

BASIC FINANCIAL STATEMENTS

**CITY OF MONETT, MISSOURI
STATEMENT OF NET ASSETS
MARCH 31, 2007**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 147,724	\$ 142,742	\$ 290,466
Investments			
Accounts receivable	878,370	1,993,437	2,871,807
Prepaid health insurance	57,379		57,379
Prepaid workmen's compensation	75,799	64,851	140,650
Restricted assets:			
Cash and cash equivalents	7,488,243	2,045,768	9,534,011
Investments		1,300,834	1,300,834
Other	145,658	189,126	334,784
Capital assets:			
Non depreciable	922,438	210,160	1,132,598
Depreciable, net	10,421,713	23,177,620	33,599,333
Total Assets	<u>20,137,324</u>	<u>29,124,538</u>	<u>49,261,862</u>
LIABILITIES			
Accounts payable	135,069	1,036,886	1,171,955
Accrued payroll and payroll taxes	148,206	65,071	213,277
Accrued interest payable	141,361		141,361
Due to depositors	4,110	313,857	317,967
Accrued compensated absences liabilities:			
Due within one year	185,476	85,765	271,241
Due in more than one year	146,896	139,632	286,528
Long-term debt liabilities:			
Due within one year	716,617	413,789	1,130,406
Due in more than one year	9,773,764	9,335,193	19,108,957
Total Liabilities	<u>11,251,499</u>	<u>11,390,193</u>	<u>22,641,692</u>
NET ASSETS			
Reserved:			
Invested in capital assets, net of related debt	853,770	13,638,798	14,492,568
Restricted for:			
Capital projects	7,505,997	1,300,834	8,806,831
Other purposes	247,458		247,458
Unrestricted	278,600	2,794,713	3,073,313
Total Net Assets	<u>\$ 8,885,825</u>	<u>\$ 17,734,345</u>	<u>\$ 26,620,170</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets		
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Policy development and administration	\$ 276,242	\$ 242,318	\$	\$ (33,924)	\$	\$ (33,924)
Public safety	3,081,528	68,516	10,427	(3,002,585)		(3,002,585)
Public works	1,441,999	646,613	950,532	155,146		155,146
Parks and recreation	1,046,234	383,669		(662,565)		(662,565)
Municipal Airport	420,614	143,799	63,663	(213,152)		(213,152)
Interest on long-term debt	515,003			(515,003)		(515,003)
Total governmental activities	<u>6,781,620</u>	<u>1,484,915</u>	<u>1,024,622</u>	<u>(4,272,083)</u>		<u>(4,272,083)</u>
Business-type activities:						
Waterworks	1,567,362	1,561,318			(6,044)	(6,044)
Electric	13,908,842	15,841,014			1,932,172	1,932,172
Wastewater-sewer	2,593,346	1,844,566			(748,780)	(748,780)
Sanitation	501,379	562,057	9,753		70,431	70,431
Fiber optics	127,838	125,706			(2,132)	(2,132)
Total business-type activities	<u>18,698,767</u>	<u>19,934,661</u>	<u>9,753</u>		<u>1,245,647</u>	<u>1,245,647</u>
Total City	<u>\$ 25,480,387</u>	<u>\$ 21,419,576</u>	<u>\$ 1,034,375</u>	<u>(4,272,083)</u>	<u>1,245,647</u>	<u>(3,026,436)</u>
General revenues						
Sales and use taxes				2,134,821		2,134,821
M & M Surcharge Tax				32,210		32,210
Emergency Telephone Tax				81,783		81,783
Sales Tax - TIF				1,104,604		1,104,604
Real Estate Tax - TIF				12,721		12,721
Franchise fees				272,904		272,904
Pilots in Lieu of Taxes				1,925,805	(1,925,805)	
Investment revenue				279,036	411,296	690,332
Miscellaneous					226,709	226,709
Transfers				200,000	(200,000)	
Total general revenues and transfers				<u>6,043,884</u>	<u>(1,487,800)</u>	<u>4,556,084</u>
Change in net assets				1,771,801	(242,153)	1,529,648
Net assets - beginning				7,114,024	17,976,498	25,090,522
