

**CITY OF MONETT,  
MISSOURI**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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**FOR THE YEAR ENDED  
MARCH 31, 2007**

**CITY OF MONETT, MISSOURI**

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## **INTRODUCTION SECTION**

City of Monett, Missouri  
List of Elected and Appointed Officials  
March 31, 2007

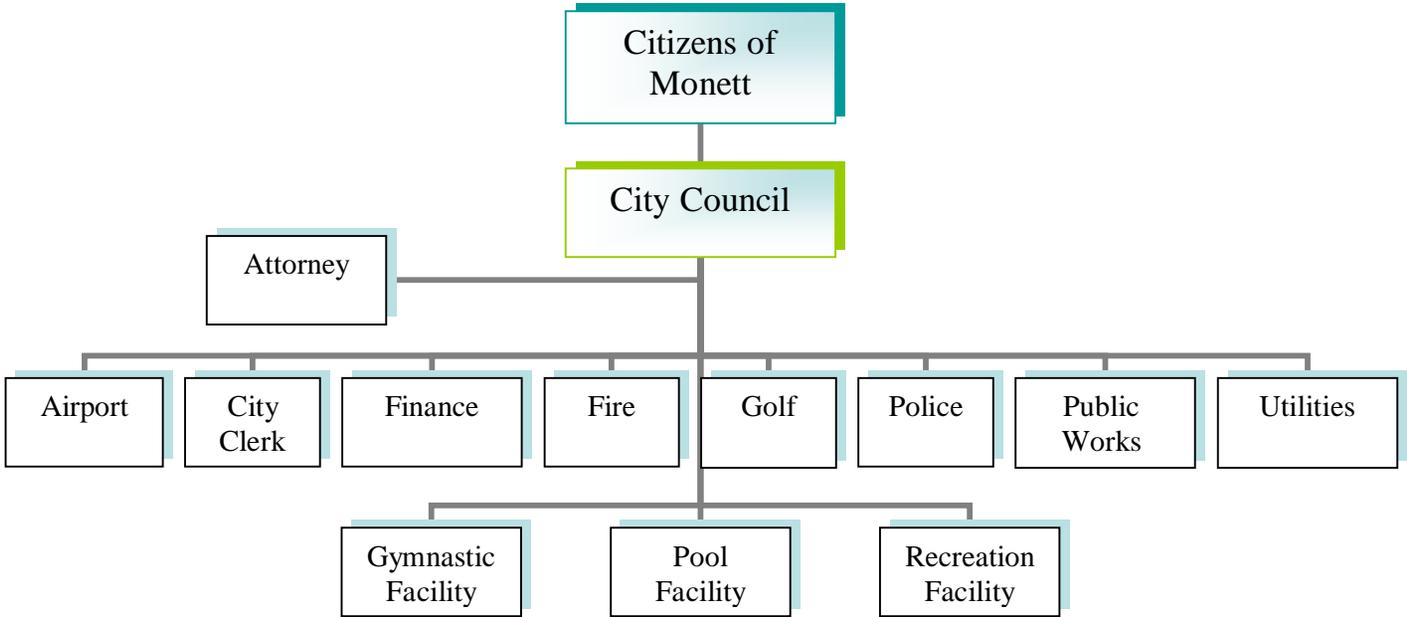
Elected Officials

Mayor	James Orr
Commissioner	Jerry Dierker
Commissioner	Michael Brownsberger

Appointed Officials

Airport Superintendent	Howard Frazier
City Clerk/Treasurer	Janie Knight
Fire Chief	Tom Jones
Golf Superintendent	Mike Knight
Police Chief	Tim Schweder
Public Works Superintendent	Russ Balmas
Utilities General Manager	Pete Rauch

City of Monett, Missouri  
Organization Chart



# City of Monett, Missouri

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT

James Orr, Mayor · Michael Brownsberger, Commissioner · Jerry Dierker, Commissioner  
217 Fifth Street · P.O. Box 110 · Monett, Missouri 65708

City Clerk - (417) 235-3763  
City Collector - (417) 235-3544  
Council - (417) 235-3355  
Fax - (417) 235-4608

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August 21, 2007

## **Members of the Governing Council Citizens of the City of Monett, Missouri**

The Administrative Department is pleased to present the Comprehensive Annual Financial Report (the CAFR) for the City of Monett, Missouri (the City), for fiscal year ended March 31, 2007. This report is submitted to you in compliance with state law requiring that all political subdivisions in the state shall cause to be prepared an annual report of the financial transactions in such summary form as the state auditor shall prescribe (105.145, RSMO) and the state auditor shall receive a copy of the financial report (15 CRS 40-3.030).

Responsibility to report financial data that is complete and accurate rests with the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects, on a Government-wide and a Fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

To ensure reliability of the accounting data upon which the City's financial statements are based, internal controls are utilized to provide reasonable assurance that transactions are accounted for properly and City assets are safeguarded. Additionally, the Administrative Department staff has prepared this report in conformity with accounting principles generally accepted in the United States of America (GAAP) which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly.

The City of Monett, Missouri's financial statements have been audited by The CPA Group, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monett, Missouri for the fiscal year ended March 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Monett, Missouri was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited

government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards

The CAFR is presented in three sections: introductory, financial, and statistical. The *introduction section* is designed to introduce the reader to the report and includes the transmittal letter, the City's organization chart, and a list of principal officials.

The *financial section* begins with the independent auditors' report. The auditors' report discloses the opinion of the independent auditors with regard to the presentation of the financial statements and internal controls. This section also includes the Management's Discussion and Analysis, the Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statement of non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements.

The *statistical section* includes selected financial and demographic information, generally presented on a multiyear basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedules presented in the financial section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Monett, Missouri's MD&A can be found immediately following the report of the independent auditors'.

### **Profile of the Government**

The City of Monett, Missouri, incorporated in 1888, is a third class city located in the southwestern part of the state. The City currently occupies a land area of 9 square miles and has a population of 7,396. The City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under a commission form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and two commissioners. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the heads of the various departments. The various departments are responsible for carrying out the policies and ordinances of the governing council, and for overseeing the day-to-day operations of the government. Council members serve four-year terms that expire in April of 2008.

The City of Monett provides a full range of services normally associated with a municipality, including police and fire protection, emergency communication center, public works services, municipal airport, parks and other recreation facilities, and general administrative services. The City also operates water, electric, sewer, sanitation and fiber optic services, all of which are

accounted for in the financial statements as business-type funds.

This report presents data for the financial reporting entity, which includes all departments, funds, boards, and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The one component unit of the City is the East Highway 60 Community Improvement District, which is a blended component unit. The financial reporting entity is discussed further in Note 1 of the financial statements.

The annual budget serves as the foundation for the City of Monett, Missouri's financial planning and control. All departments of the City of Monett, Missouri are required to submit requests for appropriation to the City's director of finance in January each year. The director of finance uses these requests as the starting point for developing a proposed budget. The director of finance then presents a proposed budget to the council for review prior to March 10th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than March 31, the close of the City of Monett, Missouri's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council.

#### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Monett, Missouri operates.

***Local economy*** - The City of Monett, Missouri currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include several computer software providers, several window manufacturers, playground equipment manufacturer, food manufacturer, cheese processors, dairy processors and poultry processors, and several financial and insurance institutions. Meanwhile, there continues to be a discernable trend toward steady residential growth.

***Long-term financial planning*** - The next transportation-related project is expected to be a railroad overpass project on the western edge of the City of Monett, Missouri's boundaries. Federal highway and railroad funds will be used to pay for the greater part of the cost of the \$1.25 million overpass, with \$500,000 anticipated to be the City of Monett, Missouri's share. The overpass will probably be completed sometime in late 2008.

The next tax increment financing project is expected to include street improvement on the eastern edge of the City of Monett, Missouri's boundaries. Community development block grant funds and tax increment financing funds will be used to pay for the \$1.3 million infrastructure improvements.

The next governmental building project is a police station on the eastern edge of the City of Monett, Missouri's boundaries. General governmental funds will be used to pay for the \$3 million building project. This project is expected to be completed in 2008.

***Cash management policies and practices*** - Cash temporarily idle during the year was invested in money market accounts, certificates of deposit, and U.S. agency securities. The maturities of the investments range from 12 months to 4 years, with an average maturity of 36 months. For the last fiscal year the average yield on investments was 5.4 percent.

***Risk management*** - During 1998, the government initiated a safety program for workers' compensation. This program strives to emphasize the importance of practicing sound loss prevention techniques, the refinement of work safety policies and procedures and the creation and maintenance of a safe working environment. In addition, various control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses.

#### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Monett, Missouri's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Orr".

James Orr,  
Mayor

## **FINANCIAL SECTION**

**REPORT OF INDEPENDENT AUDITORS'**



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## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor James Orr,  
Jerry Dierker and Michael Brownsberger, Councilmen  
Monett, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City), as of and for the year ended March 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated August 21, 2007, on our consideration of the City'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.

The management's discussion and analysis, budgetary comparison information and combined financial statements, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

## Independent Auditors' Report

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City. The schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

August 21, 2007

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# City of Monett, Missouri

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT  
James Orr, Mayor · Michael Brownsberger, Commissioner · Jerry Dierker,  
Commissioner  
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## Management's Discussion and Analysis

As management of the City of Monett, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Monett, Missouri (the City) for the fiscal year ended March 31, 2007. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements and footnotes, which follow this section.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$26,620,170 (*net assets*). Of this amount, \$3,073,313 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$1,529,648. Of this amount, \$1,771,801 was from the City's "governmental activities" with a decrease in net assets of \$242,153 from the "business-type activities".
- The City total debt increased by \$663,503 during the current fiscal year. The key factor in this increase was the issuance of \$3,000,000 in capital lease obligations for the Police Station project. The City fiscal year started with existing debt of \$19,575,851, principal payment of \$2,336,497 were made during the year, also, new debt issuance of \$3,000,000, which created ending fiscal year debt balance of \$20,239,354.

### Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the basic financial statements. The basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are a broad overview of the City's finances, in a manner similar to a private business.

The *statement of net assets* presents all of the City's assets and liabilities with the difference between the two reported as *net assets*. Net assets are an important measure of the City's overall financial health. The increases or decreases in net assets can be monitored to determine whether the City's financial position is improving or deteriorating.

## Management's Discussion and Analysis

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include policy development and administration, public safety, public works, parks and recreation, and municipal airport. The business-type activities of the City of Monett, Missouri include water, electric, sewer, sanitation and fiber optic operations.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, electric, sewer, sanitation and fiber optic operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hazardous material, safety, and mechanic operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions.

