\$ 1,051.72</u>	<u>\$ 4,980,795.58</u>	<u>\$ 17,927,380.03</u>	<u>\$ 42,821,404.91</u>	
\$ -	\$ -	\$ -	\$ 709,466.95	
-	-	-	186,409.28	
-	-	-	750.00	
-	-	-	361,301.19	
1,051.72	-	-	404,445.33	
-	-	-	35,000.00	
-	4,980,795.58	-	4,980,795.58	
-	-	-	535,000.00	
<u>\$ 1,051.72</u>	<u>\$ 4,980,795.58</u>	<u>\$ -</u>	<u>\$ 7,213,168.33</u>	
\$ -	\$ -	\$ 17,927,380.03	\$ 17,927,380.03	
-	-	-	3,017,829.05	
-	-	-	10,397,536.17	
-	-	-	3,710,510.25	
-	-	-	554,981.08	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,927,380.03</u>	<u>\$ 35,608,236.58</u>	
<u>\$ 1,051.72</u>	<u>\$ 4,980,795.58</u>	<u>\$ 17,927,380.03</u>	<u>\$ 42,821,404.91</u>	

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED MARCH 31, 2003**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>Revenues</u></b>			
Business licenses and permits	\$ 34,437.53	\$ -	\$ 34,437.53
Federal and state grants	1,883,044.63	-	1,883,044.63
Fines and forfeitures	121,589.27	-	121,589.27
Franchise fees	232,500.15	-	232,500.15
Sales tax	1,965,371.04	501,845.27	2,467,216.31
Investment income	18,662.71	3,339.69	22,002.40
Intergovernmental	13,124.11	-	13,124.11
Other revenues	200,965.80	336,493.13	537,458.93
Other taxes and assessments	413,973.82	177,547.99	591,521.81
Rental revenue	28,233.36	73,742.00	101,975.36
Sanitation revenue	416,512.68	-	416,512.68
Total revenues	<u>5,328,415.10</u>	<u>1,092,968.08</u>	<u>6,421,383.18</u>
<b><u>Expenditures</u></b>			
Current			
General government	429,762.87	-	429,762.87
Public safety	2,232,820.85	-	2,232,820.85
Highways and streets	916,640.44	14,718.77	931,359.21
Municipal airport	177,365.72	-	177,365.72
Public works	417,197.56	146,700.33	563,897.89
Parks, recreation and golf	-	864,319.66	864,319.66
Capital outlay-			
Current expenditures	2,593,890.66	482,391.52	3,076,282.18
Debt service-			
Principal	134,716.10	235,846.93	370,563.03
Interest and fiscal agent fees	18,191.99	212,006.65	230,198.64
Total expenditures	<u>6,920,586.19</u>	<u>1,955,983.86</u>	<u>8,876,570.05</u>
Excess (deficiency) of revenues over expenditures	<u>(1,592,171.09)</u>	<u>(863,015.78)</u>	<u>(2,455,186.87)</u>
<b><u>Other financing sources (uses)</u></b>			
Due from (to) other funds/ Financing	(1,669.00)	1,669.00	-
Proceeds from Financing	374,680.16	1,215,599.48	1,590,279.64
Operating transfers from PILOTS and TIF	1,161,636.11	(221,963.78)	939,672.33
Operating transfers from other funds	73,647.41	(113,820.18)	(40,172.77)
Net other financing sources (uses)	<u>1,608,294.68</u>	<u>881,484.52</u>	<u>2,489,779.20</u>
Excess of revenues and other sources over (under) expenditures and other uses	16,123.59	18,468.74	34,592.33
Fund balance, beginning of year	139,085.28	381,303.47	520,388.75
Prior period adjustment	-	-	-
Fund balance, end of year	<u>\$ 155,208.87</u>	<u>\$ 399,772.21</u>	<u>\$ 554,981.08</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 (AMENDED BUDGET AND ACTUAL) -  
 GENERAL AND SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2003**

	<b>General Fund</b>		
	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Business licenses and permits	\$ 34,437.53	\$ 34,437.53	\$ -
Federal and state grants	1,883,044.63	1,883,044.63	-
Fines and forfeitures	121,589.27	121,589.27	-
Franchise fees	232,500.15	232,500.15	-
Sales tax	1,965,371.04	1,965,371.04	-
Investment income	18,662.71	18,662.71	-
Other revenues	200,965.80	200,965.80	-
Other taxes and assessments	413,973.82	413,973.82	-
Rental revenue	28,233.36	28,233.36	-
Sanitation revenue	416,512.68	416,512.68	-
Total revenues	<u>5,328,415.10</u>	<u>5,328,415.10</u>	<u>-</u>
<b>Expenditures</b>			
Current			
General government	429,762.87	429,762.87	-
Public safety	2,232,820.85	2,232,820.85	-
Highways and streets	916,640.44	916,640.44	-
Municipal airport	177,365.72	177,365.72	-
Public works	417,197.56	417,197.56	-
Parks, recreation and golf	-	-	-
Capital outlay-			
Current expenditures	2,593,890.66	2,593,890.66	-
Debt service-			
Principal	134,716.10	134,716.10	-
Interest and fiscal agent fees	18,191.99	18,191.99	-
Total expenditures	<u>6,920,586.19</u>	<u>6,920,586.19</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,592,171.09)</u>	<u>(1,592,171.09)</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Due from (to) other funds	(1,669.00)	(1,669.00)	-
Proceeds from Financing	374,680.16	374,680.16	-
Operating transfers from PILOTS and TIF	1,161,636.11	1,161,636.11	-
Operating transfers from other funds	73,647.41	73,647.41	-
Net other financing sources (uses)	<u>1,608,294.68</u>	<u>1,608,294.68</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 16,123.59</u>	<u>16,123.59</u>	<u>\$ -</u>
Fund balance, beginning of year		139,085.28	
Prior period adjustment		<u>-</u>	
Fund balance, end of year		<u>\$ 155,208.87</u>	

See Accompanying Notes to the Financial Statements.

Special Revenue Fund			Total (Memorandum Only)		
Amended Budget	Actual	Variance Favorable (Unfavorable)	Amended Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 34,437.53	\$ 34,437.53	\$ -
-	-	-	1,883,044.63	1,883,044.63	-
-	-	-	121,589.27	121,589.27	-
-	-	-	232,500.15	232,500.15	-
501,845.27	501,845.27	-	2,467,216.31	2,467,216.31	-
3,339.69	3,339.69	-	22,002.40	22,002.40	-
336,493.13	336,493.13	-	537,458.93	537,458.93	-
177,547.99	177,547.99	-	591,521.81	591,521.81	-
73,742.00	73,742.00	-	101,975.36	101,975.36	-
-	-	-	5,991,746.39	5,991,746.39	-
<u>1,092,968.08</u>	<u>1,092,968.08</u>	<u>-</u>	<u>6,421,383.18</u>	<u>6,421,383.18</u>	<u>-</u>
-	-	-	429,762.87	429,762.87	-
-	-	-	2,232,820.85	2,232,820.85	-
14,718.77	14,718.77	-	931,359.21	931,359.21	-
-	-	-	177,365.72	177,365.72	-
146,700.33	146,700.33	-	563,897.89	563,897.89	-
864,319.66	864,319.66	-	864,319.66	864,319.66	-
-	-	-	-	-	-
482,391.52	482,391.52	-	3,076,282.18	3,076,282.18	-
-	-	-	-	-	-
235,846.93	235,846.93	-	370,563.03	370,563.03	-
212,006.65	212,006.65	-	230,198.64	230,198.64	-
<u>1,955,983.86</u>	<u>1,955,983.86</u>	<u>-</u>	<u>8,876,570.05</u>	<u>8,876,570.05</u>	<u>-</u>
<u>(863,015.78)</u>	<u>(863,015.78)</u>	<u>-</u>	<u>(2,455,186.87)</u>	<u>(2,455,186.87)</u>	<u>-</u>
1,669.00	1,669.00	-	-	-	-
1,215,599.48	1,215,599.48	-	1,590,279.64	1,590,279.64	-
(221,963.78)	(221,963.78)	-	939,672.33	939,672.33	-
(113,820.18)	(113,820.18)	-	(40,172.77)	(40,172.77)	-
<u>881,484.52</u>	<u>881,484.52</u>	<u>-</u>	<u>2,489,779.20</u>	<u>2,489,779.20</u>	<u>-</u>
<u>\$ 18,468.74</u>	<u>18,468.74</u>	<u>\$ -</u>	<u>\$ 34,592.33</u>	<u>34,592.33</u>	<u>\$ -</u>
	381,303.47			520,388.75	
	-			-	
	<u>\$ 399,772.21</u>			<u>\$ 554,981.08</u>	

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN RETAINED EARNINGS - PROPRIETARY FUND TYPES**  
**YEAR ENDED MARCH 31, 2003**

**Operating revenues**

Revenues	\$ 13,456,615.37
Federal and state grants	223,781.60
Tap-in charges	8,350.00
Penalties	50,104.72
Miscellaneous charges	109,559.99
Rental	7,529.50
Total operating revenues	<u>13,855,941.18</u>

**Operating expenses**

Salaries	1,468,054.36
Payroll taxes	105,133.08
Depreciation expense	962,284.05
Computer	23,255.90
Education	18,676.11
Electric purchases	7,810,138.61
Gas and oil	34,963.29
Health and life insurance	143,080.66
Insurance	132,984.75
Miscellaneous	3,484.42
Office supplies	16,155.40
Professional fees	133,668.01
Repairs and maintenance	227,221.54
Retirement	174,459.36
Supplies	496,779.13
Telephone	12,411.23
Travel	7,863.15
Utilities	34,640.41
Workman's compensation	75,997.00
Total operating expenses	<u>11,881,250.46</u>
Operating income (loss)	<u>1,974,690.72</u>

**Non-operating revenues (expenses)**

Investment Income	188,210.26
Loss on Asset Disposal	(634,205.77)
Interest expense and fees	(74,259.25)
Net non-operating revenues (expenses)	<u>(520,254.76)</u>
Net income (loss) before transfers	1,454,435.96
Operating transfers from PILOTS	(939,672.33)
Operating transfer to other funds	40,172.77
Net Income (Loss)	<u>554,936.40</u>

