

CITIES, TOWNS AND VILLAGES: Described financial statement does not meet requirements of Section 79.160, RSMo 1949.

August 24, 1959

*See Statement of
General Eagon Mo
to Mo. Press Assn. 10-20-61
attached*



*Also see letter of Eagon
to Hon W. D. Habler, March 19, 1962*

Honorable Robert B. Baker
Prosecuting Attorney
Reynolds County
Ellington, Missouri

Dear Sir:

The following opinion is rendered in reply to your inquiry reading as follows:

"The city of Ellington, Missouri proposes to publish the semi-annual financial statement required by VAMS 79.160-165 in a short form. Is there any form less than 'a full and detailed account and statement of the receipts and expenditures and indebtedness of the city' which will comply with these statutes?"

"It is my understanding that you may have written an opinion for other fourth class cities on this question. If so, a copy of this previous opinion should be sufficient with an indication that it applies to the instant situation."

In this opinion we are treating a specific financial statement of the city of Ellington, Missouri, a Fourth Class city. The statement is here quoted in its entirety:

"FINANCIAL STATEMENT

Of the City of Ellington, Mo., for period from Dec. 31, 1958 to June 30, 1959.

Honorable Robert B. Baker

GENERAL REVENUE FUND

Balance in Treasury, Dec. 31,
1958 ----- \$ 2,109.95

<u>Source of Receipts</u>	<u>Amount</u>
Water collections and meter deposits, taxes, etc. -----	\$ 6,128.93
Night Marshall collections ---	372.00
Fines -----	120.50
Gravel Hauled and Ditch Digging -----	154.00
Sale of City Lots -----	6,310.00
Loans -----	3,450.00
Insurance Check for Property Damage -----	78.95
Balance of Deposit on Case No. 729 -----	3.00
Check taken up -----	2.00
County Aid for City Street Work -----	300.00
	<u>\$19,029.33</u>

EXPENDITURES -
GENERAL REVENUE FUND

Transfer of Funds - pro rate water collections	\$ 9,905.00
Salaries -----	1,160.00
Stationery and printing -----	275.56
Labor -----	646.75
City Street Lights -----	878.88
Gas, Oil, Labor and Supplies for City Vehicles -	451.19
Payments and Interest on Loans -----	2,846.47
Telephone Service -----	41.95
Equipment -----	1,300.00
Fuel -----	24.00
Surveying -----	222.00
Attorney Fee -----	75.00
Miscellaneous -----	156.64
TOTAL EXPENDITURES -----	<u>\$17,983.44</u>

Honorable Robert B. Baker

Total Receipts Plus Balance --	\$19,029.33
Balance in Treasury	
June 30, 1959 -----	1,045.89
Total Indebtedness from	
General Revenue -----	3,100.00

DONALD HOWARD, Mayor
RUTH LONG, Treasurer

MUNICIPAL WATERWORKS FUND

Balance in Treasury	
Dec. 31, 1958 - (Overdrawn) \$	3.49
Receipts - Transfer of Funds --	<u>9,905.00</u>
Total Receipts less	
Overdraft -----	\$ 9,901.51

**EXPENDITURES -
MUNICIPAL WATERWORKS FUND**

Salaries -----	\$ 637.70
City Pump Power -----	626.04
Labor -----	903.80
Supplies (Pipe Line to Factory Site) -----	7,342.09
Interest on Bonds -----	305.55
Freight -----	18.94
Printing -----	40.00
TOTAL EXPENDITURES -----	<u>\$ 9,874.12</u>
Total Receipts	
less Overdraft -----	\$ 9,901.51
Balance in Treasury	
June 30, 1959 -----	27.39

Total Indebtedness of Municipal Water Dept. (City Well No. 270)	\$12,000.00
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DONALD HOWARD, Mayor
RUTH LONG, Treasurer"

Honorable Robert B. Baker

Section 79.160, RSMo 1949, applicable to cities of the Fourth Class, provides:

"The board of aldermen shall semiannually in January and July of each year make out and spread upon their record a full and detailed account and statement of the receipts and expenditures and indebtedness of the city for the half year ending December thirty-first and June thirtieth, preceding the date of such report, which account and statement shall be published in some newspaper in the city." (Emphasis supplied)

Admittedly, the foregoing statute does not lay down a rule by which we may determine what the legislature meant by the words "full and detailed" when describing the financial statement. We then must take note of the following language found at Section 1.090 RSMo, Sup. 1957:

"Words and phrases shall be taken in their plain or ordinary and usual sense but technical words and phrases having a peculiar and appropriate meaning in law shall be understood according to their technical import."

In the light of the statutes quoted above we must look for a reasonable rule to follow. In *State ex rel. McKinney v. Commissioner of Washington County*, 47 N.E. 565, the Supreme Court of Ohio was construing a statute of that State requiring that the county commissioners should make a "detailed report" of their financial transactions, and the Court spoke as follows at 47 N.E. 565, 1.c. 568:

"Doubtless an account or report which gave the most minute circumstances of a transaction, or resolved into its ultimate component parts every composite item, would properly fall within the definition of a detailed account or report; but the common acceptation of the term, as applied to the ordinary transactions of mankind, denotes also a much less specific and extended subdivision of a transaction. * * * It advised the taxpayers of the county of the several

Honorable Robert B. Baker

subjects to which the public revenue had been devoted, and the amount expended upon each subject; and this, we think, is all that the statute requires."

From an examination of the financial report quoted in the forepart of this opinion it can readily be determined that it does not descend into reasonable detail with reference to the items mentioned. The item touching receipts growing out of "water collections and meter deposits, taxes, etc.," commingles three separate items of receipt without disclosing the gross or net pertaining to any of the three items. "Night Marshall collections" gives no evidence as to the purpose of such collections -- whether authorized by ordinance or statute. We may assume that "fines" is an item reporting collections resulting from violations of city ordinances. The item denoted "salaries" in expenditures gives no evidence as to what persons were paid or how much, and this item is of the utmost concern to taxpayers viewing the report. It is not necessary to extend the discussion touching the indefiniteness of other items mentioned in the financial statement, but it will suffice to say that the statement does not descend into reasonable detail on the majority of items, commingles other items in such a manner as to make their individual character incapable of discernment, and as a whole does not advise the taxpayers of the city of the several subjects to which the public revenue has been devoted, or of the amounts spent on the individual subject items.

CONCLUSION

It is the opinion of this office that the "financial statement" referred to in the foregoing opinion does not meet the requirements of Section 79.160 RSMo 1949.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, Julian L. O'Malley.

Yours very truly,

JOHN M. DALTON
Attorney General

JLO/mlw