**Government-wide Financial Analysis**

Net assets may serve as a useful indicator of the City's financial position. As of March 31, 2007, assets exceeded liabilities by \$26,620,170. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**NET ASSETS**

The following table reflects the condensed schedule of net assets as of March 31, 2007 and 2006:

	<b>City of Monett Net Assets</b>					
	<b>Governmental activities</b>		<b>Business-Type activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current and other assets	\$ 8,793,173	\$ 7,034,518	\$ 5,736,758	\$ 5,626,470	\$14,529,931	\$12,660,988
Capital Assets	11,344,151	10,099,963	23,387,780	24,218,470	34,731,931	34,318,433
Total Assets	20,137,324	17,134,481	29,124,538	29,844,940	49,261,862	46,979,421
Long-term debt outstanding	9,773,764	9,372,310	9,335,193	10,203,541	19,108,957	19,575,851
Other liabilities	1,477,735	593,722	2,055,000	1,664,901	3,532,735	2,258,623
Total Liabilities	11,251,499	9,966,032	11,390,193	11,868,442	22,641,692	21,834,474
Net Assets:						
Investment in capital assets, net of related debt	853,770	727,653	13,638,798	14,014,929	14,492,568	14,742,582
Restricted	7,753,455	6,117,827	1,300,834	1,303,536	9,054,289	7,421,363
Unrestricted	278,600	268,544	2,794,713	2,658,033	3,073,313	2,926,577
Total net assets	<u>\$ 8,885,825</u>	<u>\$ 7,114,024</u>	<u>\$17,734,345</u>	<u>\$17,976,498</u>	<u>\$26,620,170</u>	<u>\$25,090,522</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net assets increased to \$26,620,170 from \$25,090,522 as a result of the increase in net assets reflected in the next table.

The largest portion of the City's net assets, \$14,429,568 (54%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net assets, \$9,054,289 (34%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, \$3,073,313 (12%), represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors.

## Management's Discussion and Analysis

### *Change in Net Assets*

The following table reflects the revenues and expenses from the City's activities:

	<b>City of Monett Changes in Net Assets</b>					
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,484,915	\$ 953,351	\$ 19,934,661	\$ 19,314,580	\$ 21,419,576	\$ 20,267,931
Capital grants and contributions	1,024,622	907,572	9,753		1,034,375	907,572
General revenues:						
Sales taxes	2,134,821	2,158,108			2,134,821	2,158,108
TIF taxes	1,117,325	824,422			1,117,325	824,422
Franchise fees	272,904	275,050			272,904	275,050
Pilots in lieu of taxes	1,925,805	1,461,906	(1,925,805)	(1,461,906)		
Other taxes	113,993	120,224			113,993	120,224
Other revenues	279,036	142,960	638,005	452,486	917,041	595,446
Total revenues	<u>8,353,421</u>	<u>6,843,593</u>	<u>18,656,614</u>	<u>18,305,160</u>	<u>27,010,035</u>	<u>25,148,753</u>
<b>Expenses:</b>						
Policy development and administration	276,242	272,835			276,242	272,835
Public safety	3,081,528	3,042,470			3,081,528	3,042,470
Public works	1,441,999	1,477,033			1,441,999	1,477,033
Parks and recreation	1,046,234	1,018,100			1,046,234	1,018,100
Municipal airport	420,614	137,982			420,614	137,982
Interest on long-term debt	515,003	334,486			515,003	334,486
Waterworks			1,567,362	1,379,444	1,567,362	1,379,444
Electric			13,908,842	13,840,616	13,908,842	13,840,616
Wastewater-sewer			2,593,346	2,205,935	2,593,346	2,205,935
Sanitation			501,379	495,557	501,379	495,557
Fiber optics			127,838	66,890	127,838	66,890
Total Expenses	<u>6,781,620</u>	<u>6,282,906</u>	<u>18,698,767</u>	<u>17,988,442</u>	<u>25,480,387</u>	<u>24,271,348</u>
Increase in net assets before transfers	1,571,801	560,687	(42,153)	316,718	1,529,648	877,405
Transfers	200,000	1,095,000	(200,000)	(1,095,000)		
Increase in net assets	<u>1,771,801</u>	<u>1,655,687</u>	<u>(242,153)</u>	<u>(778,282)</u>	<u>1,529,648</u>	<u>877,405</u>
Net assets, beginning	7,114,024	5,458,337	17,976,498	18,754,780	25,090,522	24,213,117
Net assets, ending	<u>\$ 8,885,825</u>	<u>\$ 7,114,024</u>	<u>\$ 17,734,345</u>	<u>\$ 17,976,498</u>	<u>\$ 26,620,170</u>	<u>\$ 25,090,522</u>

### *Governmental Activities*

Governmental activities increased the City's net assets by \$1,771,801. Sales tax revenues, the largest governmental category, were \$2,134,821, or 26%. For the fiscal year ended March 31, 2007, revenues totaled \$27,010,035 (governmental and business-type). Revenues from governmental activities total \$8,353,421, or 31%, of the total City revenues. City revenues grew \$1,509,828 within the governmental activities.

Certain revenues are generated that are specific to governmental program activity. These totaled \$1,484,915. The following table shows expenses and program revenues of the governmental activities for the year ended March 31, 2007 and 2006:

Management's Discussion and Analysis

**Net Cost of Governmental Activities**

	<b>Total cost of service</b>		<b>Net cost of service</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Policy development and administration	\$ 276,242	\$ 272,835	\$ 33,924	\$ 168,927
Public safety	3,081,528	3,042,470	3,002,585	2,744,857
Public works	1,441,999	1,477,033	795,386	868,488
Parks and recreation	1,046,234	1,018,100	662,565	645,867
Municipal airport	420,614	137,982	213,152	(144,139)
Interest on long-term debt	515,003	334,486	515,003	137,982
	<b>\$ 6,781,620</b>	<b>\$ 6,282,906</b>	<b>\$ 5,222,615</b>	<b>\$ 4,421,982</b>

As previously noted, expenses from governmental activities total \$6,781,620 million. However, net costs of these services were \$5,222,615. The difference represents direct revenues received from charges for services of \$1,484,915 and capital grants and contributions of \$74,090. Taxes and other revenues of \$6,043,884 million were collected to cover these net costs.

***Business-type Activities***

Business-type activities decreased the City's net assets by \$242,153. Key elements of this decrease are as follows:

- The water recorded an increase of \$33,218 in net income for the year. Revenues relating to charges for services increased \$170,132, a donation of \$160,000 relating to the water tower, \$34,000 relating to sale of supplies and a decrease in costs relating to repair and maintenance of \$98,428 provided funding for increases in cost of supplies of \$32,349, increases in employee expenses of \$11,844, increases in utilities of \$189,968, increases in pilot of \$48,343 and increased supplies of \$32,349 over prior year expenses..
- The electric recorded an increase of \$413,539 in net income for the year. Revenues relating to charges for services increased \$432,215. Pilots increased \$371,466 over the prior year expenses
- The sewer recorded a decrease of \$555,356 in net income for the year. Revenues relating to charges for services decreased \$98,147. Increases in cost included the an increase in depreciation of \$335,887, increase in pilots of \$37,176 and increase in utilities of \$146,240 over prior year expenses.

***Financial Analysis of the City's Funds***

As of the end of the fiscal year, the City's governmental funds report a combined fund balance of \$8,122,186 (an increase of approximately 21%). The majority of the increase is attributable to the planned capital outlay in the police station project of \$3,000,000. The fund balance of the General Fund increased to \$3,489,538 at the end of the fiscal year.

The net assets in the E-911 Fund increased to \$114,280 (increase of \$11,559 or 11%) in the fiscal year due to retention of restricted revenues for 911 purposes.

## Management's Discussion and Analysis

The Water Fund's net assets increased \$433,218 (10%) in the current year as a result of a transfer of \$400,000 from the Sewer Fund to the Water Fund.

The Electric Fund's net assets increased \$213,539 (11%) in the current year as a result of increased electric services charged to customers.

The Sewer Fund's net assets decreased \$955,356 (0.8%) in the current year as a result of increases in supplies, utilities, repairs and maintenance and pilot expenditures.

The Sanitation Fund's net assets increased \$81,149 (17%) in the current year as a result of the increased sanitation service charged to customers.

### ***General Fund Budgetary Highlights***

Differences between the original and the final amended budget can be summarized as follows:

- The original revenue budget of \$28.4 million was decreased to \$28.3 million.
- The total original expenditure budget of \$32.9 million was decreased to \$29.9 million.

Actual revenues were \$111,899 more than originally budgeted.

### ***Capital Assets and Debt Administration Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of March 31, 2007, amounts to \$34.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Capital events during the current fiscal year included the following:

- Administrative lighting/sound system for City Hall totaling \$55,325.
- Airport tractor for \$19,470 and sewer system for \$33,702.
- Electric Fund infrastructure for \$49,840.
- Emergency Management storm siren \$14,524.
- Fiber Fund equipment for \$13,172.
- Fire (10) portable radios for \$11,012 and F350 truck for \$35,810.
- Golf Jacobsen mower for \$4,293.
- North park concession building for \$46,437.
- Police station for \$99,587 and 2006 Chevrolet for \$16,908.
- Sanitation equipment for \$12,037.

Management's Discussion and Analysis

- Sewer wastewater treatment plant for \$104,916.
- South Park lighting displays for \$22,422 and Kubota mower \$14,272.
- Street overpass project construction in progress for \$76,913.
- Tax Increment Financing construction in progress for \$1,564,478.
- Water well #21 for \$201,694, fence for \$18,170, water tower for \$128,964 and infrastructure for \$143,734.

	City of Monett Capital Assets (net of accumulated depreciation)					
	Governmental activities		Business-Type activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 939,344	\$ 922,438	\$ 210,160	\$ 210,160	\$ 1,149,504	\$ 1,132,598
Construction in progress	117,600	18,011			117,600	18,011
Building and Improvements	1,957,679	2,017,110	747,463	800,599	2,705,142	2,817,709
Machinery and equipment	1,474,443	1,589,925	690,570	842,810	2,165,013	2,432,735
Infrastructure	6,855,085	5,552,478	21,739,587	22,364,901	28,594,672	27,917,379
Total Capital Assets	\$ 11,344,151	\$ 10,099,962	\$ 23,387,780	\$ 24,218,470	\$ 34,731,931	\$ 34,318,432

For additional information on capital assets, see note 2(c) in the notes to financial statements.

**Debt Administration**

The City, at the end of fiscal 2007, had a total of \$20,239,354 of outstanding long-term debt. This was an increase of \$663,503 from the previous year. During the fiscal year 2006-2007, the City issued approximately \$3,000,000 million governmental activity lease purchase obligations related to the police station project.