Retained earnings, beginning of year	13,498,967.41
Prior period adjustment	54,142.61
Retained earnings, end of year	<u>\$ 14,108,046.42</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI**  
**COMBINED STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUND TYPES**  
**YEAR ENDED MARCH 31, 2003**

**Cash flows from operating activities:**

Operating income (loss)	\$ 1,974,690.72
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	962,284.05
(Increase) decrease in accounts receivable	(174,286.26)
(Increase) decrease in prepaid workmens compensation	(88,029.00)
Increase (decrease) in accounts payable	47,049.40
Increase (decrease) in accrued payroll	18,310.87
Increase (decrease) in customer deposits	8,208.16
Net cash provided by (used in) operating activities	<u>2,748,227.94</u>

**Cash flows from non-capital financing activities:**

Operating transfers (to) other funds	(899,499.56)
Prior period adjustment	54,142.61
Due (from) to other funds	(196,131.17)
Net cash provided by (used in) non-capital financing activities	<u>(1,041,488.12)</u>

**Cash flows from capital and related financing activities:**

Interest expense and fees	(74,259.25)
Purchase of capital acquisitions	(1,430,499.08)
Principal paid on lease obligations	(15,192.88)
Redemption of bonds payable	(335,000.00)
Net cash provided by (used in) capital and related financing activities	<u>(1,854,951.21)</u>

**Cash flows from investing activities:**

Investment income	439,841.50
Purchase of investments-held to maturity	-
Sale of investments - held to maturity	-
Net cash provided by (used in) investing activities	<u>439,841.50</u>

Net increase (decrease) in cash and cash equivalents 291,630.11

Cash and investments, beginning of year 3,254,810.50

Cash and investments, end of year \$ 3,546,440.61

Interest expense and fees \$ 74,259.25

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE A - 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 Mayor-Board of Commission form of government as a Third Class City. The Mayor and the two Commissioners serve four-year terms that expire in April 2004. The City 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 Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles. 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, 2003. 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 FINANCIAL REPORTING ENTITY**

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Monett, Missouri. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Monett.

In determining the financial reporting entity, the City complies with the provisions of the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

*Blended Component Units*

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

*Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

**Blended Component Units**

Component units that are blended into the reporting activity types of the City's report are presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Reporting</u>
City of Monett Family Center Corporation	Created April 18, 2001, to operate the golf course and related activities. The current board was appointed by the City Council and it provides services which benefit the primary government even though it does not provide services directly to the primary government.	Special Revenue

**ACCOUNTING POLICIES**

**Basis of Presentation - Fund Accounting**

The accounts of the City are organized into funds and accounts groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

**Governmental Fund Types**

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available resources during a given period.

**Proprietary Fund Types**

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Fiduciary Fund Type**

Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity. Expendable trust funds account for financial activities in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Account Groups**

The accounts groups are used to account for fixed assets and long-term liabilities, which are not reported in the respective government funds.

**Total Memorandum Only**

Total columns captioned "Memorandum Only" are to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

*Modified Accrual Basis of Accounting*

The City uses the modified accrual basis of accounting for governmental fund and the agency fund. 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. The City considers revenues to be available if they are expected to be collected within 30 days of the end of year end. 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. Transfer between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

*Accrual Basis of Accounting*

The accrual basis of accounting is used in proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

**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.

The budget is prepared on the cash basis of accounting, which is an other comprehensive basis of basis of accounting. The cash basis of accounting recognizes revenues when collected and expenditures which paid. 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, 2003, was amended March 20, 2003. Revisions were made to the budget after initial adoption by the City Council.

**Cash and Cash Equivalents**

Cash includes amounts in petty cash, demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

**Receivables**

All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The city uses the direct write-off method. Bad debts are considered expenses in the period in which they are written off.

**Due to and due from other funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Inventories**

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

**Restricted Assets**

Funds, because of certain contracts and/or bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service certain contract or bond covenants.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

**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. 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:

Land, buildings, and improvements	5 - 40
Furniture, fixtures, and equipment	3 - 40

**Fund Equity**

*Unreserved Fund Balances:*

Unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

*Reserved Fund Balances:*

Reserved fund balances for governmental funds represent the amounts that have been legally identified for specific purposes. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

General Fund:

E-911	\$ 147,865.55	Providing funding for operation of emergency telephone service and the operational cost associated with answering and dispatching of emergency calls. RSMo 190.305 (2).
CDBG	6,716.22	Providing funding for Community Development Block Grant programs.
Police	200.00	Providing funding for law enforcement training. RSMo 590.140.
Police	427.10	Providing funding for the investigation or prosecution of criminal activity, execution of court orders, enforcement of drug-related crimes, training, drug education and the safety of both citizens and law enforcement officers. RSMo 513.651.
	<u>\$ 155,208.87</u>	

Special Revenue Fund:

TIF	\$ 399,772.21	Providing funding for the Tax Increment Financing District project.
	<u>\$ 399,772.21</u>	

Proprietary Fund:

Wastewater Sewer	\$ 6,445,307.06	Providing funding for sewer system bond repayment, replacement and repairs.
Water	3,952,229.11	Providing funding for sewer system bond repayment, replacement and repairs.
	<u>\$ 10,397,536.17</u>	

*Designated Fund Balance:*

Designated fund balance represents tentative plans for future use of financial resources.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2003**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Vacation, sick leave, and other 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. 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.

**Sales Taxes**

The City levies a one half of one percent sales tax dedicated to the purpose of capital improvement funding. Also, the City levies a one percent sales tax for the purpose of general operations.

**Use of Estimates**

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Statement of Cash Flow**

For the purpose of the Statement of Cash Flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE B - CASH AND INVESTMENTS**

**Deposits**

Missouri Statutes require that the City have all deposits with financial institutions collateralized in an amount at least equal to uninsured deposits. As of March 31, 2003, the City was in compliance with collateralized deposits requires. The City's deposits are categorized to give an indication of the level of risk assumed by the City at year end as follows:

- Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized.

Description	Bank Balance	Category			Carrying Amount
		1	2	3	
Cash & Cash Equivalents	\$ 721,572.20	\$ 409,461.67	\$ 312,110.53	\$ -	\$ 635,059.44

**Investments**

Investing is performed in accordance with investment policies complying with State Statutes. Pooled funds may be invested in bonds of the State of Missouri or any wholly owned corporation of the United States or in other short-term obligations of the United States.

The City's investments are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

- Category 1 - Insured, registered, or securities held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the City's name.

Description	Bank Balance	Category			Carrying Amount
		1	2	3	
Investments	\$ 3,339,255.30	\$ 3,339,255.30	\$ -	\$ -	\$ 3,339,255.30

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE C - PROPERTY FUND FIXED ASSETS**

Activities for general fixed assets capitalized by the City is summarized below:

	Balance April 1,	Additions	Deletions	Balance March 31,
Land, Buildings, & Improvements	\$ 7,426,158.23	\$ 30,088.50	\$ 3,765,455.79	\$ 3,690,790.94
Infrastructure	6,278,291.74	3,230,981.02	-	9,509,272.76
Furniture, Fixtures & Equipment	7,034,998.33	639,436.81	3,331,692.62	4,342,742.52
Assets Under Capital Lease	386,439.60	-	386,439.60	-
Construction in Progress	822,358.36	384,573.81	822,358.36	384,573.81
	<u>\$ 21,948,246.26</u>	<u>\$ 4,285,080.14</u>	<u>\$ 8,305,946.37</u>	<u>\$ 17,927,380.03</u>

A summary of property, plant and equipment of proprietary funds is presented below:

	Electric	Mechanic	Sewer	Waterworks	Fiber
Land, Buildings, & Improvements	\$ 809,526.89	\$ 86,500.00	\$ 101,548.50	\$ 959,752.50	\$ -
Infrastructure	4,645,231.70	-	13,843,904.89	4,393,810.50	-
Furniture, Fixtures & Equipment	412,110.48	20,294.00	192,637.16	238,213.33	-
Construction in Progress	56,114.84	-	507,943.92	56,114.84	56,114.83
	<u>5,922,983.91</u>	<u>106,794.00</u>	<u>14,646,034.47</u>	<u>5,647,891.17</u>	<u>56,114.83</u>
Accumulated Depreciation	<u>(4,048,322.08)</u>	<u>(11,099.40)</u>	<u>(6,557,036.50)</u>	<u>(2,256,019.68)</u>	<u>-</u>
	<u>\$ 1,874,661.83</u>	<u>\$ 95,694.60</u>	<u>\$ 8,088,997.97</u>	<u>\$ 3,391,871.49</u>	<u>\$ 56,114.83</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE D - LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended March 31, 2003:

Amount of Original Issue (bonds only)	Range of Maturity Dates	Interest Rate %	Balance April 1,	Issued	Retired	Balance March 31,
<b>General Long-Term Debt:</b>						
Construction Obligation Payable:						
- Golf Course	2002-2003	5.87%	\$ 202,500.00	\$ -	\$ 202,500.00	\$ -
Lease Obligations Payable:						
- Side Loader	2002	5.95%	37,124.87	-	37,124.87	-
- Rear Loader	2002	5.95%	35,949.62	-	35,949.62	-
- Back Hoe	2002-2003	6.50%	12,291.13	-	11,315.82	975.31
- Fire Truck	2002-2004	5.50%	127,366.36	-	61,978.76	65,387.60
- Golf Equipment	2002-2006	5.13%	-	115,599.48	15,846.93	99,752.55
- Airport		4.00 -				
\$ 500,000.00	2003-2012	5.75%	-	500,000.00	125,319.88	374,680.12
- Golf Course		4.00 -				
\$ 1,100,000.00	2003-2012	5.75%	-	1,100,000.00	-	1,100,000.00
TIF Revenue Bonds:						
- TIF \$ 4,000,000.00	2002-2011	5.99%	<u>3,545,000.00</u>	<u>-</u>	<u>220,000.00</u>	<u>3,340,000.00</u>
Total General Long-Term Debt			<u>\$ 3,975,231.98</u>	<u>\$ 1,715,599.48</u>	<u>\$ 740,035.88</u>	<u>\$ 4,980,795.58</u>
<b>Enterprise Funds:</b>						
Lease Obligation Payable:						
- Tension Puller	2002-2003	7.00%	<u>\$ 15,192.88</u>	<u>\$ -</u>	<u>\$ 15,192.88</u>	<u>\$ -</u>
Sewerage Revenue Bonds:						
- Series 1992A		5.80 -				
\$ 745,000.00	2002-2014	6.45%	<u>\$ 605,000.00</u>	<u>\$ -</u>	<u>\$ 35,000.00</u>	<u>\$ 570,000.00</u>
- Series 1992B		5.99 -				
\$ 375,000.00	2002-2014	7.00%	<u>300,000.00</u>	<u>-</u>	<u>300,000.00</u>	<u>-</u>
Total Revenue Bonds			<u>\$ 905,000.00</u>	<u>\$ -</u>	<u>\$ 335,000.00</u>	<u>\$ 570,000.00</u>
Less: Current Portion			<u>50,000.00</u>			<u>35,000.00</u>
Total Long-Term Revenue Bonds			<u>\$ 855,000.00</u>			<u>\$ 535,000.00</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE D - LONG-TERM DEBT (continued)**