Net assets - ending				<u>\$ 8,885,825</u>	<u>\$ 17,734,345</u>	<u>\$ 26,620,170</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2007**

	<u>Major Funds</u>			Total Governmental Funds
	<u>General</u>	<u>E-911</u>	<u>Tax Increment Finance</u>	
ASSETS				
Cash and cash equivalents	\$ 147,724	\$	\$	\$ 147,724
Accounts receivable	494,768			494,768
Prepaid health insurance	57,379			57,379
Prepaid workmen's compensation	75,799			75,799
Restricted assets:				
Cash and cash equivalents	3,000,000	115,533	4,372,710	7,488,243
Investments				
Other			145,658	145,658
Total assets	<u>\$ 3,775,670</u>	<u>\$ 115,533</u>	<u>\$ 4,518,368</u>	<u>\$ 8,409,571</u>
LIABILITIES				
Accounts payable	\$ 135,069	\$	\$	\$ 135,069
Accrued payroll and payroll taxes	146,953	1,253		148,206
Due to depositors	4,110			4,110
Total liabilities	<u>286,132</u>	<u>1,253</u>		<u>287,385</u>
FUND BALANCE				
Reserved:				
Reserved for E-911		114,280		114,280
Reserved for Tax Increment Financing			4,518,368	4,518,368
Reserved for Prepaid Items	133,178			133,178
Reserved for Police Station Project	2,987,629			2,987,629
Undesignated	368,731			368,731
Total fund balances	<u>3,489,538</u>	<u>114,280</u>	<u>4,518,368</u>	<u>8,122,186</u>
Total liabilities and fund balances	<u>\$ 3,775,670</u>	<u>\$ 115,533</u>	<u>\$ 4,518,368</u>	<u>\$ 8,409,571</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - total governmental funds		\$ 8,122,186
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 22,891,922	
Less accumulated depreciation	<u>(11,547,770)</u>	11,344,152
Long-term liabilities; including certificates of participation, capital lease obligations, and accrued compensated absences, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.		
Accounts Receivable - Disaster Relief	383,602	
Accrued compensated absences	(332,372)	
Capital lease obligations	(3,064,256)	
Note - Land Purchase	(150,000)	
NID - Valley View	(136,125)	
Certificates of participation - Airport	(200,000)	
Certificates of participation - Golf Course	(590,000)	
Tax Increment Refunding Revenue Bonds Series 2004	(2,185,000)	
Tax Increment Allocation Bonds - Series 2005A	(1,630,000)	
Tax Increment Allocation Bonds - Series 2005B	(2,535,000)	
Accrued interest liability	<u>(141,361)</u>	(10,580,513)
Net assets of Governmental Activities		<u><u>\$ 8,885,825</u></u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED MARCH 31, 2007**

	<u>Major Funds</u>			Total Governmental Funds
	<u>General</u>	<u>E-911</u>	<u>Tax Increment Finance</u>	
REVENUES				
Business license and permits	\$ 36,557	\$	\$	\$ 36,557
Federal and state grants	74,090		950,532	1,024,622
Fines and forfeitures	134,567			134,567
Franchise fees	272,905			272,905
Sales tax	2,452,290		1,104,604	3,556,894
Investment income	49,922		229,114	279,036
Other revenue	343,320	104,293	-	447,613
Other taxes and assessments	32,210		12,721	44,931
Payments in lieu of taxes	1,925,804			1,925,804
Rental revenue	246,890			246,890
Total Revenues	<u>5,568,555</u>	<u>104,293</u>	<u>2,296,971</u>	<u>7,969,819</u>
EXPENDITURES				
Current				
Policy development and administration	242,747			242,747
Public safety	2,832,933	92,734		2,925,667
Public works	1,243,210		2,748	1,245,958
Parks and recreation	794,003			794,003
Municipal airport	254,795			254,795