	City of Monett Outstanding Debt					
	Governmental activities		Business-Type activities		Total	
	2007	2006	2007	2006	2007	2006
General obligations bonds	\$ 136,125	\$ 148,000	\$ 365,000	\$ 380,000	\$ 501,125	\$ 528,000
Revenue bonds	6,350,000	6,695,000	8,805,000	9,130,000	15,155,000	15,825,000
Notes payable	150,000	1,450,000	-	-	150,000	1,450,000
Capital lease obligations	3,854,256	1,079,310	578,982	693,541	4,433,238	1,772,851
Total Assets	\$ 10,490,381	\$ 9,372,310	\$ 9,748,982	\$ 10,203,541	\$ 20,239,363	\$ 19,575,851

For Additional information on debt administration, see note 2(d) in the notes to financial statements.

**Requests for Information**

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Dorothy Pendergrass, Fiscal Services, City of Monett, PO Box 110, 217 5<sup>th</sup> Street, Monett, MO 65708.

## **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>
<b>ASSETS</b>			
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
<b>Total Assets</b>	<u>20,137,324</u>	<u>29,124,538</u>	<u>49,261,862</u>
<b>LIABILITIES</b>			
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
<b>Total Liabilities</b>	<u>11,251,499</u>	<u>11,390,193</u>	<u>22,641,692</u>
<b>NET ASSETS</b>			
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
<b>Total Net Assets</b>	<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
<b>Governmental activities:</b>						
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)
<b>Total governmental activities</b>	<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>
<b>Business-type activities:</b>						
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)
<b>Total business-type activities</b>	<u>18,698,767</u>	<u>19,934,661</u>	<u>9,753</u>		<u>1,245,647</u>	<u>1,245,647</u>
<b>Total City</b>	<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>			<b>Total Governmental Funds</b>
	<u>General</u>	<u>E-911</u>	<u>Tax Increment Finance</u>	
<b>ASSETS</b>				
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
<b>Total assets</b>	<u>\$ 3,775,670</u>	<u>\$ 115,533</u>	<u>\$ 4,518,368</u>	<u>\$ 8,409,571</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 135,069	\$	\$	\$ 135,069
Accrued payroll and payroll taxes	146,953	1,253		148,206
Due to depositors	4,110			4,110
<b>Total liabilities</b>	<u>286,132</u>	<u>1,253</u>		<u>287,385</u>
<b>FUND BALANCE</b>				
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
<b>Total fund balances</b>	<u>3,489,538</u>	<u>114,280</u>	<u>4,518,368</u>	<u>8,122,186</u>
<b>Total liabilities and fund balances</b>	<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)
<b>Net assets of Governmental Activities</b>		<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>			<b>Total Governmental Funds</b>
	<u>General</u>	<u>E-911</u>	<u>Tax Increment Finance</u>	
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
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
<b>Change in net assets of governmental activities</b>	<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	
<b>ASSETS</b>						
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>
<b>Total Assets</b>	<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>
<b>LIABILITIES</b>						
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>
<b>Total Liabilities</b>	<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>
<b>NET ASSETS</b>						
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
<b>Total Net Assets</b>	<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	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,561,318	\$ 15,841,014	\$ 1,844,566	\$ 571,810	\$ 125,706	\$ 19,944,414
<b>OPERATING EXPENSES</b>						
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>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
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	
<b>Cash flows from operating activities:</b>						
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
<b>Cash flows from non-capital financing activities:</b>						
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)
<b>Cash flows from capital and related financing activities:</b>						
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)
<b>Cash flows from investing activities:</b>						
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)
<b>Cash and cash equivalents - beginning</b>	<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>
<b>Cash and cash equivalents - ending</b>	<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.

## **NOTES TO FINANCIAL STATEMENTS**

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

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**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***(A) Reporting Entity***

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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 2008. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, and airport operations. Other services include water, electric, sewer, fiber optic, and sanitation operations.

The financial reporting entity consists of the primary government and its component units, which are entities that the government is considered financially accountable for. The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

**Blended Component Unit** - The following legally separate entity is a component unit, which is, in substance, a part of the City's general operations. This component unit provides services entirely, or almost entirely, to the primary government or provides services which exclusively, or almost exclusively, benefit the primary government. Data from this unit is combined with data of the primary government for financial reporting purposes.

*The East Highway 60 Community Improvement District (CID)* - The CID, a political subdivision of the State of Missouri under Section 67.1401 to 67.1571 of the Revised Statutes of Missouri 2000, was created under Ordinance No. 7577 of the City adopted July 14, 2006. The purpose of the District shall be those purposes stated in Section 67.1401 to 67.1571 RSMo. 2000. The CID was established to impose a sales tax of one-half of one percent of all retail sales within the district for a period of four years from the date on which the tax is first imposed for the purpose of providing revenues to support a revenue bond issue in the City of Monett, Missouri to correct the blight conditions within the district.

The board of directors of the district consists of five persons appointed by the Mayor with the advice and consent of the City Council. Financial information for the CID has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the CID is reported as if it were part of the primary government because its sole purpose is to finance the construction of various capital projects within the City. No separately issued financial statements are prepared for the CID.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

No other entities met the criteria for inclusion as component units of the City.

***(B) Government-wide and Fund Financial Statements***

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The basic financial statements include both the government-wide (the Statement of Net Assets and the Statement of Activities) and fund financial statements.

*Government-wide Financial Statements:* The government-wide statements display information about the primary government and its component unit. For the most part, the interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Assets, both the governmental and business-type activities are each consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides valuable information for greater analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a program or a function.

Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Program revenues are typically restricted to a specific function or activity.

*Fund Financial Statements:* Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrued accounting. However, debt service expenditures, as well as expenditures relating to

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

compensated absences are recorded only when payment is due. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the governmental funds balance sheet and the statement of revenues, expenditures and changes in fund balance identifying categories that required conversion from the fund statements.

In the governmental funds, sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of taxes received within 30 days is considered to be susceptible to accrual as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Operating activities of the proprietary funds include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities. More specifically, operating revenues consist of sales and charges for services. Operating expenses of the proprietary funds include personnel services, operating supplies, and services incurred in conducting daily business.

The City reports the following major governmental funds:

**General Fund** - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**E-911** — The purpose of this fund accounts for revenues and expenditures relating to 911 emergency dispatching services. Cash and investment for this fund are restricted by state statute.

**Tax Increment Finance** — The purpose of this fund accounts for revenues and expenditures relating to tax increment financing projects. Cash and investments for this fund are restricted by state statute.

The City reports the following major proprietary funds:

**Water System** - This fund accounts for the operations, maintenance and improvement activities of the existing water system and capital improvements pertaining to the City wells, facilities, equipment and infrastructure.

**Electric System** - This fund accounts for the operations, maintenance and improvement activities of the existing electric system and capital improvements pertaining to the City substations, facilities, equipment and infrastructure.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

**Sewer System** - This fund accounts for the operations, maintenance and improvement activities of the existing sewer system and capital improvements pertaining to the treatment plant, lift stations, equipment, and infrastructure.

**Sanitation System** - This fund accounts for the operations, maintenance and improvement activities of the existing sanitation collection system and capital improvements pertaining to the recycling center, sanitation equipment and facilities.

**Fiber Optic System** - This fund accounts for the operations, maintenance and improvement activities of the existing fiber optics system and capital improvements pertaining to the equipment, and infrastructure.

The City reports the following fund types:

**Internal Service Funds** - These funds account for the costs of the Hazardous Material, Safety, and Mechanic Funds on a cost-reimbursement basis.

***(C) Assets, Liabilities, and Net Assets or Equity***

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**a. Deposits and Investments**

City monies are deposited in FDIC-insured banks. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, bankers acceptances, and commercial paper. The City purchases investments from SEC-registered broker-dealers and banks. Collateral is pledged to secure the City's demand deposits and certificates of deposit.

**b. Receivables and Payables**

Activity between funds that are representative of borrowing/lending arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**c. Inventories and Prepaid Items**

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. Supplies purchased are accounted for using the purchase method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Health insurance premiums and workmen's compensation are accounted for using the consumption method.

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2007**

**d. Restricted Assets**

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**e. Capital Assets**

Capital assets include land, construction in progress, buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Building and improvements, equipment and infrastructure is depreciated using the straight-line method over the following estimated lives:

	<u>Years</u>
Primary government:	
Buildings	5 to 40
Improvements	5 to 40
Machinery and equipment	3 to 40
Infrastructure	20 to 40

**f. Compensated Absences**

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences for the years ended March 31, 2007 and 2006 are \$557,769 and \$596,906, respectively.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

**g. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the Statements of Net Assets as liabilities in the applicable governmental and business-type categories. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**h. Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designation of fund balances represent tentative plans for future use of financial resources that are subject to change.

**i. Capitalization of Interest**

Net interest costs related to acquisition or construction is capitalized as part of the cost of the related asset for the business type and proprietary activities of the City, and component unit. Total interest costs incurred by the City were \$886,420, of which \$-0- was capitalized.

**j. Interfund and Related Party Transactions**

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government. Certain transactions between City Utilities and the City are also treated in this manner. The operations of City Utilities for the year ended March 31, 2007 reflect payments in lieu of taxes (PILOTS) to the City of \$1,925,805.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

In addition, City Utilities also provides services such as energy for street lighting and other electric, water and sewer services without charge to the City. The cost of providing such services was approximately \$183,082 in 2007.

**k. Net Assets**

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

*Invested in Capital Assets, Net of Related Debt* - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted*— This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted* - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**l. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP) requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

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**(2) DETAILED NOTES ON ALL FUNDS**

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***(A) Deposits***

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The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits and other investments. At March 31, 2007, the bank balance of the City's deposits was \$376,391, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name. A difference exists between bank and book balances of \$265,427 due to deposits in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2007, the bank balance of the City's restricted deposits was \$8,756,555, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

***(B) Investments***

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Statutes authorize the City to invest in investments, which are:

- a. Obligations of the United States government, the State of Missouri, this city, or;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri or this city, or;
- c. In revenue bonds of the City, or;
- d. In certificates of deposit, savings accounts as defined in Chapter 369, Revised Missouri Statutes or in interest bearing time deposits when such funds are held in United States banks, state banks, savings and loan associations operating under Chapter 369, Revised Missouri Statutes, or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b), or (c) of this section.
- e. Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency, or Commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency.