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2003, are as follows:

Fiscal Year Ended March 31	General Long-Term Debt		Enterprise	Total
	Leases	TIF	Series 1992A	
2004	\$ 282,354.33	\$ 512,880.32	\$ 70,946.25	\$ 866,180.90
2005	212,319.14	466,563.70	73,527.50	752,481.34
2006	212,390.14	464,323.49	70,947.50	747,661.13
2007	193,787.22	461,159.69	73,206.25	728,153.16
2008	180,499.42	457,072.32	75,142.50	712,714.24
2009-2013	902,497.10	2,092,456.88	362,680.00	3,357,633.98
2014	-	-	72,292.50	72,292.50
Total Principal and Interest	\$1,983,847.35	\$4,454,456.40	\$ 798,742.50	\$7,237,117.25
Less Interest	<u>(23,225.72)</u>	<u>(1,332,729.77)</u>	<u>(266,885.00)</u>	<u>(1,686,321.67)</u>
Liability as of March 31, 2003	<u>\$1,640,795.58</u>	<u>\$3,340,000.00</u>	<u>\$ 570,000.00</u>	<u>\$5,550,795.58</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE D - LONG-TERM DEBT (continued)**

**LEGAL DEBT MARGIN - GENERAL OBLIGATION BONDS**

Article VI, Section 26 (b), (c), (d) and (e), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a political subdivision to twenty-percent of the assessed valuation of the political subdivision (excluding state-assessed railroad and utilities). The legal debt margin, computed excluding state-assessed railroad and utilities, of the City at March 31, 2003 was:

Assessed Valuation	
Real Estate	\$ 56,657,080.00
Personal Property	<u>29,540,622.00</u>
Total Assessed Valuation	<u>\$ 86,197,702.00</u>

The legal debt margin at March 31, 2003, was computed as follows:

General Obligation	
Debt Limit	\$ 17,239,540.00
General Obligation	
Bonds Payable	
Legal Debt Margin	<u>\$ 17,239,540.00</u>

As of March 31, 2003, the City of Monett had no outstanding general obligation bonds.

**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, 1992B sewer project, and the Tax Increment Revenue Bonds require 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 sewer project bonds are recorded in the proprietary fund since the repayment is to be from the operations for which the debt was issued. The Tax Increment Revenue Bonds are reported in the long-term debt account group since the Tax Increment finance district is a special revenue fund.

**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 system 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 defeasance, including interest payments are as follows:

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE D - LONG-TERM DEBT (continued)**

Fiscal Year Ended March 31	Total	Total Interest	Interest Rate	Principal Maturing	Bonds Outstanding
2003					\$ 375,000.00
2004	\$ 137,898.75	\$ 22,898.75	6.90%	\$ 115,000.00	260,000.00
2005	139,287.50	14,287.50	6.90%	125,000.00	135,000.00
2006	139,893.75	4,893.75	6.90%	135,000.00	-
Totals	<u>\$ 417,080.00</u>	<u>\$ 42,080.00</u>		<u>\$ 375,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at March 31, 2003 is \$ 375,010.56.

**Operating Leases**

The reporting entity has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations.

*Commitments*

As of March 31, 2003, the following funds have service and construction commitments:

	Construction Contracts
General Fund:	
Administration	\$ 9,248.50
CDBG	352,904.85
Enterprise Fund:	
Electric	9,248.50
Sewer	9,248.50
Waterworks	69,680.66
	<u>\$ 450,331.01</u>

As part of the Tax Increment Financing District Construction, the Missouri Highway and Transportation Commission will reimburse the City of Monett \$ 1,120,692.00 in the year 2010. The reimbursement will be made without interest upon the City's letter of request in the year 2010.

**NOTE E - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE F - DEFINED BENEFIT PENSION PLAN**

**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 401(a) 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.

**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 12.40% (general), 11.80% (police), 12.40% (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.

**Annual Pension Cost**

For 2002, the political subdivision's annual pension cost of \$464,976 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2000, and/or February 29, 2001 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 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 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 unfounded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The amortization period at February 28, 2002 was 16 years.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE F - DEFINED BENEFIT PENSION PLAN (continued)**

<b>Three-Year Trend Information</b>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost APC</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/00	\$ 491,196	100 %	\$ -
6/30/01	522,854	100	-
6/30/02	464,976	100	-

**Contribution Information**

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2003, was \$3,637,837.05; the City's total payroll was \$4,133,352.18. 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.

**Required Supplemental Information - Schedule of Funding Process:**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
02/28/00	\$ 3,744,698	\$ 4,662,939	\$ 919,231	80%	\$ 3,208,107	29%
02/28/01	4,673,542	5,080,384	406,842	80	3,484,592	12
02/29/02	5,305,981	5,506,960	200,979	96	3,364,070	6

# 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 28, 2001, 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2003**

**NOTE G - 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.

**NOTE H - CONTINGIENCIES**

**Litigation**

The City is party to various legal proceedings which normally occur in governmental operations. The potential outcome can not be determined, therefore, no provisions have been recorded.

**NOTE I - PRIOR PERIOD ADJUSTMENT**

Proprietary fund prior period adjustment of \$54,142.61 for understatement of assets within the Mechanic department. Prior period adjustment increased beginning retained earnings and would have decreased operating expenses of the prior period.

CITY OF MONETT, MISSOURI  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF TRANSFERS WITHIN THE REPORTING ENTITY  
 YEAR ENDED MARCH 31, 2003

Transfers out/from

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Transfers Out/from</u>
Enterprise Fund:	\$ 73,647.41	\$ (113,820.18)	\$ 40,172.77
Total transfers in	<u>\$ 73,647.41</u>	<u>\$ (113,820.18)</u>	<u>\$ 40,172.77</u>

See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003

	General Government								
	Administration Department			BOCA Building Enforcement			Municipal Court		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Revenues</b>									
Business license and permits	\$ 13,204.50	\$ 13,277.70	\$ 14,000.00	\$ 55,140.51	\$ 21,019.83	\$ 14,500.00	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	161,837.36	232,500.15	232,000.00	-	-	-	-	-	-
Sales tax	2,035,074.18	1,965,371.04	1,950,000.00	-	-	-	-	-	-
Interest income	59,680.65	16,952.41	226,100.00	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	3,986.32	22,296.72	3,620.00	1,208.88	692.62	2,275.00	-	-	-
Other taxes and assessments	26,528.74	24,970.47	2,350.00	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Sanitation revenues	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,300,311.75</u>	<u>2,275,368.49</u>	<u>2,428,070.00</u>	<u>56,349.39</u>	<u>21,712.45</u>	<u>16,775.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
Salaries	165,385.62	87,407.92	200,000.00	57,610.07	70,663.91	55,393.00	38,251.20	40,143.05	36,813.00
Payroll taxes	12,691.35	5,952.72	16,800.00	4,407.17	4,853.12	4,262.00	2,926.22	2,937.98	2,806.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	8,694.07	7,372.62	3,000.00	894.60	267.67	2,500.00	731.99	368.45	2,000.00
Education	-	2,502.97	-	1,088.00	638.00	500.00	1,832.67	979.02	1,800.00
Election	1,287.22	2,567.70	1,500.00	-	-	-	-	-	-
Health and life insurance	27,815.12	16,105.30	359,320.00	9,251.12	9,732.00	-	3,398.85	3,498.24	-
Insurance	14,401.02	19,970.45	4,700.00	1,839.38	2,184.00	230.00	279.00	340.00	-
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	12,097.94	9,456.83	3,620.00	767.05	841.16	2,000.00	907.31	241.60	900.00
Professional and consulting service	76,718.55	66,954.34	67,000.00	22,376.54	5,286.10	4,000.00	1,306.06	2,666.25	3,500.00
Repairs and maintenance	12,488.61	5,110.75	4,600.00	8,919.21	6,235.76	4,800.00	-	-	-
Retirement	23,493.11	8,303.64	25,110.00	7,069.15	8,829.48	7,478.00	3,825.95	3,596.31	3,755.00
Supplies	14,383.17	15,339.98	11,400.00	2,178.33	2,748.60	1,500.00	1,817.64	1,815.75	1,975.00
Telephone	1,573.60	2,199.44	2,300.00	1,277.65	1,810.75	1,000.00	985.75	1,139.68	900.00
Travel	1,995.75	1,980.89	800.00	43.79	296.50	500.00	-	-	-
Utilities	8,539.76	-	7,900.00	3,297.96	-	1,000.00	-	-	-
Workman's compensation	1,413.00	816.94	700.00	1,290.00	5,371.00	1,855.00	113.00	236.00	100.00
Capital outlay	11,743.02	30,088.50	237,800.00	-	-	-	4,627.48	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>394,720.91</u>	<u>282,130.99</u>	<u>946,550.00</u>	<u>122,310.02</u>	<u>119,758.05</u>	<u>87,018.00</u>	<u>61,003.12</u>	<u>57,962.33</u>	<u>54,549.00</u>
Excess (deficiency) of revenues over expenditures	<u>1,905,590.84</u>	<u>1,993,237.50</u>	<u>1,481,520.00</u>	<u>(65,960.63)</u>	<u>(98,045.60)</u>	<u>(70,243.00)</u>	<u>(61,003.12)</u>	<u>(57,962.33)</u>	<u>(54,549.00)</u>
<b>Other financing sources (uses)</b>									
Due from (to) other funds	(743.00)	(1,669.00)	82,500.00	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	1,161,636.11	-	-	-	-	-	-	-
Operating transfers from (to) other funds	(1,906,260.84)	(3,153,204.61)	(1,564,020.00)	64,670.63	98,045.60	70,243.00	60,890.12	57,962.33	54,549.00
Revenues and other sources over (under) expenditures and other uses	<u>\$ (1,413.00)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (1,290.00)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (113.00)</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003