Capital outlay	489,317		1,564,478	2,053,795
Debt service:				
Principal	226,057		1,595,000	1,821,057
Interest and other charges	42,209		357,139	399,348
Total Expenditures	<u>6,125,271</u>	<u>92,734</u>	<u>3,519,365</u>	<u>9,737,370</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(556,716)</u>	<u>11,559</u>	<u>(1,222,394)</u>	<u>(1,767,551)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from financing	3,000,000			3,000,000
Transfers in	200,000			200,000
Total Other Financing Sources (Uses)	<u>3,200,000</u>			<u>3,200,000</u>
Net Change in Fund Balances	2,643,284	11,559	(1,222,394)	1,432,449
Fund balance - beginning	846,254	102,721	5,740,762	6,689,737
Fund balance - ending	<u>\$ 3,489,538</u>	<u>\$ 114,280</u>	<u>\$ 4,518,368</u>	<u>\$ 8,122,186</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007**

Amounts reported for governmental activities in the statement of activities are difference because:

Net change in fund balance - total governmental funds	\$ 1,432,449
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.	2,053,795
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(809,605)
In the Statement of Activities accounts receivable for disaster relief is recognized as changes for services.	383,602
In the Statement of Activities cost of accrued compensated absences are expensed as salary costs.	6,158
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	(115,655)
Governmental funds report proceeds from financing as revenue. However, in the statement of activities the proceeds of those loans are balance sheet items and not reported on the Statement of Activities.	(3,000,000)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,821,057
Change in net assets of governmental activities	<u><u>\$ 1,771,801</u></u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
ENTERPRISE FUNDS STATEMENT OF NET ASSETS
MARCH 31, 2007**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$	\$ 50,365	\$	\$ 91,601	\$ 776	\$ 142,742
Investments						
Accounts receivable	136,261	1,337,420	459,509	47,672	12,575	1,993,437
Prepaid workmen's compensation	12,825	21,086	6,445	24,495		64,851
Due from other funds		505,390				505,390
Unamortized bond issue costs			189,126			189,126
Total current assets	<u>149,086</u>	<u>1,914,261</u>	<u>655,080</u>	<u>163,768</u>	<u>13,351</u>	<u>2,895,546</u>
Restricted assets:						
Cash and cash equivalents	84,576		1,961,192			2,045,768
Investments			1,300,834			1,300,834
Total restricted assets	<u>84,576</u>		<u>3,262,026</u>			<u>3,346,602</u>
Capital assets:						
Land	56,932	58,400	94,828			210,160
Building and Improvements	908,946	751,127	6,721	84,878		1,751,672
Machinery and equipment	408,558	564,359	312,783	919,234		2,204,934
Infrastructure	6,671,506	5,137,719	24,787,027	61,189	590,714	37,248,155
Construction in progress						
Less: accumulated depreciation	(3,024,446)	(4,718,109)	(9,564,522)	(665,457)	(54,607)	(18,027,141)
Total capital assets (net of accumulated depreciation)	<u>5,021,496</u>	<u>1,793,496</u>	<u>15,636,837</u>	<u>399,844</u>	<u>536,107</u>	<u>23,387,780</u>
Total noncurrent assets	<u>5,021,496</u>	<u>1,793,496</u>	<u>15,636,837</u>	<u>399,844</u>	<u>536,107</u>	<u>23,387,780</u>
Total Assets	<u>5,255,158</u>	<u>3,707,757</u>	<u>19,553,943</u>	<u>563,612</u>	<u>549,458</u>	<u>29,629,928</u>
LIABILITIES						