The City also maintains an investment pool that is available for use by all funds and separate investments accounts which are restricted for specific purposes. At March 31, 2007, the bank/financial institute's balance of the City's investments was \$2,103,327, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All fixed income securities shall be perfected in the name or for the account of the City.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of increase in interest rates. The City will minimize the risk that the market value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

**Credit Risk**

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill their obligation. The City will minimize credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and by diversifying the portfolio so that potential losses on individual fixed income securities will be minimized. As of March 31, 2007, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

<u>Investment Type</u>	<u>Rating</u>
U.S. Agency Securities	AAA

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

***(C) Capital Assets***

Capital asset activity for the year ended March 31, 2007, was as follows:

	<u>Balance</u> <u>March 31, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2007</u>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$ 922,438	\$ 16,908	\$	\$ 939,346
Construction in Progress	<u>18,011</u>	<u>99,589</u>	<u></u>	<u>117,600</u>
Total Non-Depreciable Capital Assets	940,449	116,497	<u></u>	1,056,945
Depreciable Capital Assets:				
Buildings and Building Improvements	3,150,648	46,437	<u></u>	3,197,085
Machinery and Equipment	4,675,178	215,767	<u></u>	4,890,945
Infrastructure	<u>12,071,852</u>	<u>1,675,093</u>	<u></u>	<u>13,746,946</u>
Total Depreciable Capital Assets	19,897,678	1,937,298	<u></u>	21,834,976
Less Accumulated Depreciation:				
Buildings and Building Improvements	(1,133,538)	(105,868)	<u></u>	(1,239,406)
Machinery and Equipment	(3,085,252)	(331,250)	<u></u>	(3,416,502)
Infrastructure	<u>(6,519,374)</u>	<u>(372,487)</u>	<u></u>	<u>(6,891,862)</u>
Total Accumulated Depreciation	(10,738,165)	(809,605)	<u></u>	(11,547,770)
Total Depreciable Capital Assets, Net	<u>9,159,513</u>	<u>1,127,693</u>	<u></u>	<u>10,287,206</u>
Total Governmental Activities Capital Assets	<u>\$ 10,099,962</u>	<u>\$ 1,244,190</u>	<u>\$</u>	<u>\$ 11,344,151</u>

Depreciation expense was charged to functions as follows:

Policy Development and Administrative	\$ 30,449
Public Safety	166,002
Public Works	192,923
Parks and Recreations	252,094
Municipal Airport	164,168
Capital assets held by the government's internal service funds are charged to the various functions based on their use of the assets	3,969
Total depreciation expense-governmental activities	<u>\$ 809,605</u>

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

	Balance March 31, 2006	Additions	Deductions	Balance March 31, 2007
<b>Business Type Activities</b>				
<b>Water Fund:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 56,932	\$ -	\$ -	\$ 56,932
Construction in Progress	-	-	-	-
Total Non-Depreciable Capital Assets	<u>56,932</u>	<u>-</u>	<u>-</u>	<u>56,932</u>
Depreciable Capital Assets:				
Buildings and Building Improvements	908,946	-	-	908,946
Machinery and Equipment	408,557	-	-	408,557
Infrastructure	6,178,944	492,562	-	6,671,506
Total Depreciable Capital Assets	<u>7,496,447</u>	<u>492,562</u>	<u>-</u>	<u>7,989,009</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	(456,362)	(26,603)	-	(482,965)
Machinery and Equipment	(211,797)	(36,436)	-	(248,233)
Infrastructure	(2,112,749)	(180,498)	-	(2,293,247)
Total Accumulated Depreciation	<u>(2,780,909)</u>	<u>(243,537)</u>	<u>-</u>	<u>(3,024,446)</u>
Total Depreciable Capital Assets, Net	<u>4,715,538</u>	<u>249,025</u>	<u>-</u>	<u>4,964,563</u>
Total Water Fund Business-Type Capital Assets	<u>\$ 4,772,470</u>	<u>\$ 249,025</u>	<u>\$ -</u>	<u>\$ 5,021,495</u>
<b>Electric Fund:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 58,400	\$ -	\$ -	\$ 58,400
Construction in Progress	-	-	-	-
Total Non-Depreciable Capital Assets	<u>58,400</u>	<u>-</u>	<u>-</u>	<u>58,400</u>
Depreciable Capital Assets:				
Buildings and Building Improvements	751,127	-	-	751,127
Machinery and Equipment	564,359	-	-	564,359
Infrastructure	5,087,879	49,840	-	5,137,719
Total Depreciable Capital Assets	<u>6,403,365</u>	<u>49,840</u>	<u>-</u>	<u>6,453,205</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	(480,705)	(23,481)	-	(504,186)
Machinery and Equipment	(355,106)	(27,591)	-	(382,697)
Infrastructure	(3,723,690)	(107,536)	-	(3,831,226)
Total Accumulated Depreciation	<u>(4,559,501)</u>	<u>(158,608)</u>	<u>-</u>	<u>(4,718,109)</u>
Total Depreciable Capital Assets, Net	<u>1,843,864</u>	<u>(108,768)</u>	<u>-</u>	<u>1,735,096</u>
Total Electric Fund Business-Type Capital Assets	<u>\$ 1,902,264</u>	<u>\$ (108,768)</u>	<u>\$ -</u>	<u>\$ 1,793,496</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

	<b>Balance</b> <b>March 31, 2006</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>March 31, 2007</b>
<b>Sewer Fund:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 94,828	\$ -	\$ -	\$ 94,828
Construction in Progress	-	-	-	-
Total Non-Depreciable Capital Assets	<u>94,828</u>	<u>-</u>	<u>-</u>	<u>94,828</u>
Depreciable Capital Assets:				
Buildings and Building Improvements	6,721	-	-	6,721
Machinery and Equipment	312,783	-	-	312,783
Infrastructure	24,682,111	104,916	-	24,787,027
Total Depreciable Capital Assets	<u>25,001,615</u>	<u>104,916</u>	<u>-</u>	<u>25,106,531</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	(672)	(224)	-	(896)
Machinery and Equipment	(211,591)	(29,135)	-	(240,726)
Infrastructure	(8,333,370)	(989,530)	-	(9,322,900)
Total Accumulated Depreciation	<u>(8,545,632)</u>	<u>(1,018,890)</u>	<u>-</u>	<u>(9,564,522)</u>
Total Depreciable Capital Assets, Net	<u>16,455,982</u>	<u>(913,973)</u>	<u>-</u>	<u>15,542,009</u>
Total Sewer Fund Business-Type Capital Assets	<u>\$ 16,550,810</u>	<u>\$ (913,973)</u>	<u>\$ -</u>	<u>\$ 15,636,837</u>
<b>Sanitation Fund:</b>				
Non-Depreciable Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total Non-Depreciable Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciable Capital Assets:				
Buildings and Building Improvements	84,878	-	-	84,878
Machinery and Equipment	907,198	12,037	-	919,235
Infrastructure	61,189	-	-	61,189
Total Depreciable Capital Assets	<u>1,053,265</u>	<u>12,037</u>	<u>-</u>	<u>1,065,302</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	(13,333)	(2,829)	-	(16,162)
Machinery and Equipment	(565,394)	(77,313)	-	(642,707)
Infrastructure	(4,549)	(2,040)	-	(6,588)
Total Accumulated Depreciation	<u>(583,275)</u>	<u>(82,182)</u>	<u>-</u>	<u>(665,457)</u>
Total Depreciable Capital Assets, Net	<u>469,989</u>	<u>(70,145)</u>	<u>-</u>	<u>399,844</u>
Total Sanitation Fund Business-Type Capital Assets	<u>\$ 469,989</u>	<u>\$ (70,145)</u>	<u>\$ -</u>	<u>\$ 399,844</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

	<u>Balance</u> <u>March 31, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2007</u>
<b>Fiber Fund:</b>				
Non-Depreciable Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total Non-Depreciable Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciable Capital Assets:				
Buildings and Building Improvements	-	-	-	-
Machinery and Equipment	-	-	-	-
Infrastructure	577,542	13,172	-	590,714
Total Depreciable Capital Assets	<u>577,542</u>	<u>13,172</u>	<u>-</u>	<u>590,714</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	-	-	-	-
Machinery and Equipment	-	-	-	-
Infrastructure	(54,607)	-	-	(54,607)
Total Accumulated Depreciation	<u>(54,607)</u>	<u>-</u>	<u>-</u>	<u>(54,607)</u>
Total Depreciable Capital Assets, Net	<u>522,934</u>	<u>13,172</u>	<u>-</u>	<u>536,107</u>
Total Fiber Fund Business-Type Capital Assets	<u>\$ 522,934</u>	<u>\$ 13,172</u>	<u>\$ -</u>	<u>\$ 536,107</u>

Depreciation expense was charged to functions as follows:

Water	\$ 243,537
Electric	158,608
Sewer	1,018,890
Sanitation	82,182
Fiber optic	<u>-</u>
Total depreciation expense - business-type activities	<u>\$ 1,503,216</u>

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

***(D) Long-Term Obligations***

The following is a summary of changes in long-term debt for the City for the year ended March 31, 2007:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
General obligaiton bonds	\$ 148,000	\$	\$ 11,875	\$ 136,125	\$ 12,361
Revenue bonds	6,695,000		345,000	6,350,000	350,000
Total Bonds Payable	6,843,000		356,875	6,486,125	362,361
Notes Payable	1,450,000		1,300,000	150,000	50,000
Capital Lease Obligations	1,079,310	3,000,000	225,054	3,854,256	304,256
 Total Governmental Activities Long-Term Liabilities	 \$ 9,372,310	 \$ 3,000,000	 \$ 1,881,929	 \$ 10,490,381	 \$ 716,617
<b>Business Type Activities</b>					
Sanitary Sewerage System Fund					
Revenue Bonds	\$ 9,130,000	\$	\$ 325,000	\$ 8,805,000	\$ 335,000
General obligation bonds	380,000		15,000	365,000	15,000
Water System Fund					
Capital Lease Obligations	640,556		61,583	578,973	63,788
Sanitation System Fund					
Capital Lease Obligations	52,985		52,985		
 Total Business Type Activities Long-Term Liabilities	 \$ 10,203,541	 \$	 \$ 454,568	 \$ 9,748,973	 \$ 413,788
 Total Governmental Activities and Business Type Activities Long- Term Liabilities	 \$ 19,575,851	 \$ 3,000,000	 \$ 2,336,497	 \$ 20,239,354	 \$ 1,130,405

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

Debt service requirements on long-term debt at March 31, 2007 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2007, are as follows:

Fiscal Year Ended March 31	Governmental Activities					
	General Obligations Bonds		Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 12,361	\$ 6,765	\$ 350,000	\$ 285,920	\$ 50,000	\$ 4,500
2009	12,975	6,151	355,000	275,428	50,000	3,000
2010	13,620	5,506	360,000	263,448	50,000	1,500
2011	14,296	4,829	1,120,000	235,868		
2012	15,007	4,118		214,587		
2013-2017	67,866	8,637		858,351		
2018-2022				1,072,938		
2023-2027				1,072,938		
2028-2030			4,165,000	643,763		
	<u>\$ 136,125</u>	<u>\$ 36,006</u>	<u>\$ 6,350,000</u>	<u>\$ 4,923,239</u>	<u>\$ 150,000</u>	<u>\$ 9,000</u>