	Public Safety								
	E-911			ADA Handicap Department Improvements			Emergency Management		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Other taxes and assessments	89,228.56	87,959.36	83,500.00	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Sanitation revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>89,228.56</u>	<u>87,959.36</u>	<u>83,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
Salaries	26,021.96	25,532.23	33,000.00	-	-	-	1,396.52	1,370.20	1,645.00
Payroll taxes	1,990.68	1,953.22	2,600.00	-	-	-	106.83	100.79	150.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	2,338.33	3,000.00	-	-	-	-	-	-
Education	847.28	289.22	2,000.00	-	-	-	92.08	90.00	2,000.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	3,884.44	3,702.05	-	-	-	-	-	-	-
Insurance	329.00	401.00	50.00	-	-	-	25.00	31.00	-
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	105.00	7.50	200.00	-	-	-	-	467.38	300.00
Professional and consulting service	22.50	160.00	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	1,686.83	1,724.52	2,300.00
Retirement	3,833.72	3,391.55	4,700.00	-	-	-	-	-	-
Supplies	382.97	889.64	900.00	-	-	-	1,027.24	1,314.96	400.00
Telephone	20,701.02	23,760.93	18,000.00	-	-	-	-	-	-
Travel	-	-	-	-	-	-	809.37	382.94	1,500.00
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	103.00	181.00	125.00	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	4,126.84	-	4,800.00
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>58,221.57</u>	<u>62,606.67</u>	<u>64,575.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,270.71</u>	<u>5,481.79</u>	<u>13,095.00</u>
Excess (deficiency) of revenues over expenditures	31,006.99	25,352.69	18,925.00	-	-	-	(9,270.71)	(5,481.79)	(13,095.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	-	-	-	-	-	-	9,270.71	5,481.79	13,095.00
<b>Revenues and other sources over (under) expenditures and other uses</b>	<u>\$ 31,006.99</u>	<u>25,352.69</u>	<u>\$ 18,925.00</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year		122,512.86							
Prior period adjustment		-							
<b>Fund balance, end of year</b>		<u>\$ 147,865.55</u>			<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>

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CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003

	Communications			Public Safety Fire Department			Hazardous Material		
	Prior Year	Current Year	Budget **	Prior Year	Current Year	Budget **	Prior Year	Current Year	Budget **
	3/31/02	3/31/03	3/31/03	3/31/02	3/31/03	3/31/03	3/31/02	3/31/03	3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	13,124.11	-
Other revenue	1,200.00	1,200.00	1,200.00	1,649.22	629.98	-	-	-	-
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Sanitation revenues	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,200.00</u>	<u>1,200.00</u>	<u>1,200.00</u>	<u>1,649.22</u>	<u>629.98</u>	<u>-</u>	<u>-</u>	<u>13,124.11</u>	<u>-</u>
<b>Expenditures</b>									
Salaries	182,901.20	179,126.84	173,500.00	497,601.50	504,164.59	471,484.00	5,825.21	6,766.88	7,404.01
Payroll taxes	13,991.94	13,077.49	13,323.00	38,066.51	35,753.33	30,343.00	445.63	501.00	566.41
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	6,766.02	1,701.00	6,000.00	1,608.00	-	-	-	-	-
Education	657.00	6,778.53	1,500.00	3,442.53	3,235.35	9,500.00	195.00	892.00	1,000.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	20,940.50	18,695.07	-	61,693.39	63,885.69	-	-	-	-
Insurance	1,394.00	20.00	-	13,252.88	15,829.50	13,000.00	67.00	83.00	-
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	354.76	258.65	1,000.00	2,568.82	1,144.23	4,500.00	531.42	-	500.00
Professional and consulting service	-	160.00	-	142.50	186.25	1,000.00	322.30	376.00	5,000.00
Repairs and maintenance	8,494.76	5,822.44	13,000.00	30,819.04	28,644.00	30,800.00	58.10	-	250.00
Retirement	18,274.82	17,342.44	23,423.00	70,505.51	60,256.38	73,414.00	526.45	858.82	1,058.77
Supplies	657.26	698.06	2,800.00	15,993.04	19,365.34	14,400.00	459.63	868.74	2,150.00
Telephone	19.93	1,109.75	800.00	3,245.88	4,016.42	3,300.00	1,181.23	934.39	1,300.00
Travel	471.52	-	500.00	1,451.32	2,377.24	4,500.00	1,315.31	531.28	1,200.00
Utilities	-	-	-	7,017.25	1,577.62	7,800.00	-	-	-
Workman's compensation	493.00	1,099.00	610.00	21,566.00	47,203.00	21,400.00	155.00	584.00	400.00
Capital outlay	-	-	400.00	-	20,100.00	27,000.00	-	-	6,000.00
Debt service - principal	-	-	-	58,747.64	61,978.76	68,983.91	-	-	-
Debt service - interest	-	-	-	10,236.27	7,005.15	-	-	-	-
Total expenditures	<u>255,416.71</u>	<u>245,889.27</u>	<u>236,856.00</u>	<u>837,958.08</u>	<u>876,722.85</u>	<u>781,424.91</u>	<u>11,082.28</u>	<u>12,396.11</u>	<u>26,829.19</u>
Excess (deficiency) of revenues over expenditures	(254,216.71)	(244,689.27)	(235,656.00)	(836,308.86)	(876,092.87)	(781,424.91)	(11,082.28)	728.00	(26,829.19)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	253,723.71	244,689.27	235,656.00	814,742.86	876,092.87	781,424.91	10,927.28	(728.00)	26,829.19
Revenues and other sources over (under) expenditures and other uses	<u>\$ (493.00)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (21,566.00)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (155.00)</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
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CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003

Revenues	Public Safety						Highways and Streets		
	Police Department			Safety Program			Street Department		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105.00	\$ 140.00	\$ 3,524.00
Federal and state grants	11,654.00	9,777.53	-	-	-	-	-	71,800.13	126,000.00
Fines and forfeitures	98,337.15	121,589.27	77,400.00	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	216.82	1,710.30	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	15,943.57	26,888.49	11,500.00	5.77	19,952.70	16,880.00	21,134.90	30,286.68	14,000.00
Other taxes and assessments	-	-	-	-	-	-	291,392.85	301,043.99	278,040.00
Rental revenue	-	-	-	-	-	-	3,300.00	3,712.68	3,600.00
Sanitation revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>125,934.72</b>	<b>158,255.29</b>	<b>88,900.00</b>	<b>5.77</b>	<b>19,952.70</b>	<b>16,880.00</b>	<b>316,149.57</b>	<b>408,693.78</b>	<b>425,164.00</b>
<b>Expenditures</b>									
Salaries	686,788.86	689,443.30	713,200.00	7,997.22	8,897.67	9,500.00	389,498.91	336,440.26	336,400.00
Payroll taxes	52,539.35	51,385.13	54,760.00	611.79	657.73	730.00	34,785.19	24,188.45	26,800.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	10,778.20	3,418.13	7,000.00	755.17	1,149.22	500.00	3,835.14	683.41	1,000.00
Education	7,948.10	6,114.14	11,000.00	-	674.75	300.00	503.00	428.00	500.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	80,980.28	78,382.89	85,000.00	-	-	-	49,800.41	47,594.99	49,500.00
Insurance	15,750.63	19,273.25	28,000.00	-	-	-	16,462.38	20,024.00	15,200.00
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	5,945.48	1,760.99	2,800.00	258.49	71.00	500.00	-	918.43	1,500.00
Professional and consulting service	18,770.45	19,286.25	22,500.00	282.50	484.00	-	12,527.09	2,216.00	15,000.00
Repairs and maintenance	66,180.83	78,087.92	90,477.65	367.70	505.95	100.00	490,380.88	386,046.99	434,049.65
Retirement	73,362.01	75,705.93	82,400.00	724.51	892.32	1,200.00	46,663.03	40,167.67	41,800.00
Supplies	16,768.78	17,690.38	25,100.00	2,026.14	3,058.58	3,050.00	11,990.21	8,832.90	10,860.00
Telephone	10,571.07	9,772.15	12,500.00	545.80	703.86	400.00	4,774.65	4,683.02	4,800.00
Travel	1,531.25	2,359.91	4,000.00	776.80	1,145.62	500.00	653.20	928.13	800.00
Utilities	6,968.41	-	7,100.00	-	-	-	8,278.83	2,102.19	8,550.00
Workman's compensation	23,066.00	47,134.00	50,500.00	-	753.00	100.00	22,772.00	41,386.00	38,200.00
Capital outlay	-	69,340.10	45,520.00	-	-	3,500.00	143,227.46	78,592.63	35,000.00
Debt service - principal	-	-	-	-	-	-	10,488.45	6,513.87	11,319.00
Debt service - interest	-	-	-	-	-	-	8,369.32	6,532.99	450.00
<b>Total expenditures</b>	<b>1,077,949.70</b>	<b>1,169,154.47</b>	<b>1,241,857.65</b>	<b>14,346.12</b>	<b>18,993.70</b>	<b>20,380.00</b>	<b>1,255,010.15</b>	<b>1,008,279.93</b>	<b>1,031,728.65</b>
Excess (deficiency) of revenues over expenditures	(952,014.98)	(1,010,899.18)	(1,152,957.65)	(14,340.35)	959.00	(3,500.00)	(938,860.58)	(599,586.15)	(606,564.65)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	939,080.93	995,530.39	1,152,957.65	14,340.35	(959.00)	3,500.00	916,088.58	599,586.15	606,564.65
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>\$ (12,934.05)</b>	<b>(15,368.79)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (22,772.00)</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year		15,995.89							
Prior period adjustment									
<b>Fund balance, end of year</b>		<b>\$ 627.10</b>			<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003