Current liabilities:						
Accounts payable		1,036,886				1,036,886
Accrued payroll and payroll taxes	17,426	25,879	16,932	4,834		65,071
Due to other funds					505,390	505,390
Current maturities of long-term debt	63,789		350,000			413,789
Total current liabilities	<u>81,215</u>	<u>1,062,765</u>	<u>366,932</u>	<u>4,834</u>	<u>505,390</u>	<u>2,021,136</u>
Long-term liabilities, less current maturities:						
Due to depositors	27,892	285,965				313,857
Accrued compensated absences	52,399	111,896	50,400	10,702		225,397
Notes and capitalized lease obligations payable	515,193					515,193
Neighborhood improvement bonds			350,000			350,000
Revenue bonds payable, net			8,470,000			8,470,000
Total noncurrent liabilities	<u>595,484</u>	<u>397,861</u>	<u>8,870,400</u>	<u>10,702</u>		<u>9,874,447</u>
Total Liabilities	<u>676,699</u>	<u>1,460,626</u>	<u>9,237,332</u>	<u>15,536</u>	<u>505,390</u>	<u>11,895,583</u>
NET ASSETS						
Reserved:						
Invested in capital assets, net of related debt	4,442,514	1,793,496	6,466,837	399,844	536,107	13,638,798
Restricted for:						
Capital projects			1,300,834			1,300,834
Unrestricted	135,945	453,635	2,548,940	148,232	(492,039)	2,794,713
Total Net Assets	<u>\$ 4,578,459</u>	<u>\$ 2,247,131</u>	<u>\$ 10,316,611</u>	<u>\$ 548,076</u>	<u>\$ 44,068</u>	<u>\$ 17,734,345</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
ENTERPRISE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
YEAR ENDED MARCH 31, 2007

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 1,561,318	\$ 15,841,014	\$ 1,844,566	\$ 571,810	\$ 125,706	\$ 19,944,414
OPERATING EXPENSES						
Salaries	449,399	697,840	438,576	131,281		1,717,096
Payroll taxes	32,815	50,756	31,816	9,126		124,513
Depreciation	243,537	158,608	1,018,890	82,182		1,503,217
Computer	5,606	5,937	5,990		50	17,583
Education	8,284	12,289	4,487		31	25,091
Electric purchases		12,151,747				12,151,747
Health and life insurance	52,458	66,678	55,282	25,054		199,472
Insurance	19,620	82,377	24,035	5,308		131,340
Landfill and recycling				159,886		159,886
Miscellaneous	2,474	3,819	592	746		7,631
Payments in lieu of taxes	157,118	1,534,711	221,405		12,571	1,925,805
Professional and consulting service	19,840	35,078	56,460		12,543	123,921
Repairs and maintenance	116,182	113,117	122,027	51,068	3,621	406,015
Retirement	51,509	80,190	50,915	15,338		197,952
Supplies	275,008	423,667	63,086	6,546	111,448	879,755
Telephone	3,318	4,710	2,629		145	10,802
Utilities	252,890		245,826			498,716
Workman's compensation	12,224	22,029	9,451	13,254		56,958
Total Operating Expenses	<u>1,702,282</u>	<u>15,443,553</u>	<u>2,351,467</u>	<u>499,789</u>	<u>140,409</u>	<u>20,137,500</u>
Operating Income (Loss)	<u>(140,964)</u>	<u>397,461</u>	<u>(506,901)</u>	<u>72,021</u>	<u>(14,703)</u>	<u>(193,086)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income			411,296			411,296
Miscellaneous income	196,380	16,078	3,533	10,718		226,709
Interest expense and fees	(22,198)		(463,284)	(1,590)		(487,072)
Total Nonoperating Revenues (Expenses)	<u>174,182</u>	<u>16,078</u>	<u>(48,455)</u>	<u>9,128</u>		<u>150,933</u>
Income (Loss) Before Contributions and Transfers	33,218	413,539	(555,356)	81,149	(14,703)	(42,153)
Transfers in (out)	400,000	(200,000)	(400,000)			(200,000)