Fiscal Year Ended March 31	Governmental Activities (Cont'd)		Total	
	Capital Lease Obligations		Governmental Activities	
	Principal	Interest	Principal	Interest
2008	\$ 304,256	\$ 137,600	\$ 716,617	\$ 434,785
2009	345,000	79,455	762,975	364,034
2010	345,000	70,383	768,620	340,837
2011	345,000	61,310	1,479,296	302,007
2012	345,000	52,237	360,007	270,942
2013-2017	925,000	184,500	992,866	1,051,488
2018-2022	975,000	87,638	975,000	1,160,575
2023-2027	270,000	7,073	270,000	1,080,011
2028-2030			4,165,000	643,763
	<u>\$ 3,854,256</u>	<u>\$ 680,196</u>	<u>\$ 10,490,381</u>	<u>\$ 5,648,441</u>

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

The annual Business Type Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2007, are as follows:

Fiscal Year Ended March 31	Business Type Activities					
	General Obligation Bonds - Sewer		Revenue Bonds - Sewer		Capital Lease Obligation - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 15,000	\$ 16,415	\$ 335,000	\$ 401,701	\$ 63,787	\$ 19,996
2009	15,000	15,946	345,000	391,351	66,073	17,711
2010	15,000	15,440	355,000	379,678	68,440	15,345
2011	15,000	14,896	370,000	366,611	70,891	12,894
2012	15,000	13,699	325,000	341,334	73,429	10,354
2013-2017	90,000	61,549	2,250,000	1,512,539	236,353	14,905
2018-2022	115,000	35,425	2,790,000	902,063		
2023-2027	85,000	8,021	2,035,000	194,345		
2028-2030						
	<u>\$ 365,000</u>	<u>\$ 181,391</u>	<u>\$ 8,805,000</u>	<u>\$ 4,489,622</u>	<u>\$ 578,973</u>	<u>\$ 91,205</u>

Fiscal Year Ended March 31	Business Type Activities (Cont'd)		Total	
	Capital Lease Obligation		Business Type Activities	
	Principal	Interest	Principal	Interest
2008	\$	\$	\$ 413,787	\$ 438,112
2009			426,073	425,008
2010			438,440	410,463
2011			455,891	394,401
2012			413,429	365,387
2013-2017			2,576,353	1,588,993
2018-2022			2,905,000	937,488
2023-2027			2,120,000	202,366
2028-2030				
	<u>\$</u>	<u>\$</u>	<u>\$ 9,748,973</u>	<u>\$ 4,762,218</u>

General Obligation Bonds payable at March 31, 2007 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2006, due through September 6, 2015	\$ 136,125
2.00% to 5.10% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2004 due through September 1, 2024, callable on or after September 1, 2009, at premiums beginning at 102% of the principal amount decreasing to 100% on September 1, 2014	365,000
Total General Obligation Bonds	<u>\$ 501,125</u>

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

Revenue bonds payable at March 31, 2007 are comprised of the following individual issues:

Tax Increment Financing fund:

1.25% to 3.80% Tax Increment Financing Revenue Bonds Series 2004 (Hwy 60 Redevelopment Project TIF #1) interest due semiannually April 1 and October 1 with principal due annually October 1; bonds maturing on October 1, 2010, shall be subject to redemption beginning bonds maturing in October 1, 2010 are subject to optional redemption on October 1, 2004 at 100% of the principal.	\$	2,185,000
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5.00% Tax Increment Allocation Bonds Series 2006A (East Hwy 60 Infrastructure Project TIF #2) interest due semiannually January 1, and July 1, within principal and bonds maturing January 1, 2028 Optional redemption beginning January 1, 2010, at 100% of the principal.		1,630,000
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5.25% Tax Increment Allocation Bonds Series 2006B ( RPA #1 Infrastructure Improvements Project TIF #2) interest due semiannually January 1, and July 1, with in principal and bonds maturing January 1, 2028 optional redemption beginning January 1, 2010, at 100% of the principal.		2,535,000
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Sewer system fund:

2.00% to 4.70% Combined Waterworks and Sewerage System Revenue Bonds, (State Revolving Funds Program) Series, 2003, due through January 1, 2025, callable on or after December 1, 2012 at 100% principal.		8,395,000
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5.20% to 6.55% Sewerage Revenues Refunding Bonds, (State Revolving Funds Program) Series 1992A, due through June 1, 2013.		410,000
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Total revenue bonds payable	\$	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 15,155,000
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**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

Notes payable at March 31, 2007 consisted of the following obligations:

General fund:

3.00% Promissory Note (Business 60 Land) due September 6, 2007, maturing September 6, 2009	150,000
	<hr/>
Total notes payable	<u>\$ 150,000</u>

**Capital Lease Obligations**

Commerce National Bank Lease Purchase Agreement 2004A, present value lease payments of \$200,000, interest at 3.3%, semiannual installments through November 1, 2011; leased property at the City of Monett Airport. Commerce National Bank Lease Purchase Agreement 2004B, present value lease payments of \$590,000, interest at 3.3%, semiannual installments through November 1, 2011; leased property at the City of Monett Golf Course. Commerce Bank, National Association Lease Purchase Agreement 2006, present value lease payments of \$578,935, interest at 3.52%, semiannual installments through December 1, 2014; leased water tower with option to purchase property. UMB Lease purchase agreement, present value lease payments of \$64,256, interest at 3.75%, annual payments through August 2007, used to acquire fire truck. Wells Fargo lease with the option to purchase agreement, present value lease payments of \$3,000,000, interest at 4.10%, annual payment through July, 2010, used to fund police station project.

The future minimum lease obligations and net present value of the minimum lease payments as of March 31, 2007, were as follows:

<u>Fiscal Year Ended March 31,</u>	<b>Governmental Business Type</b>		
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<b>2008</b>	\$ 381,857	\$ 83,783	\$ 465,640
<b>2009</b>	665,318	83,784	749,102
<b>2010</b>	644,868	83,785	728,653
<b>2011</b>	624,418	83,785	708,203
<b>2012</b>	603,968	83,784	687,752
<b>2013-2017</b>	1,554,023	251,353	1,805,376
<b>2018-2022</b>	-	-	-
<b>2023-2027</b>	-	-	-
<b>2028-2030</b>	-	-	-
Total minimum lease payments	<u>4,474,452</u>	<u>670,274</u>	<u>5,144,726</u>
Less amounts representing interest	<u>(620,149)</u>	<u>(91,339)</u>	<u>(711,488)</u>
Present value of minimum lease payments	<u>\$ 3,854,303</u>	<u>\$ 578,935</u>	<u>\$ 4,433,238</u>

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2007**

**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, 2007 was:

Assessed Valuation	
Real Estate	\$ 75,690,773
Personal Property	<u>38,408,598</u>
Total Assessed Valuation	<u>\$114,099,371</u>

The legal debt margin at March 31, 2007, was computed as follows:

General Obligation	
Debt Limit	\$ 22,819,874
General Obligation	
Bonds Payable	<u>501,125</u>
Legal Debt Margin	<u>\$ 22,318,749</u>

As of March 31, 2007, the City of Monett had \$501,125 outstanding general obligation bonds.

***(E) Construction Commitments City of Monett***

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A summary of the City's commitments on uncompleted construction contracts:

<u>Fund</u>	<u>Contract Amount</u>
Tax Increment Financing	\$ 1,174,884

***(F) Obligations to Purchase Electric Power***

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*Empire District Electric Company* - City has an agreement with the Empire District Electric Company to purchase exclusive electric power and energy for the City of Monett over a 20-year period, which began August 1989 and ends August 2009. The rate paid per kilowatt hour for all scheduled energy is subject to power cost adjustments computed every month.

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2007**

***(G) Interfund Receivables, Payables, and Transfers***

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The composition of interfund balances as of March 31, 2007 is as follows:

<u>Receivable fund</u>	<u>Payable Fund</u>		
Electric	Fiber	\$	505,390

Interfund payables and receivables are made for specific purposes for each fund, and for overdraws of cash, both of which are made in the ordinary course of business. Interfund payables and receivables are intended to be repaid in future years.

Interfund transfers:

<u>Transfers</u>			
<u>General fund</u>	<u>Electric fund</u>		<u>Total</u>
\$ 200,000	\$ (200,000)	\$	-0-

<u>Transfers</u>			
<u>Water fund</u>	<u>Sewer fund</u>		<u>Total</u>
\$ 400,000	\$ (400,000)	\$	-0-

All interfund transfers provided funding for general operations of each fund. These transfers are permanent in nature, and are not intended to be repaid in future years.

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**(3) OTHER INFORMATION**

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***(A) Employee Retirement Systems and Plans***

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The City participates in the Missouri Local Government Employees Retirement System (LAGERS), a statewide local government retirement system.

**Missouri Local Government Employees Retirement System (LAGERS) 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.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

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 11.9% (general), 11.8% (police), and 12.4% (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 2006, the political subdivision's annual pension cost of \$514,468 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2005 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 6.0% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women 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, 2006 was 15 years.

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2007**

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost APC	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	476,080	100%	\$ -0-
6/30/2005	521,097	100%	-0-
6/30/2006	514,468	100%	-0-

**Contribution Information**

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2007, was \$4,361,601; the City's total payroll was \$4,697,592. All City full-time employees are eligible to participate in LT-10 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 1.60 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.

***(B) Litigation and Contingent Liabilities***

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor as a result of these audits is not believed to be material.

In the normal course of business, the City is involved in various legal proceedings. Although the outcome of these proceedings is not presently determinable, it is the opinion of the City legal counsel that the resolution of these matters will not have a material adverse effect on the financial position of the City.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2007**

***(C) Risk Management***

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The City is exposed to various risks, such as property exposures, automobile liability, workers' compensation claims, equipment losses, general liability claims, and the costs associated with an employee health plan. For property exposures, the City purchases an all-risk insurance policy. This property insurance presently carries a primary deductible of \$5,000. While coverage is purchased for City-owned equipment, the comprehensive or collision exposure to City-owned vehicles is self-insured. Neither liability claims nor property losses have exceeded the limits of coverage.

The workers' compensation plan covers all City employees, while the health plan covers all full time City employees.

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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MONETT, MISSOURI  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
MARCH 31, 2007**

**Budgets and Budgetary Accounting**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. All departments of the City of Monett, Missouri, are required to submit requests for appropriation to the City's Director of Finance in January each year. The Director of Finance uses these requests as the starting point for developing a proposed budget.
2. The Director of Finance presents a proposed budget to the City Council for review prior to March 10<sup>th</sup>.
3. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than March 31, the close of the City of Monett, Missouri's fiscal year.
4. Prior to April 1, ordinances are passed by City Council which provide for legally adopted budgets in the City's General and Special Revenue Funds. Plans approved for Capital Projects, Debt Service and Proprietary Fund types provide operating guidance subject to actual activity during the fiscal year.
5. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program, and department. The legal level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
6. Formal budgetary integration is employed as a management control device in the General and Special Revenue Funds.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP.