	Municipal Airport			Public Works					
	Municipal Airport			Community Development Block Grant Projects			Sanitation Department		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	1,140,267.00	-	104,350.00	661,199.97	650,000.00	-	-	8,696.00
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	92,481.04	93,242.72	90,780.00	2,500.00	-	-	2,648.51	5,775.89	-
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	24,200.00	24,520.68	25,800.00	-	-	-	-	-	-
Sanitation revenues	-	-	-	-	-	-	263,597.36	416,512.68	455,250.00
<b>Total revenues</b>	<b>116,681.04</b>	<b>1,258,030.40</b>	<b>116,580.00</b>	<b>106,850.00</b>	<b>661,199.97</b>	<b>650,000.00</b>	<b>266,245.87</b>	<b>422,288.57</b>	<b>463,946.00</b>
<b>Expenditures</b>									
Salaries	79,652.76	88,865.48	87,630.00	-	-	-	123,211.64	134,694.94	137,504.00
Payroll taxes	6,093.44	6,126.91	6,725.00	-	-	-	8,807.49	10,895.01	17,000.00
Community development block grant	-	-	-	149,288.84	15,900.68	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	100.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	9,237.26	12,760.95	8,800.00	-	-	-	16,236.85	14,012.76	17,500.00
Insurance	10,558.00	14,466.00	4,300.00	-	-	-	4,708.38	5,684.00	5,800.00
Landfill and recycling	-	-	-	-	-	-	114,932.98	117,722.52	132,000.00
Miscellaneous	1,133.30	1,435.01	1,800.00	-	-	-	2,948.43	2,390.59	2,000.00
Professional and consulting service	32,597.96	7,440.88	5,000.00	-	-	-	-	296.00	200.00
Repairs and maintenance	27,609.39	13,494.28	16,100.00	-	-	-	50,556.26	59,863.01	60,577.65
Retirement	7,284.86	8,343.07	9,250.00	-	-	-	10,178.97	9,950.03	10,500.00
Supplies	2,536.74	5,551.98	5,500.00	-	-	-	3,758.69	22,298.02	3,000.00
Telephone	2,561.14	3,740.83	2,100.00	-	-	-	-	-	100.00
Travel	1,036.80	1,010.73	2,000.00	-	-	-	-	120.00	-
Utilities	12,027.03	11,442.60	7,000.00	-	-	-	890.70	-	-
Workman's compensation	2,454.00	2,687.00	3,200.00	-	-	-	-	23,370.00	25,000.00
Capital outlay	7,383.28	1,525,099.33	200,000.00	109,990.27	856,584.61	1,158,410.00	8,155.00	14,085.49	10,728.00
Debt service - principal	29,078.11	-	-	-	-	-	67,796.92	66,223.47	73,075.00
Debt service - interest	435.78	-	-	-	-	-	15,313.90	4,653.85	4,500.00
<b>Total expenditures</b>	<b>231,679.85</b>	<b>1,702,465.05</b>	<b>359,405.00</b>	<b>259,279.11</b>	<b>872,485.29</b>	<b>1,158,410.00</b>	<b>427,496.21</b>	<b>486,259.69</b>	<b>499,584.65</b>
Excess (deficiency) of revenues over expenditures	(114,998.81)	(444,434.65)	(242,825.00)	(152,429.11)	(211,285.32)	(508,410.00)	(161,250.34)	(63,971.12)	(35,638.65)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	374,680.16	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	112,544.81	69,754.49	242,825.00	123,623.27	217,425.01	508,410.00	153,169.34	63,971.12	35,638.65
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>\$ (2,454.00)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (28,805.84)</b>	<b>6,139.69</b>	<b>\$ -</b>	<b>\$ (8,081.00)</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year					576.53				
Prior period adjustment					-				
<b>Fund balance, end of year</b>		<b>\$ -</b>			<b>\$ 6,716.22</b>			<b>\$ -</b>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2003**

	<b>Total General Fund (Memorandum Only)</b>		
	<b>Prior Year</b>	<b>Current Year</b>	<b>Budget **</b>
	<b>3/31/02</b>	<b>3/31/03</b>	<b>3/31/03</b>
<b>Revenues</b>			
Business license and permits	\$ 68,450.01	\$ 34,437.53	\$ 32,024.00
Federal and state grants	116,004.00	1,883,044.63	784,696.00
Fines and forfeitures	98,337.15	121,589.27	77,400.00
Franchise fees	161,837.36	232,500.15	232,000.00
Sales tax	2,035,074.18	1,965,371.04	1,950,000.00
Interest income	59,897.47	18,662.71	226,100.00
Intergovernmental	-	13,124.11	-
Other revenue	142,758.21	200,965.80	140,255.00
Other taxes and assessments	407,150.15	413,973.82	363,890.00
Rental revenue	27,500.00	28,233.36	29,400.00
Sanitation revenues	263,597.36	416,512.68	455,250.00
Total revenues	<u>3,380,605.89</u>	<u>5,328,415.10</u>	<u>4,291,015.00</u>
<b>Expenditures</b>			
Salaries	2,262,142.67	2,173,517.27	2,263,473.01
Payroll taxes	177,463.59	158,382.88	176,865.41
Community development block grant	149,288.84	15,900.68	-
Computer	34,063.19	17,298.83	25,000.00
Education	16,605.66	22,621.98	30,200.00
Election	1,287.22	2,567.70	1,500.00
Health and life insurance	283,238.22	268,369.94	520,120.00
Insurance	79,066.67	98,306.20	71,280.00
Landfill and recycling	114,932.98	117,722.52	132,000.00
Miscellaneous	27,618.00	18,993.37	21,620.00
Professional and consulting service	165,066.45	105,512.07	123,200.00
Repairs and maintenance	697,561.61	585,535.62	657,054.95
Retirement	265,742.09	237,637.64	284,088.77
Supplies	73,979.84	100,472.93	83,035.00
Telephone	47,437.72	53,871.22	47,500.00
Travel	10,085.11	11,133.24	16,300.00
Utilities	47,019.94	15,122.41	39,350.00
Workman's compensation	73,425.00	170,820.94	142,190.00
Capital outlay	289,253.35	2,593,890.66	1,729,158.00
Debt service - principal	166,111.12	134,716.10	153,377.91
Debt service - interest	34,355.27	18,191.99	4,950.00
Total expenditures	<u>5,015,744.54</u>	<u>6,920,586.19</u>	<u>6,522,263.05</u>
Excess (deficiency) of revenues over expenditures	(1,635,138.65)	(1,592,171.09)	(2,231,248.05)
<b>Other financing sources (uses)</b>			
Due from (to) other funds	(743.00)	(1,669.00)	82,500.00
Proceeds from Financing	-	374,680.16	-
Operating transfers from PILOTS and TIF	-	1,161,636.11	-
Operating transfers from (to) other funds	<u>1,566,811.75</u>	<u>73,647.41</u>	<u>2,167,673.05</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (69,069.90)</u>	<u>16,123.59</u>	<u>\$ 18,925.00</u>
Fund balance, beginning of year		139,085.28	
Prior period adjustment		-	
Fund balance, end of year		<u>\$ 155,208.87</u>	

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See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2003

	Casino			Cemetery			Golf Course		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	732.70	228.01	-	16,608.70	18,350.62	12,000.00	117,736.47	152,567.00	333,175.00
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	20,690.00	18,950.75	19,500.00	-	-	-	37,616.37	38,699.00	76,600.00
Sanitation revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>21,422.70</b>	<b>19,178.76</b>	<b>19,500.00</b>	<b>16,608.70</b>	<b>18,350.62</b>	<b>12,000.00</b>	<b>155,352.84</b>	<b>191,266.00</b>	<b>409,775.00</b>
<b>Expenditures</b>									
Salaries	17,518.89	17,635.42	24,550.00	75,824.11	94,307.21	85,660.00	122,399.60	165,989.93	102,100.00
Payroll taxes	1,340.20	1,315.78	1,880.00	5,800.54	6,912.33	7,079.00	10,719.64	11,726.83	7,870.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	1,556.12	500.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	1,310.00	3,504.84	3,984.00	8,031.56	7,009.68	8,300.00	11,756.83	16,912.50	14,400.00
Insurance	216.32	235.00	300.00	1,473.39	1,667.00	1,500.00	2,775.39	8,506.70	3,000.00
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	180.00	344.00	200.00	844.80	924.11	1,000.00	283.99	754.15	1,200.00
Professional and consulting service	-	-	-	-	160.00	3,000.00	2,079.00	10,701.23	43,639.00
Repairs and maintenance	3,569.15	1,305.35	1,750.00	9,874.21	11,397.90	13,450.00	38,266.47	23,982.34	19,300.00
Retirement	810.67	986.98	3,050.00	6,903.86	11,460.97	9,000.00	8,607.09	6,987.85	10,400.00
Supplies	4,605.00	2,323.20	2,950.00	1,964.71	2,408.40	2,870.00	71,516.27	79,830.08	49,665.00
Telephone	593.53	777.97	300.00	1,503.96	1,554.73	1,500.00	977.55	1,789.17	1,200.00
Travel	-	-	-	-	72.00	-	40.00	998.92	1,000.00
Utilities	4,556.22	284.34	5,300.00	386.05	-	1,400.00	6,268.02	510.11	5,534.00
Workman's compensation	464.00	701.00	750.00	4,487.00	8,826.00	10,500.00	2,228.00	5,012.00	3,521.00
Capital outlay	-	-	-	11,595.00	-	-	822,358.36	431,048.06	-
Debt service - principal	-	-	-	-	-	-	-	15,846.93	47,968.61
Debt service - interest	-	-	-	-	-	-	-	2,755.99	37,092.45
<b>Total expenditures</b>	<b>35,163.98</b>	<b>29,413.88</b>	<b>45,014.00</b>	<b>128,689.19</b>	<b>146,700.33</b>	<b>145,259.00</b>	<b>1,100,276.21</b>	<b>784,908.91</b>	<b>348,390.06</b>
Excess (deficiency) of revenues over expenditures	(13,741.28)	(10,235.12)	(25,514.00)	(112,080.49)	(128,349.71)	(133,259.00)	(944,923.37)	(593,642.91)	61,384.94
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	202,500.00	-	-
Proceeds from Financing	-	-	-	-	-	-	-	1,215,599.48	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	13,277.28	10,235.12	25,514.00	107,593.49	128,349.71	133,259.00	740,195.37	(621,956.57)	(61,384.94)
Revenues and other sources over (under) expenditures and other uses	<b>\$ (464.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,487.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,228.00)</b>	<b>\$ -</b>	<b>\$ -</b>
Fund balance, beginning of year									
Prior period adjustment									
Fund balance, end of year		<b>\$ -</b>			<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS**  
**YEAR ENDED MARCH 31, 2003**