Change in Net Assets	<u>433,218</u>	<u>213,539</u>	<u>(955,356)</u>	<u>81,149</u>	<u>(14,703)</u>	<u>(242,153)</u>
Net assets - beginning	4,145,241	2,033,592	11,271,967	466,927	58,771	17,976,498
Prior period adjustment						
Net assets - ending	<u>\$ 4,578,459</u>	<u>\$ 2,247,131</u>	<u>\$ 10,316,611</u>	<u>\$ 548,076</u>	<u>\$ 44,068</u>	<u>\$ 17,734,345</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
ENTERPRISE FUNDS STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2007**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 1,525,284	\$ 15,634,756	\$ 1,873,223	\$ 560,162	\$ 119,331	\$ 19,712,756
Cash received from other sources	196,380	16,078	3,533	965		216,956
Cash payments to suppliers	(395,357)	(12,720,656)	(192,443)	(57,824)	(115,069)	(13,481,349)
Cash payments to employees	(452,383)	(705,397)	(435,232)	(130,781)		(1,723,793)
Cash payments to employee benefits and payroll taxes	(149,006)	(219,737)	(147,464)	(62,772)		(578,979)
Cash payments for other expenses	(469,150)	(1,678,837)	(561,424)	(165,940)	(25,340)	(2,900,691)
Net cash provided by (used in) operating activities	255,768	326,207	540,193	143,810	(21,078)	1,244,900
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	400,000	(200,000)	(400,000)			(200,000)
Due (from) to other funds		(35,012)			35,012	
Net cash provided by (used in) non-capital financing activities	400,000	(235,012)	(400,000)		35,012	(200,000)
Cash flows from capital and related financing activities:						
Interest expense & fees	(22,198)		(463,284)	(1,590)		(487,072)
Purchase of capital acquisitions	(492,562)	(49,840)	(104,916)	(12,037)	(13,172)	(672,527)
Principal payment on capital lease	(61,583)			(52,985)		(114,568)
Redemption of bonds payable			(340,000)			(340,000)
Net cash provided by (used in) capital and related financing activities	(576,343)	(49,840)	(908,200)	(66,612)	(13,172)	(1,614,167)
Cash flows from investing activities:						
Investment income			411,296			411,296
Sale of investments - held to maturity			62,686			62,686
Net cash provided by (used in) investing activities			473,982			473,982
Net increase (decrease) in cash and cash equivalents	79,425	41,355	(294,025)	77,199	762	(95,285)
Cash and cash equivalents - beginning	<u>5,151</u>	<u>9,010</u>	<u>2,255,217</u>	<u>14,402</u>	<u>14</u>	<u>2,283,794</u>
Cash and cash equivalents - ending	<u>\$ 84,576</u>	<u>\$ 50,365</u>	<u>\$ 1,961,192</u>	<u>\$ 91,601</u>	<u>\$ 776</u>	<u>\$ 2,188,509</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (140,964)	\$ 397,461	\$ (506,901)	\$ 81,774	\$ (14,703)	\$ (183,333)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	243,537	158,608	1,018,890	82,182	-	1,503,217
Miscellaneous charges	196,378	16,078	3,533	965	-	216,954
(Increase) decrease in accounts receivable	(33,840)	(235,299)	28,657	(21,401)	(6,375)	(268,258)
Increase (decrease) in accounts payable	(4,167)	(32,125)	(7,330)	(210)		(43,832)
Increase (decrease) in accrued payroll	(6,537)	(9,551)	(5,741)	(1,888)		(23,717)
Increase (decrease) in customer deposits	(2,202)	29,041				26,839
Increase (decrease) in accrued compensated absences	3,553	1,994	9,085	2,388		17,020
Net cash provided by (used in) operating activities	<u>\$ 255,758</u>	<u>\$ 326,207</u>	<u>\$ 540,193</u>	<u>\$ 143,810</u>	<u>\$ (21,078)</u>	<u>\$ 1,244,890</u>

See accompanying notes to the financial statements.