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<b>Functions/Programs</b>	<b>Budgeted Amount</b>		<b>March 31, 2007</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Business license and permits	\$ 47,200	\$ 36,557	\$ 36,557	\$ -
Federal and state grants	160,000	74,090	74,090	-
Fines and forfeitures	104,800	134,567	134,567	-
Franchise fees	238,000	272,905	272,905	-
Sales tax	2,576,000	2,452,290	2,452,290	-
Interest income	10,000	49,922	49,922	-
Intergovernmental	-	-	-	-
Other revenue	297,600	343,320	343,320	-
Other taxes and assessments	33,000	32,210	32,210	-
Payments in Lieu of Taxes (PILOTS)	1,835,400	1,925,804	1,925,804	-
Rental revenue	221,600	246,890	246,890	-
Total revenues	<u>5,523,600</u>	<u>5,568,555</u>	<u>5,568,555</u>	<u>-</u>
<b>Expenditures</b>				
Salaries	2,809,700	2,810,212	2,810,212	-
Payroll taxes	212,700	206,707	206,707	-
Community development block grant	-	-	-	-
Computer	19,500	32,097	32,097	-
Education and travel	30,500	35,452	35,452	-
Election	2,000	3,204	3,204	-
Health and life insurance	340,800	353,572	353,572	-
Insurance	48,800	82,051	82,051	-
Miscellaneous	51,028	8,514	8,514	-
Professional and consulting service	153,300	241,115	241,115	-
Repairs and maintenance	928,700	898,725	898,725	-
Retirement	312,700	306,082	306,082	-
Supplies	169,219	216,606	216,606	-
Telephone	29,400	32,662	32,662	-
Utilities	19,600	26,926	26,926	-
Workman's compensation	107,000	113,763	113,763	-
Capital outlay	476,200	489,317	489,317	-
Debt service - principal	287,100	226,057	226,057	-
Debt service - interest	83,200	42,209	42,209	-
Total expenditures	<u>6,081,447</u>	<u>6,125,271</u>	<u>6,125,271</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(557,847)	(556,716)	(556,716)	-
<b>Other financing sources (uses)</b>				
Due from (to) other funds	-	-	-	-
Proceeds from Financing	-	3,000,000	3,000,000	-
Transfers	600,000	200,000	200,000	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ 42,153</u>	<u>\$ 2,643,284</u>	<u>\$ 2,643,284</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,**  
**BUDGET AND ACTUAL**  
**E-911 FUND**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<u>Functions/Programs</u>	<u>Budgeted Amount</u>		<u>March 31, 2007</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
			<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	-	-	-	-
Interest income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenue	104,500	104,293	104,293	-
Other taxes and assessments	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Rental revenue	-	-	-	-
Total revenues	<u>104,500</u>	<u>104,293</u>	<u>104,293</u>	<u>-</u>
<b>Expenditures</b>				
Salaries	36,700	39,650	39,650	-
Payroll taxes	2,800	3,005	3,005	-
Community development block grant	-	-	-	-
Computer	1,900	6,853	6,853	-
Education and travel	2,000	2,049	2,049	-
Election	-	-	-	-
Health and life insurance	4,500	7,307	7,307	-
Insurance	500	374	374	-
Miscellaneous	100	75	75	-
Professional and consulting service	-	1,046	1,046	-
Repairs and maintenance	-	-	-	-
Retirement	4,300	4,718	4,718	-
Supplies	300	491	491	-
Telephone	25,000	27,054	27,054	-
Utilities	-	-	-	-
Workman's compensation	100	112	112	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	<u>78,200</u>	<u>92,734</u>	<u>92,734</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(21,447)</u>	<u>11,559</u>	<u>11,559</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Due from (to) other funds	-	-	-	-
Proceeds from Financing	-	-	-	-
Transfers	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (21,447)</u>	<u>\$ 11,559</u>	<u>\$ 11,559</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
TAX INCREMENT FINANCING FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<b>Functions/Programs</b>	<b>Budgeted Amount</b>		<b>March 31, 2007</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	1,900,000	950,532	950,532	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	878,600	1,104,604	1,104,604	-
Interest income	2,000	229,114	229,114	-
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	253,000	12,721	12,721	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Rental revenue	-	-	-	-
Total revenues	<u>3,033,600</u>	<u>2,296,971</u>	<u>2,296,971</u>	<u>-</u>
<b>Expenditures</b>				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Miscellaneous	3,000	540	540	-
Professional and consulting service	-	2,208	2,208	-
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Utilities	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	5,447,000	1,564,478	1,564,478	-
Debt service - principal	1,595,000	1,595,000	1,595,000	-
Debt service - interest	208,700	357,139	357,139	-
Total expenditures	<u>7,253,700</u>	<u>3,519,365</u>	<u>3,519,365</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(4,220,100)	(1,222,394)	(1,222,394)	-
<b>Other financing sources (uses)</b>				
Due from (to) other funds	-	-	-	-
Proceeds from Financing	-	-	-	-
Transfers	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (4,220,100)</u>	<u>\$ (1,222,394)</u>	<u>\$ (1,222,394)</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
SCHEDULE OF FUNDING PROCESS  
RETIREMENT SYSTEM  
MARCH 31, 2007**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Entry Age Actuarial Accrued Liability</b>	<b>(b-a) Unfunded Accrued Liability (UAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>[(b-a)/c] UAL as a Percentage of Covered Payroll</b>
2/28/2004	6,449,695	6,769,368	319,673	95%	3,838,923	8%
2/28/2005	7,373,261	7,597,821	224,560	97	4,030,211	6
2/28/2006	8,100,173	8,265,211	165,038	98	4,127,969	4

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.

See accompanying notes to the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2007**

Revenues	Total Policy Development and Administration			Public Safety					
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	BOCA Building Enforcement			Municipal Court		
				Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
Business license and permits	\$ 9,394	\$ 12,543	\$ 15,000	\$ 71,149	\$ 23,887	\$ 32,000	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	93,253	129,400	101,100	-	-	-	-	-	-
Franchise fees	275,050	272,905	238,000	-	-	-	-	-	-
Sales tax	2,158,108	2,134,821	2,266,000	-	-	-	-	-	-
Interest income	16,623	49,922	10,000	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	12,952	8,235	6,500	174	453	-	-	-	-
Other taxes and assessments	33,138	32,210	33,000	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	1,461,905	1,925,804	1,835,400	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 4,060,423	\$ 4,565,840	\$ 4,505,000	\$ 71,323	\$ 24,340	\$ 32,000	\$ -	\$ -	\$ -
<b>Expenditures</b>									
Salaries	\$ 82,240	\$ 68,332	\$ 71,900	\$ 79,334	\$ 79,699	\$ 80,800	\$ 47,926	\$ 48,813	\$ 49,400
Payroll taxes	5,912	4,926	5,500	5,491	5,468	6,200	3,666	3,734	3,800
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	6,806	9,984	7,500	468	517	2,000	-	277	500
Education and travel	3,949	6,052	5,000	450	667	1,000	1,623	1,351	1,600
Election	-	3,204	2,000	-	-	-	-	-	-
Health and life insurance	18,540	12,450	19,800	7,955	8,133	8,800	3,628	3,874	4,000
Insurance	17,399	7,244	16,000	2,034	2,039	-	329	455	400
Miscellaneous	4,281	3,546	43,000	468	548	1,500	304	427	400
Professional and consulting service	58,880	71,595	35,000	20,347	18,665	20,000	2,452	2,208	2,200
Repairs and maintenance	13,459	11,523	15,000	4,137	4,125	7,000	-	-	-
Retirement	11,376	7,845	8,700	6,554	9,484	9,700	4,148	3,978	4,000
Supplies	23,927	20,508	13,000	4,809	4,325	5,000	2,296	2,217	2,300
Telephone	2,158	2,050	-	2,289	2,409	1,800	1,413	1,469	1,400
Utilities	-	-	-	-	75	-	-	-	-
Workman's compensation	5,835	13,488	4,800	4,361	2,694	2,200	203	139	100
Capital outlay	-	55,325	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	488	35,000	-	-	-	-	-	-
Total expenditures	\$ 254,762	\$ 298,560	\$ 282,200	\$ 138,697	\$ 138,848	\$ 146,000	\$ 67,988	\$ 68,942	\$ 70,100
Excess (deficiency) of revenues over expenditures	\$ 3,805,661	\$ 4,267,280	\$ 4,222,800	\$ (67,374)	\$ (114,508)	\$ (114,000)	\$ (67,988)	\$ (68,942)	\$ (70,100)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Transfers	1,095,000	200,000	600,000	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ 4,900,661	\$ 4,467,280	\$ 4,822,800	\$ (67,374)	\$ (114,508)	\$ (114,000)	\$ (67,988)	\$ (68,942)	\$ (70,100)

See Independent Auditors' Report.

CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2007

Revenues	Public Safety								
	E-911			Emergency Management			Communications		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	75,816	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	87,262	104,293	104,500	-	-	-	-	-	-
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 163,078	\$ 104,293	\$ 104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>									
Salaries	\$ 35,033	\$ 39,650	\$ 36,700	\$ 1,389	\$ 1,391	\$ 1,600	\$ 206,738	\$ 213,092	\$ 213,900
Payroll taxes	2,509	3,005	2,800	106	107	100	15,705	15,891	16,400
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	6,853	1,900	-	-	-	5,171	5,134	5,900
Education and travel	1,678	2,049	2,000	377	614	900	657	1,739	1,000
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	4,032	7,307	4,500	-	-	-	28,551	36,605	31,700
Insurance	373	374	500	28	28	100	1,584	1,588	1,900
Miscellaneous	98	75	100	28	-	28	38	159	200
Professional and consulting service	-	1,046	-	-	-	-	-	27	-
Repairs and maintenance	-	-	-	1,229	1,181	2,100	10,221	11,980	15,500
Retirement	4,510	4,718	4,300	-	-	-	23,442	24,997	25,600
Supplies	650	491	300	19	491	19	1,109	933	900
Telephone	25,943	27,054	25,000	-	-	-	71	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	147	112	100	89	70	100	7,614	1,019	600
Capital outlay	159,813	-	-	-	14,524	16,500	85,691	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 234,786	\$ 92,734	\$ 78,200	\$ 3,265	\$ 17,915	\$ 21,447	\$ 386,592	\$ 313,164	\$ 313,600
Excess (deficiency) of revenues over expenditures	\$ (71,708)	\$ 11,559	\$ 26,300	\$ (3,265)	\$ (17,915)	\$ (21,447)	\$ (386,592)	\$ (313,164)	\$ (313,600)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (71,708)	\$ 11,559	\$ 26,300	\$ (3,265)	\$ (17,915)	\$ (21,447)	\$ (386,592)	\$ (313,164)	\$ -