	North Park			South Park			Pool		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	160,000.00	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	15,250.00	-	400.00	80,140.13	-	39,310.53	28,677.01	28,250.00
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	412.50	35.00	-	3,410.75	4,067.25	3,500.00
Sanitation revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>15,250.00</b>	<b>-</b>	<b>160,812.50</b>	<b>80,175.13</b>	<b>-</b>	<b>42,721.28</b>	<b>32,744.26</b>	<b>31,750.00</b>
<b>Expenditures</b>									
Salaries	35,587.74	48,144.73	55,300.00	75,237.39	87,024.63	107,940.00	38,420.67	46,449.57	52,275.00
Payroll taxes	2,722.46	3,539.65	4,754.00	5,755.66	6,642.91	8,804.00	2,939.18	3,218.78	4,000.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	500.00	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	3,398.85	3,498.24	3,500.00	11,835.26	10,410.93	12,000.00	-	-	-
Insurance	1,044.39	1,214.00	700.00	2,340.39	2,795.00	2,650.00	629.00	767.00	1,038.00
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	25.00	202.54	120.00	610.23	930.70	500.00	313.34	126.40	-
Professional and consulting service	-	-	-	54.00	190.00	100.00	2,959.33	2,239.00	-
Repairs and maintenance	10,864.84	11,471.04	22,696.28	27,281.11	33,180.97	32,246.28	40,953.33	3,381.29	1,200.00
Retirement	3,379.90	1,915.51	4,950.00	9,181.09	8,219.17	10,600.00	-	-	2,475.00
Supplies	291.24	3,104.73	2,400.00	7,487.63	6,457.41	8,800.00	14,137.06	7,039.61	6,800.00
Telephone	-	-	-	1,390.35	1,548.93	1,400.00	676.03	795.52	400.00
Travel	-	24.00	-	-	72.00	100.00	-	-	-
Utilities	4,890.65	-	4,800.00	6,991.17	-	5,550.00	4,665.40	-	4,200.00
Workman's compensation	2,277.00	4,943.00	3,750.00	4,711.00	9,816.00	9,350.00	2,392.00	5,277.00	4,500.00
Capital outlay	-	-	-	28,450.00	47,957.63	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>64,482.07</b>	<b>78,057.44</b>	<b>102,970.28</b>	<b>181,325.28</b>	<b>215,246.28</b>	<b>200,540.28</b>	<b>108,085.34</b>	<b>69,294.17</b>	<b>76,888.00</b>
Excess (deficiency) of revenues over expenditures	(64,482.07)	(62,807.44)	(102,970.28)	(20,512.78)	(135,071.15)	(200,540.28)	(65,364.06)	(36,549.91)	(45,138.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	62,205.07	62,807.44	102,970.28	15,801.78	135,071.15	200,540.28	62,972.06	36,549.91	45,138.00
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>\$ (2,277.00)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (4,711.00)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (2,392.00)</b>	<b>-</b>	<b>\$ -</b>
Fund balance, beginning of year		-			-			-	
Prior period adjustment									
<b>Fund balance, end of year</b>		<b>\$ -</b>			<b>\$ -</b>			<b>\$ -</b>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information. See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2003

	Recreation			Tax Increment Finance District			Total Special Revenue Funds (Memorandum Only)		
	Prior Year	Current Year	Budget **	Prior Year	Current Year	Budget **	Prior Year	Current Year	Budget **
	3/31/02	3/31/03	3/31/03	3/31/02	3/31/03	3/31/03	3/31/02	3/31/03	3/31/03
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	160,000.00	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	536,932.88	501,845.27	420,500.00	536,932.88	501,845.27	420,500.00
Interest income	-	-	-	1,303.11	3,339.69	-	1,303.11	3,339.69	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	131,994.85	41,280.36	152,755.00	-	-	-	306,783.25	336,493.13	526,180.00
Other taxes and assessments	-	-	-	139,104.95	177,547.99	110,000.00	139,104.95	177,547.99	110,000.00
Rental revenue	1,106.74	11,990.00	400.00	-	-	-	63,236.36	73,742.00	100,000.00
Sanitation revenues	-	-	-	-	-	-	-	-	-
Total revenues	<u>133,101.59</u>	<u>53,270.36</u>	<u>153,155.00</u>	<u>677,340.94</u>	<u>682,732.95</u>	<u>530,500.00</u>	<u>1,207,360.55</u>	<u>1,092,968.08</u>	<u>1,156,680.00</u>
<b>Expenditures</b>									
Salaries	198,651.67	90,772.59	118,846.00	-	-	-	563,640.07	550,324.08	546,671.00
Payroll taxes	16,872.21	7,283.35	9,250.00	-	-	-	46,149.89	40,639.63	43,637.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	1,861.00	-	-	-	-	-	1,861.00	-
Education	406.00	30.00	200.00	-	-	-	406.00	1,586.12	1,200.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	5,865.48	4,701.16	2,800.00	-	-	-	42,197.98	46,037.35	44,984.00
Insurance	6,028.82	4,812.00	6,850.00	-	-	-	14,507.70	19,996.70	16,038.00
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	1,291.29	246.14	-	-	13,469.77	-	3,548.65	16,997.81	3,020.00
Professional and consulting service	20,808.52	17,763.95	18,875.00	743.00	1,249.00	420.00	26,643.85	32,303.18	66,034.00
Repairs and maintenance	15,835.10	11,831.57	6,026.26	-	-	-	146,644.21	96,550.46	96,668.82
Retirement	8,723.24	4,840.96	6,000.00	-	-	-	37,605.85	34,411.44	46,475.00
Supplies	34,099.02	25,427.40	13,660.00	-	-	-	134,100.93	126,590.83	87,145.00
Telephone	3,654.09	2,280.53	1,800.00	-	-	-	8,795.51	8,746.85	6,600.00
Travel	-	124.28	524.00	-	-	-	40.00	1,291.20	1,624.00
Utilities	7,734.41	3,278.66	7,420.00	-	-	-	35,491.92	4,073.11	34,204.00
Workman's compensation	2,802.00	9,754.00	9,100.00	-	-	-	19,361.00	44,329.00	41,471.00
Capital outlay	246,185.37	3,385.83	8,000.00	-	-	-	1,108,588.73	482,391.52	8,000.00
Debt service - principal	-	-	-	235,000.00	220,000.00	250,000.00	235,000.00	235,846.93	297,968.61
Debt service - interest	-	-	-	323,618.02	209,250.66	212,346.00	323,618.02	212,006.65	249,438.45
Total expenditures	<u>568,957.22</u>	<u>188,393.42</u>	<u>209,351.26</u>	<u>559,361.02</u>	<u>443,969.43</u>	<u>462,766.00</u>	<u>2,746,340.31</u>	<u>1,955,983.86</u>	<u>1,591,178.88</u>
Excess (deficiency) of revenues over expenditures	(435,855.63)	(135,123.06)	(56,196.26)	117,979.92	238,763.52	67,734.00	(1,538,979.76)	(863,015.78)	(434,498.88)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	-	-	-	743.00	1,669.00	-	203,243.00	1,669.00	-
Proceeds from Financing	-	-	-	-	-	-	-	1,215,599.48	-
Operating transfers from PILOTS and TIF	-	-	-	-	(221,963.78)	-	-	(221,963.78)	-
Operating transfers from (to) other funds	433,053.63	135,123.06	56,196.26	111,490.78	-	(67,734.00)	1,546,589.46	(113,820.18)	434,498.88
Revenues and other sources over (under) expenditures and other uses	<u>\$ (2,802.00)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 230,213.70</u>	<u>18,468.74</u>	<u>\$ -</u>	<u>\$ 210,852.70</u>	<u>18,468.74</u>	<u>\$ -</u>
Fund balance, beginning of year		-			381,303.47			381,303.47	
Prior period adjustment		-			-			-	
Fund balance, end of year		<u>\$ -</u>			<u>\$ 399,772.21</u>			<u>\$ 399,772.21</u>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2003

	Waterworks			Electric			Wastewater-Sewer		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Operating revenues</b>									
Revenues	\$ 1,313,148.64	\$ 1,216,512.48	\$ 1,330,001.00	\$ 11,703,534.98	\$ 10,359,208.10	\$ 12,014,939.91	\$ 1,535,736.92	\$ 1,790,427.81	\$ 1,929,071.00
Federal and state grants	-	162,420.17	-	-	61,361.43	-	-	-	-
Tap - in charges	31,100.00	7,750.00	12,000.00	-	-	-	1,260.00	600.00	1,800.00
Penalties	10,154.84	10,052.09	7,200.00	44,827.17	33,761.48	-	5,908.53	6,291.15	6,000.00
Miscellaneous charges	48,887.11	24,405.10	34,800.00	52,206.64	84,352.52	57,000.00	42,263.73	802.37	19,200.00
Rental	3,425.00	5,507.50	2,808.00	111.50	1,952.00	-	-	70.00	-
Total operating revenues	<u>1,406,715.59</u>	<u>1,426,647.34</u>	<u>1,386,809.00</u>	<u>11,800,680.29</u>	<u>10,540,635.53</u>	<u>12,071,939.91</u>	<u>1,585,169.18</u>	<u>1,798,191.33</u>	<u>1,956,071.00</u>
<b>Operating expenses</b>									
Salaries	435,922.13	428,195.57	441,000.00	537,128.65	631,955.87	622,760.00	314,446.45	372,305.73	373,350.00
Payroll taxes	33,357.03	30,686.63	33,798.00	41,090.34	45,078.13	47,738.00	24,055.15	26,911.41	28,648.00
Depreciation	242,224.32	149,039.41	-	226,597.23	161,483.81	-	441,726.51	646,894.83	-
Computer	7,898.45	7,377.28	5,000.00	8,228.85	7,405.60	5,000.00	7,755.60	7,995.79	5,000.00
Education	4,056.92	2,625.34	3,600.00	8,843.23	12,596.44	6,000.00	3,000.25	2,009.33	2,400.00
Electric purchases	212,037.85	-	189,000.00	8,244,147.39	7,810,138.61	8,605,088.00	-	-	-
Gas and oil	11,969.86	12,232.84	12,800.00	9,727.03	11,775.13	10,200.00	11,128.12	9,982.59	10,800.00
Health and life insurance	39,811.36	45,293.11	40,700.00	62,465.12	67,685.81	67,200.00	29,637.71	29,763.27	29,000.00
Insurance	17,595.39	21,966.25	14,500.00	67,488.39	83,232.25	48,000.00	21,146.40	26,694.25	17,615.00
Miscellaneous	1,207.52	(199.28)	1,500.00	1,647.19	797.45	2,000.00	1,818.06	2,860.51	2,000.00
Office supplies	4,263.12	4,493.96	4,500.00	4,711.30	4,708.56	5,000.00	4,321.58	4,768.39	4,300.00
Professional and consulting service	14,622.73	48,958.23	12,000.00	19,596.22	22,709.90	15,000.00	49,874.33	60,784.11	30,000.00
Repairs and maintenance	49,448.16	59,471.52	59,777.65	37,590.21	92,226.85	62,677.65	51,540.78	69,410.98	66,477.65
Retirement	49,675.31	46,397.83	51,500.00	69,314.67	74,214.16	75,025.00	37,789.28	48,371.91	46,300.00
Supplies	110,416.19	114,309.28	77,500.00	181,672.33	291,712.77	83,800.00	68,570.96	82,256.17	46,200.00
Telephone	3,727.90	3,514.93	3,700.00	5,449.27	4,793.76	7,000.00	3,324.49	2,932.67	2,880.00
Travel	1,121.12	2,796.43	1,000.00	1,769.76	3,035.31	2,000.00	11,017.34	2,007.41	1,200.00
Utilities	1,014.10	2,292.93	1,000.00	11,520.51	1,749.44	11,050.00	170,445.65	29,687.83	170,340.00
Workman's compensation	11,529.00	24,753.00	29,600.00	22,525.00	33,705.00	46,150.00	8,282.00	15,284.00	19,500.00
Total operating expenses	<u>1,251,898.46</u>	<u>1,004,205.26</u>	<u>982,475.65</u>	<u>9,561,512.69</u>	<u>9,361,004.85</u>	<u>9,721,688.65</u>	<u>1,259,880.66</u>	<u>1,440,921.18</u>	<u>856,010.65</u>
<b>Non-operating revenues (expenses)</b>									
Investment Income	-	-	-	24,095.80	46,407.81	45,000.00	52,410.80	141,802.45	44,300.00
Loss on Asset Disposal	-	(51,450.71)	-	-	(263,922.39)	-	-	(308,506.88)	-
Interest expense and fees	-	-	(12,000.00)	-	-	-	(74,730.22)	(74,259.25)	(78,662.00)
Net non-operating revenues (expenses)	-	<u>(51,450.71)</u>	<u>(12,000.00)</u>	<u>24,095.80</u>	<u>(217,514.58)</u>	<u>45,000.00</u>	<u>(22,319.42)</u>	<u>(240,963.68)</u>	<u>(34,362.00)</u>
Net income before transfers	154,817.13	370,991.37	392,333.35	2,263,263.40	962,116.10	2,395,251.26	302,969.10	116,306.47	1,065,698.35
Operating transfers from PILOTS	-	(86,402.01)	-	-	(727,698.80)	(56,000.00)	-	(125,571.52)	-
Operating transfers from (to) other funds	-	-	-	-	(20,638.32)	(2,602,171.93)	-	-	-
Net income (loss)	<u>\$ 154,817.13</u>	<u>284,589.36</u>	<u>\$ 392,333.35</u>	<u>\$ 2,263,263.40</u>	<u>213,778.98</u>	<u>\$ (262,920.67)</u>	<u>\$ 302,969.10</u>	<u>(9,265.05)</u>	<u>\$ 1,065,698.35</u>
Retained earnings, beginning of year		3,667,639.75			3,342,437.84			6,454,572.11	
Prior period adjustment		-			-			-	
Retained earnings, end of year		<u>\$ 3,952,229.11</u>			<u>\$ 3,556,216.82</u>			<u>\$ 6,445,307.06</u>	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2003**

	Mechanic			Fiber			Total Proprietary Funds (Memorandum Only)		
	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03	Prior Year 3/31/02	Current Year 3/31/03	Budget ** 3/31/03
<b>Operating revenues</b>									
Revenues	\$ -	\$ 90,466.98	\$ 67,996.00	\$ -	\$ -	\$ 31,000.00	\$ 14,552,420.54	\$ 13,456,615.37	\$ 15,373,007.91
Federal and state grants	-	-	-	-	-	-	-	223,781.60	-
Tap - in charges	-	-	-	-	-	-	32,360.00	8,350.00	13,800.00
Penalties	-	-	-	-	-	-	60,890.54	50,104.72	13,200.00
Miscellaneous charges	168.57	-	-	-	-	-	143,526.05	109,559.99	111,000.00
Rental	-	-	-	-	-	-	3,536.50	7,529.50	2,808.00
Total operating revenues	168.57	90,466.98	67,996.00	-	-	31,000.00	14,792,733.63	13,855,941.18	15,513,815.91
<b>Operating expenses</b>									
Salaries	31,247.52	35,597.19	33,425.00	-	-	-	1,318,744.75	1,468,054.36	1,470,535.00
Payroll taxes	2,390.44	2,456.91	2,608.00	-	-	-	100,892.96	105,133.08	112,792.00
Depreciation	3,351.88	4,866.00	4,800.00	-	-	-	913,899.94	962,284.05	4,800.00
Computer	104.65	477.23	500.00	-	-	-	23,987.55	23,255.90	15,500.00
Education	600.00	-	1,800.00	-	1,445.00	2,500.00	16,500.40	18,676.11	16,300.00
Electric purchases	-	-	-	-	-	-	8,456,185.24	7,810,138.61	8,794,088.00
Gas and oil	763.81	972.73	720.00	-	-	-	33,588.82	34,963.29	34,520.00
Health and life insurance	4,625.56	338.47	300.00	-	-	-	136,539.75	143,080.66	137,200.00
Insurance	918.33	1,092.00	483.00	-	-	-	107,148.51	132,984.75	80,598.00
Miscellaneous	5.20	14.74	300.00	-	11.00	-	4,677.97	3,484.42	5,800.00
Office supplies	-	-	120.00	-	2,184.49	7,000.00	13,296.00	16,155.40	20,920.00
Professional and consulting service	-	160.00	-	-	1,055.77	10,500.00	84,093.28	133,668.01	67,500.00
Repairs and maintenance	1,100.56	6,112.19	1,560.00	-	-	350.00	139,679.71	227,221.54	190,842.95
Retirement	4,045.39	5,475.46	4,150.00	-	-	-	160,824.65	174,459.36	176,975.00
Supplies	14,789.81	8,500.91	11,120.00	-	-	-	375,449.29	496,779.13	218,620.00
Telephone	1,340.81	1,169.87	1,200.00	-	-	-	13,842.47	12,411.23	14,780.00
Travel	500.00	24.00	480.00	-	-	-	14,408.22	7,863.15	4,680.00
Utilities	2,725.73	910.21	2,080.00	-	-	-	185,705.99	34,640.41	184,470.00
Workman's compensation	1,044.00	2,255.00	2,350.00	-	-	-	43,380.00	75,997.00	97,600.00
Total operating expenses	69,553.69	70,422.91	67,996.00	-	4,696.26	20,350.00	12,142,845.50	11,881,250.46	11,648,520.95
<b>Non-operating revenues (expenses)</b>									
Investment Income	-	-	-	-	-	-	76,506.60	188,210.26	89,300.00
Loss on Asset Disposal	-	(10,325.79)	-	-	-	-	-	(634,205.77)	-
Interest expense and fees	-	-	-	-	-	-	(74,730.22)	(74,259.25)	(90,662.00)
Net non-operating revenues (expenses)	-	(10,325.79)	-	-	-	-	1,776.38	(520,254.76)	(1,362.00)
Net income before transfers	(69,385.12)	9,718.28	-	-	(4,696.26)	10,650.00	2,651,664.51	1,454,435.96	3,863,932.96
Operating transfers from PILOTS	-	-	-	-	-	-	-	(939,672.33)	(56,000.00)
Operating transfers from (to) other funds	68,341.12	-	-	-	60,811.09	-	68,341.12	40,172.77	(2,602,171.93)
Net income (loss)	\$ (1,044.00)	9,718.28	\$ -	\$ -	56,114.83	\$ 10,650.00	\$ 2,720,005.63	554,936.40	\$ 1,205,761.03
Retained earnings, beginning of year		34,317.71			-			13,498,967.41	
Prior period adjustment		54,142.61						54,142.61	
Retained earnings, end of year		\$ 98,178.60			\$ 56,114.83			\$ 14,108,046.42	

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2003. See page 5 for amended budget information.  
 See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND RETAINED EARNINGS -  
 PROPRIETARY FUND TYPES  
 MARCH 31, 2003**

	<u>Waterworks</u>	<u>Electric</u>
<b><u>Assets and other debits</u></b>		
Pooled cash and cash equivalents	\$ -	\$ 266,353.00
Accounts receivable	223,147.62	1,103,046.59
Due from other funds	-	196,131.17
Prepaid workmens compensation	28,741.00	34,821.00
Restricted assets:		
Pooled cash and cash equivalents	-	-
Non-pooled cash and cash equivalents	-	-
Investments - held to maturity, non restricted	-	1,046,769.73
Investments - held to maturity, restricted	381,624.40	-
Property, plant and equipment (net)	3,391,871.49	1,874,661.83
Total assets and other debits	<u>\$ 4,025,384.51</u>	<u>\$ 4,521,783.32</u>
 <b><u>Liabilities, fund equity and other credits</u></b>		
<b>Liabilities:</b>		
Accounts payable	\$ 11,451.77	\$ 629,680.55
Accrued payroll	17,902.13	30,261.26
Due to depositors	43,801.50	305,624.69
Current portion of long-term debt	-	-
Net capital lease payable	-	-
Sewer bonds payable	-	-
Total liabilities	<u>73,155.40</u>	<u>965,566.50</u>
 <b>Fund equity and other credits:</b>		
Contributed capital	-	-
Priore period Adjustment	-	-
Retained earnings-reserved	3,952,229.11	-
Retained earnings-unreserved	-	3,556,216.82
Total fund equity	<u>3,952,229.11</u>	<u>3,556,216.82</u>
Total liabilities, fund equity, and other credits	<u>\$ 4,025,384.51</u>	<u>\$ 4,521,783.32</u>

See Accompanying Notes to the Financial Statements.

<b>Wastewater Sewer</b>	<b>Mechanic</b>	<b>Fiber</b>	<b>Total (Memorandum Only)</b>
\$ -	\$ -	\$ -	\$ 266,353.00
107,668.84	-	-	1,433,863.05
-	-	-	196,131.17
21,983.00	2,484.00	-	88,029.00
-	-	-	-
31,241.71	-	-	31,241.71
-	-	-	1,046,769.73
1,820,451.77	-	-	2,202,076.17
8,088,997.97	95,694.60	56,114.83	13,507,340.72
<u>\$ 10,070,343.29</u>	<u>\$ 98,178.60</u>	<u>\$ 56,114.83</u>	<u>\$ 18,771,804.55</u>
\$ 21,303.76	\$ -	\$ -	\$ 662,436.08
15,903.42	-	-	64,066.81
-	-	-	349,426.19
35,000.00	-	-	35,000.00
-	-	-	-
535,000.00	-	-	535,000.00
<u>607,207.18</u>	<u>-</u>	<u>-</u>	<u>1,645,929.08</u>
3,017,829.05	-	-	3,017,829.05
-	-	-	-
6,445,307.06	-	-	10,397,536.17
-	98,178.60	56,114.83	3,710,510.25
<u>9,463,136.11</u>	<u>98,178.60</u>	<u>56,114.83</u>	<u>17,125,875.47</u>
<u>\$ 10,070,343.29</u>	<u>\$ 98,178.60</u>	<u>\$ 56,114.83</u>	<u>\$ 18,771,804.55</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
 COMBINING STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2003**

	<u>Waterworks</u>	<u>Electric</u>
<b><u>Cash flows from operating activities:</u></b>		
Operating income (loss)	\$ 422,442.08	\$ 1,179,630.68
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	149,039.41	161,483.81
(Increase) decrease in accounts receivable	12,002.63	(191,784.24)
(Increase) decrease in prepaid workmens compensation	(28,741.00)	(34,821.00)
Increase (decrease) in accounts payable	(7,774.07)	52,861.57
Increase (decrease) in accrued payroll	5,353.78	7,085.37
Increase (decrease) in customer deposits	3,578.00	4,630.16
<b>Net cash provided by (used in) operating activities</b>	<u>555,900.83</u>	<u>1,179,086.35</u>
<b><u>Cash flows from non-capital financing activities:</u></b>		
Operating transfers from (to) other funds	(86,402.01)	(748,337.12)
Prior period adjustment	-	-
Due (from) to other funds	-	(196,131.17)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>(86,402.01)</u>	<u>(944,468.29)</u>
<b><u>Cash flows from capital and related financing activities:</u></b>		
Interest expense & fees	-	-
Purchase of capital acquisitions	(538,225.00)	(312,757.23)
Principal payment on capital lease	-	(15,192.88)
Redemption of bonds payable	-	-
<b>Net cash provided by (used in) capital and related     financing activities</b>	<u>(538,225.00)</u>	<u>(327,950.11)</u>
<b><u>Cash flows from investing activities:</u></b>		
Investment income	251,631.24	46,407.81
Purchase of investments-held to maturity	-	-
Sale of investments - held to maturity	-	-
<b>Net cash provided by (used in) investing activities</b>	<u>251,631.24</u>	<u>46,407.81</u>
Net increase (decrease) in cash and cash equivalents	182,905.06	(46,924.24)
Cash and investments, beginning of year	198,719.34	1,360,046.97
Cash and investments, end of year	<u>\$ 381,624.40</u>	<u>\$ 1,313,122.73</u>

See Accompanying Notes to the Financial Statements.

<b>Wastewater Sewer</b>	<b>Mechanic</b>	<b>Fiber</b>	<b>Total (Memorandum Only)</b>
\$ 357,270.15	\$ 20,044.07	\$ (4,696.26)	\$ 1,974,690.72
646,894.83	4,866.00	-	962,284.05
5,495.35	-	-	(174,286.26)
(21,983.00)	(2,484.00)	-	(88,029.00)
82,820.21	(80,858.31)	-	47,049.40
7,145.10	(1,273.38)	-	18,310.87
-	-	-	8,208.16
<u>1,077,642.64</u>	<u>(59,705.62)</u>	<u>(4,696.26)</u>	<u>2,748,227.94</u>
(125,571.52)	-	60,811.09	(899,499.56)
-	54,142.61	-	54,142.61
-	-	-	(196,131.17)
<u>(125,571.52)</u>	<u>54,142.61</u>	<u>60,811.09</u>	<u>(1,041,488.12)</u>
(74,259.25)	-	-	(74,259.25)
(523,402.02)	-	(56,114.83)	(1,430,499.08)
-	-	-	(15,192.88)
<u>(335,000.00)</u>	<u>-</u>	<u>-</u>	<u>(335,000.00)</u>
<u>(932,661.27)</u>	<u>-</u>	<u>(56,114.83)</u>	<u>(1,854,951.21)</u>
141,802.45	-	-	439,841.50
-	-	-	-
-	-	-	-
<u>141,802.45</u>	<u>-</u>	<u>-</u>	<u>439,841.50</u>
161,212.30	(5,563.01)	-	291,630.11
1,690,481.18	5,563.01	-	3,254,810.50
<u>\$ 1,851,693.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,546,440.61</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**(By Function and Activity)**  
**YEAR ENDED MARCH 31, 2003**

<b>Function and activity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirement</b>	<b>Ending Balance</b>
Public safety:				
911	\$ 72,507.61	\$ -	\$ (1,527.67)	\$ 70,979.94
Police	860,783.45	69,340.10	(439,139.04)	490,984.51
Communication center	159,296.89	-	(12,965.48)	146,331.41
Civil defense	65,602.84	-	-	65,602.84
Fire	1,613,296.48	20,100.00	(305,345.14)	1,328,051.34
Total public safety	<u>2,771,487.27</u>	<u>89,440.10</u>	<u>(758,977.33)</u>	<u>2,101,950.04</u>
Administration department	935,195.27	30,088.50	(471,011.95)	494,271.82
BOCA	9,848.00	-	6,000.00	15,848.00
Street	6,966,141.75	935,177.24	(733,952.58)	7,167,366.41
Cemetery	196,504.91	-	(4,052.75)	192,452.16
Court	10,223.47	-	(10,223.47)	-
Airport	5,299,278.93	1,525,099.33	(4,133,155.56)	2,691,222.70
Sanitation	1,097,468.70	14,085.49	(372,167.41)	739,386.78
Recreation	4,662,097.96	482,391.52	(619,607.36)	4,524,882.12
Total general fixed assets allocated to functions and activities	<u>\$ 21,948,246.26</u>	<u>\$ 3,076,282.18</u>	<u>\$ (7,097,148.41)</u>	<u>\$ 17,927,380.03</u>
Prior year reconciling items:				
Construction in progress completed		822,358.36	(822,358.36)	
Final purchase of capital leases		386,436.60	(386,436.60)	
		<u>\$ 4,285,077.14</u>	<u>\$ (8,305,943.37)</u>	

See Accompanying Notes to the Financial Statements.

**W**ALLACE, **C**AVINESS, **H**ARNER & **A**SSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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**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 Ron Overeem, 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, 2003, and have issued our report thereon dated August 18, 2003, which was qualified because of 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 solely 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, Caviness, Harner & Assoc, P.C.*

Wallace, Caviness, Harner & Associates, p.c.

August 18, 2003



**WALLACE, CAVINESS, HARNER & ASSOCIATES, P.C.**  
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**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 Ron Overeem, 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 each of its major federal programs for the year ended March 31, 2003. The City of Monett, Missouri's major federal programs are identified in the summary of auditor's 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 programs 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 Nonprofit 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 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 each of its major federal programs for the year ended March 31, 2003.



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

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

This report is intended for the information of the audit committee, 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, Caviness, Harner & Assoc, P.C.*

Wallace, Caviness, Harner & Associates, p.c.

August 18, 2003



**CITY OF MONETT, MISSOURI  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
MARCH 31, 2003**

<b>FEDERAL GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
Department of Justice			
Local Law Enforcement Block Grant (LLEBG)	16.592	2001-LBG-020	\$ 9,000.00
Department of Transportation			
Transportaiton Enhancement Funds passed Through the Missouri Highway and Transportation Commission	20.205	STP 4600 (706) J7P0352B J7P0352B	71,800.13 162,420.17 61,361.43
Federal Aviation Agency passed Through the Missouri Highway and Transportation Commission	20.106	AIR 026-98B AIR 036-98B	49,640.00 1,090,627.00
Total Department of Transportation			\$ 1,435,848.73
Department of Housing and Urban Development			
Community Development Block Grants / State's Program	14.219	99-ND-08	\$ 17,700.00
Department of Economic Development			
Community Development Block Grants / State's Program	14.228	99-ED-18	\$ 643,499.97
Total Federal Programs			\$ 2,106,048.70

**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 modified accrual basis of accounting in accordance with generally accepted accounting principles.

**NOTE B - MATCHING CONTRIBUTIONS**

In accordance with terms of the Local Law Enforcement Grant (LLEBG) Program, the city has expended matching contributions totaling \$1,520.00 during the year ended March 31, 2003.

See Accompanying Notes to the Financial Statements.

**CITY OF MONETT, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
MARCH 31, 2003**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Reportable condition(s) identified  
not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?  Yes  No

Reportable condition(s) identified  
not considered to be material weaknesses?  Yes  No

Type of auditors' report issued on compliance  
for major program: Unqualified

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

Identification of major program:

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

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

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Findings**

No matters were noted.

**Section III - Federal Award Findings and Questioned Costs**

No matters were noted.