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2007**

	Public Safety						Total Public Safety		
	Fire Department			Police Department			Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007			
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,149	\$ 23,887	\$ 32,000
Federal and state grants	53,190	10,427	-	72,807	-	-	201,813.00	10,427.00	-
Fines and forfeitures	-	-	-	7,628	5,167	3,700	7,628.00	5,167.00	3,700.00
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	43	-	-	43.00	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	5,535	7,538	-	11,138	8,961	7,000	104,109.00	121,245.00	111,500.00
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 58,725	\$ 17,965	\$ -	\$ 91,616	\$ 14,128	\$ 10,700	\$ 384,742	\$ 160,726	\$ 147,200
<b>Expenditures</b>									
Salaries	\$ 694,393	\$ 711,564	\$ 658,900	\$ 769,909	\$ 770,959	\$ 829,000	\$ 1,834,722	\$ 1,865,168	\$ 1,870,300
Payroll taxes	49,998	51,279	50,400	57,165	57,265	61,200	134,640	136,749	140,900
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	3,547	1,128	600	4,493	14,591	2,000	13,679	28,500	12,900
Education and travel	6,415	11,030	7,100	15,148	11,881	9,500	26,348	29,331	23,100
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	61,107	68,028	67,700	83,758	90,716	91,300	189,031	214,663	208,000
Insurance	13,793	12,951	-	17,724	17,340	21,000	35,865	34,775	23,900
Miscellaneous	95	391	1,000	987	1,039	500	2,018	2,639	3,728
Professional and consulting service	2,462	11	-	15,354	31,577	17,000	40,615	53,534	39,200
Repairs and maintenance	64,322	73,598	78,700	103,930	103,866	83,700	183,839	194,750	187,000
Retirement	75,644	86,966	83,500	93,949	83,314	91,800	208,247	213,457	218,900
Supplies	14,557	19,583	14,500	11,127	13,714	10,500	34,567	41,263	33,519
Telephone	4,170	4,773	3,500	10,788	9,587	11,000	44,674	45,292	42,700
Utilities	17	1,123	-	1,915	-	-	1,932	1,198	-
Workman's compensation	40,276	36,018	35,200	36,733	24,296	28,800	89,423	64,348	67,100
Capital outlay	285,481	46,823	32,000	295,173	116,496	25,000	826,158	177,843	73,500
Debt service - principal	66,666	-	62,000	-	50,000	50,000	66,666	50,000	112,000
Debt service - interest	-	-	4,800	-	6,000	6,000	-	6,000	10,800
Total expenditures	\$ 1,382,943	\$ 1,125,266	\$ 1,099,900	\$ 1,518,153	\$ 1,402,641	\$ 1,338,300	\$ 3,732,424	\$ 3,159,510	\$ 3,067,547
Excess (deficiency) of revenues over expenditures	\$ (1,324,218)	\$ (1,107,301)	\$ (1,099,900)	\$ (1,426,537)	\$ (1,388,513)	\$ (1,327,600)	\$ (3,347,682)	\$ (2,998,784)	\$ (2,920,347)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	192,856	-	-	200,000	3,000,000	-	392,856	3,000,000	-
Transfers	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (1,131,362)	\$ (1,107,301)	\$ (1,099,900)	\$ (1,226,537)	\$ 1,611,487	\$ (1,327,600)	\$ (2,954,826)	\$ 1,216	\$ (2,606,747)

See Independent Auditors' Report.

CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2007

Revenues	Public Works								
	Cemetery			Tax Increment Finance District			Community Development Block Grant Projects		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	950,532	1,900,000	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	607,440	1,104,604	878,600	-	-	-
Interest income	-	-	-	114,604	229,114	2,000	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	14,516	15,706	18,000	-	-	-	-	-	-
Other taxes and assessments	-	-	-	216,982	12,721	253,000	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 14,516	\$ 15,706	\$ 18,000	\$ 939,026	\$ 2,296,971	\$ 3,033,600	\$ -	\$ -	\$ -
<b>Expenditures</b>									
Salaries	\$ 98,724	\$ 97,050	\$ 103,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll taxes	7,182	6,680	7,900	-	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	-	15	-	-	-	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	12,056	20,753	13,300	-	-	-	-	-	-
Insurance	1,553	1,556	-	-	-	-	-	-	-
Miscellaneous	525	67	800	420	540	3,000	-	-	-
Professional and consulting service	-	2	100	5,423	2,208	-	-	-	-
Repairs and maintenance	14,019	17,057	16,000	-	-	-	-	-	-
Retirement	11,794	10,399	10,700	-	-	-	-	-	-
Supplies	527	1,147	1,500	-	-	-	-	-	-
Telephone	1,614	1,770	-	-	-	-	-	-	-
Utilities	239	713	-	-	-	-	-	-	-
Workman's compensation	7,360	4,590	4,000	-	-	-	-	-	-
Capital outlay	-	-	-	700,346	1,564,478	5,447,000	-	-	-
Debt service - principal	-	-	-	340,000	1,595,000	1,595,000	-	-	-
Debt service - interest	-	-	-	91,570	357,139	208,700	-	-	-
Total expenditures	\$ 155,593	\$ 161,799	\$ 158,000	\$ 1,137,759	\$ 3,519,365	\$ 7,253,700	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ (141,077)	\$ (146,093)	\$ (140,000)	\$ (198,733)	\$ (1,222,394)	\$ (4,220,100)	\$ -	\$ -	\$ -
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	5,205,040	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (141,077)	\$ (146,093)	\$ (140,000)	\$ 5,006,307	\$ (1,222,394)	\$ (4,220,100)	\$ -	\$ -	\$ -

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2007**

	<b>Public Works</b>			<b>Total Public Works</b>		
	<b>Street Department</b>			<b>Prior Year 3/31/2006</b>	<b>Current Year 3/31/2007</b>	<b>Budget ** 3/31/2007</b>
	<b>Prior Year 3/31/2006</b>	<b>Current Year 3/31/2007</b>	<b>Budget ** 3/31/2007</b>			
<b>Revenues</b>						
Business license and permits	\$ 180	\$ 127	\$ 200	\$ 180	\$ 127	\$ 200
Federal and state grants	-	-	160,000	-	950,532	2,060,000
Fines and forfeitures	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-
Sales tax	309,238	317,469	310,000	916,678	1,422,073	1,188,600
Interest income	-	-	-	114,604	229,114	2,000
Intergovernmental	-	-	-	-	-	-
Other revenue	242,755	17,649	20,400	257,271	33,355	38,400
Other taxes and assessments	-	-	-	216,982	12,721	253,000
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-
Rental revenue	4,235	4,200	4,200	4,235	4,200	4,200
Total revenues	<u>\$ 556,408</u>	<u>\$ 339,445</u>	<u>\$ 494,800</u>	<u>\$ 1,509,950</u>	<u>\$ 2,652,122</u>	<u>\$ 3,546,400</u>
<b>Expenditures</b>						
Salaries	\$ 358,791	\$ 399,325	\$ 371,000	\$ 457,515	\$ 496,375	\$ 474,700
Payroll taxes	27,063	30,299	28,400	34,245	36,979	36,300
Community development block grant	-	-	-	-	-	-
Computer	665	197	1,000	665	197	1,000
Education and travel	1,363	1,189	3,000	1,363	1,204	3,000
Election	-	-	-	-	-	-
Health and life insurance	39,516	45,774	43,500	51,572	66,527	56,800
Insurance	19,396	18,700	-	20,949	20,256	-
Miscellaneous	5,549	498	1,000	6,494	1,105	4,800
Professional and consulting service	8,237	20,709	9,000	13,660	22,919	9,100
Repairs and maintenance	562,825	482,603	525,900	576,844	499,660	541,900
Retirement	46,679	45,192	43,700	58,473	55,591	54,400
Supplies	12,156	10,314	9,000	12,683	11,461	10,500
Telephone	3,434	2,744	4,000	5,048	4,514	4,000
Utilities	3,366	3,059	3,000	3,605	3,772	3,000
Workman's compensation	28,309	20,808	19,500	35,669	25,398	23,500
Capital outlay	70,696	76,914	300,000	771,042	1,641,392	5,747,000
Debt service - principal	-	12,948	11,900	340,000	1,607,948	1,606,900
Debt service - interest	-	5,435	7,300	91,570	362,574	216,000
Total expenditures	<u>\$ 1,188,045</u>	<u>\$ 1,176,708</u>	<u>\$ 1,381,200</u>	<u>\$ 2,481,397</u>	<u>\$ 4,857,872</u>	<u>\$ 8,792,900</u>
Excess (deficiency) of revenues over expenditures	\$ (631,637)	\$ (837,263)	\$ (886,400)	\$ (971,447)	\$ (2,205,750)	\$ (5,246,500)
<b>Other financing sources (uses)</b>						
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	148,000	-	-	5,353,040	-	-
Transfers	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (483,637)</u>	<u>\$ (837,263)</u>	<u>\$ (886,400)</u>	<u>\$ 4,381,593</u>	<u>\$ (2,205,750)</u>	<u>\$ (5,246,500)</u>

See Independent Auditors' Report.

CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2007

Revenues	Parks and Recreation								
	Casino			Recreation			Golf Course		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	80	-	-	1,102	7,006	1,000	243,008	256,228	237,000
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Rental revenue	24,717	23,785	21,000	8,000	13,000	9,000	60,655	64,460	55,000
Total revenues	\$ 24,797	\$ 23,785	\$ 21,000	\$ 9,102	\$ 20,006	\$ 10,000	\$ 303,663	\$ 320,688	\$ 292,000
<b>Expenditures</b>									
Salaries	\$ 12,735	\$ 12,709	\$ 5,200	\$ 9,498	\$ 8,797	\$ 9,700	\$ 156,919	\$ 165,288	\$ 163,200
Payroll taxes	965	972	400	718	665	700	11,811	12,569	12,500
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	269	-
Education and travel	-	-	-	-	-	-	87	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	690	-	-	1,817	1,778	2,000	18,244	16,214	20,100
Insurance	218	219	600	536	537	1,000	3,079	3,086	-
Miscellaneous	39	40	200	90	14	-	543	481	500
Professional and consulting service	-	-	-	50,028	30,000	30,000	1,954	4,926	2,000
Repairs and maintenance	6,419	2,381	6,000	1,557	5,518	4,500	58,741	57,394	45,000
Retirement	720	-	-	848	1,047	1,200	12,252	10,897	11,300
Supplies	5,515	7,242	4,000	634	1,235	-	96,002	114,433	84,500
Telephone	1,057	994	1,000	-	-	-	2,486	2,133	2,000
Utilities	405	424	500	4,986	4,512	1,200	726	784	400
Workman's compensation	768	450	200	40	25	100	2,630	2,714	2,500
Capital outlay	23,500	-	20,000	-	-	-	11,800	42,932	41,700
Debt service - principal	-	-	-	-	-	-	130,368	123,109	123,200
Debt service - interest	-	-	-	-	-	-	27,443	22,615	22,500
Total expenditures	\$ 53,031	\$ 25,431	\$ 38,100	\$ 70,752	\$ 54,128	\$ 50,400	\$ 535,085	\$ 579,844	\$ 531,400
Excess (deficiency) of revenues over expenditures	\$ (28,234)	\$ (1,646)	\$ (17,100)	\$ (61,650)	\$ (34,122)	\$ (40,400)	\$ (231,422)	\$ (259,156)	\$ (239,400)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (28,234)	\$ (1,646)	\$ (17,100)	\$ (61,650)	\$ (34,122)	\$ (40,400)	\$ (231,422)	\$ (259,156)	\$ (239,400)

See Independent Auditors' Report.

CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2007

	Parks and Recreation								
	North Park			South Park			Pool		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	39,180	-	-	26,230	16,606	-	6,882	2,584	6,000
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 39,180	\$ -	\$ -	\$ 26,230	\$ 16,606	\$ -	\$ 6,882	\$ 2,584	\$ 6,000
<b>Expenditures</b>									
Salaries	\$ 42,678	\$ 44,940	\$ 60,400	\$ 84,371	\$ 82,402	\$ 92,100	\$ 4,241	\$ 4,052	\$ 4,600
Payroll taxes	3,228	3,411	4,600	6,101	5,736	7,000	319	291	400
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	-	50	300	-	15	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	4,435	7,986	4,900	11,778	15,337	12,900	391	539	500
Insurance	1,130	1,132	-	2,602	2,608	-	715	716	800
Miscellaneous	-	67	-	833	21	-	-	-	-
Professional and consulting service	-	-	-	-	386	-	35,000	35,000	35,000
Repairs and maintenance	26,481	23,230	26,100	33,274	33,843	43,300	3,051	30,416	34,000
Retirement	3,600	4,349	4,000	9,361	9,493	7,900	449	482	500
Supplies	5,087	1,250	5,000	6,145	3,833	6,000	9,906	4,989	6,000
Telephone	890	407	600	1,584	1,506	1,200	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	1,756	1,652	2,000	4,699	2,979	4,500	334	138	200
Capital outlay	32,652	46,437	-	35,175	36,694	19,000	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 121,937	\$ 134,911	\$ 107,900	\$ 195,923	\$ 194,853	\$ 193,900	\$ 54,406	\$ 76,623	\$ 82,000
Excess (deficiency) of revenues over expenditures	\$ (82,757)	\$ (134,911)	\$ (107,900)	\$ (169,693)	\$ (178,247)	\$ (193,900)	\$ (47,524)	\$ (74,039)	\$ (76,000)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (82,757)	\$ (134,911)	\$ (107,900)	\$ (169,693)	\$ (178,247)	\$ (193,900)	\$ (47,524)	\$ (74,039)	\$ (76,000)

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI**  
**COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUND**  
**YEAR ENDED MARCH 31, 2007**

	<b>Parks and Recreation</b>		
	<b>Prior Year 3/31/2006</b>	<b>Current Year 3/31/2007</b>	<b>Budget ** 3/31/2007</b>
<b>Revenues</b>			
Business license and permits	\$ -	\$ -	\$ -
Federal and state grants	-	-	-
Fines and forfeitures	-	-	-
Franchise fees	-	-	-
Sales tax	-	-	-
Interest income	-	-	-
Intergovernmental	-	-	-
Other revenue	316,482	282,424	244,000
Other taxes and assessments	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-
Rental revenue	93,372	101,245	85,000
Total revenues	<u>\$ 409,854</u>	<u>\$ 383,669</u>	<u>\$ 329,000</u>
<b>Expenditures</b>			
Salaries	\$ 310,442	\$ 318,188	\$ 335,200
Payroll taxes	23,142	23,644	25,600
Community development block grant	-	-	-
Computer	-	269	-
Education and travel	87	65	300
Election	-	-	-
Health and life insurance	37,355	41,854	40,400
Insurance	8,280	8,298	2,400
Miscellaneous	1,505	623	700
Professional and consulting service	86,982	70,312	67,000
Repairs and maintenance	129,523	152,782	158,900
Retirement	27,230	26,268	24,900
Supplies	123,289	132,982	105,500
Telephone	6,017	5,040	4,800
Utilities	6,117	5,720	2,100
Workman's compensation	10,227	7,958	9,500
Capital outlay	103,127	126,063	80,700
Debt service - principal	130,368	123,109	123,200
Debt service - interest	27,443	22,615	22,500
Total expenditures	<u>\$ 1,031,134</u>	<u>\$ 1,065,790</u>	<u>\$ 1,003,700</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (621,280)</u>	<u>\$ (682,121)</u>	<u>\$ (674,700)</u>
<b>Other financing sources (uses)</b>			
Due from (to) other funds	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-
Transfers	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (621,280)</u>	<u>\$ (682,121)</u>	<u>\$ (674,700)</u>

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUND  
 YEAR ENDED MARCH 31, 2007**

	Total Municipal Airport			Total General Fund		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
<b>Revenues</b>						
Business license and permits	\$ -	\$ -	\$ -	\$ 80,723	\$ 36,557	\$ 47,200
Federal and state grants	353,695	63,663	-	555,508	1,024,622	2,060,000
Fines and forfeitures	-	-	-	100,881	134,567	104,800
Franchise fees	-	-	-	275,050	272,905	238,000
Sales tax	-	-	-	3,074,786	3,556,894	3,454,600
Interest income	-	-	-	131,270	279,036	12,000
Intergovernmental	-	-	-	-	-	-
Other revenue	2,724	2,354	1,700	693,538	447,613	402,100
Other taxes and assessments	-	-	-	250,120	44,931	286,000
Payments in Lieu of Taxes (PILOTS)	-	-	-	1,461,905	1,925,804	1,835,400
Rental revenue	122,206	141,445	132,400	219,813	246,890	221,600
Total revenues	\$ 478,625	\$ 207,462	\$ 134,100	\$ 6,843,594	\$ 7,969,819	\$ 8,661,700
<b>Expenditures</b>						
Salaries	\$ 93,863	\$ 101,799	\$ 94,300	\$ 2,778,782	\$ 2,849,862	\$ 2,846,400
Payroll taxes	6,590	7,414	7,200	204,529	209,712	215,500
Community development block grant	-	-	-	-	-	-
Computer	-	-	-	21,150	38,950	21,400
Education and travel	1,134	849	1,100	32,881	37,501	32,500
Election	-	-	-	-	3,204	2,000
Health and life insurance	18,577	25,385	20,300	315,075	360,879	345,300
Insurance	5,725	11,852	7,000	88,218	82,425	49,300
Miscellaneous	1,246	1,216	1,900	15,544	9,129	54,128
Professional and consulting service	1,014	26,009	3,000	201,151	244,369	153,300
Repairs and maintenance	17,006	40,010	25,900	920,671	898,725	928,700
Retirement	10,287	7,639	10,100	315,613	310,800 #	317,000
Supplies	8,397	10,883	7,000	202,863	217,097	169,519
Telephone	2,870	2,820	2,900	60,767	59,716	54,400
Utilities	15,968	16,236	14,500	27,622	26,926	19,600
Workman's compensation	2,550	2,683	2,200	143,704	113,875	107,100
Capital outlay	506,233	53,172	22,000	2,206,560	2,053,795	5,923,200
Debt service - principal	40,000	40,000	40,000	577,034	1,821,057	1,882,100
Debt service - interest	9,029	7,671	7,600	128,042	399,348	291,900
Total expenditures	\$ 740,489	\$ 355,638	\$ 267,000	\$ 8,240,206	\$ 9,737,370	\$ 13,413,347
Excess (deficiency) of revenues over expenditures	\$ (261,864)	\$ (148,176)	\$ (132,900)	\$ (1,396,612)	\$ (1,767,551)	\$ (4,751,647)
<b>Other financing sources (uses)</b>						
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	5,745,896	3,000,000	-
Transfers	-	-	-	1,095,000	200,000	600,000
Revenues and other sources over (under) expenditures and other uses	\$ (261,864)	\$ (148,176)	\$ (132,900)	\$ 5,444,284	\$ 1,432,449	\$ (4,151,647)

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2007**

	Waterworks			Electric			Wastewater-Sewer		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
<b>Operating revenues</b>									
Revenues	\$ 1,341,725	\$ 1,511,857	\$ 1,276,000	\$ 15,361,952	\$ 15,794,167	\$ 15,615,000	\$ 1,945,435	\$ 1,843,996	\$ 1,800,000
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	30,107	44,881	8,000	-	-	-	750	570	600
Penalties	20	20	8,000	3,415	46,847	15,000	-	-	-
Miscellaneous charges	551	196,380	187,500	2,622	16,078	14,000	61	3,533	17,300
Rental	1,582	4,560	1,000	-	-	-	-	-	-
Total operating revenues	\$ 1,373,985	\$ 1,757,698	\$ 1,480,500	\$ 15,367,989	\$ 15,857,092	\$ 15,644,000	\$ 1,946,246	\$ 1,848,099	\$ 1,817,900
<b>Operating expenses</b>									
Salaries	\$ 439,998	\$ 449,399	\$ 465,700	\$ 656,925	\$ 697,840	\$ 653,700	\$ 424,646	\$ 438,576	\$ 434,600
Payroll taxes	32,435	32,815	35,600	48,003	50,756	50,000	31,324	31,816	33,300
Depreciation	191,501	243,537	178,800	-	158,608	174,400	683,003	1,018,890	668,300
Computer	9,297	5,606	10,000	9,908	5,937	10,000	8,946	5,990	10,000
Education	3,040	8,284	4,000	4,386	12,289	10,000	2,462	4,487	3,000
Electric purchases	-	-	-	12,167,346	12,151,747	11,800,000	-	-	-
Health and life insurance	50,395	52,458	54,100	61,295	66,678	66,000	47,614	55,282	51,400
Insurance	19,575	19,620	-	79,629	82,377	-	23,981	24,035	-
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	399	2,474	1,000	593	3,819	1,000	485	592	1,500
Payments in Lieu of Taxes (PILOT)	108,775	157,118	127,600	1,163,245	1,534,711	1,520,000	184,229	221,405	180,000
Professional and consulting service	8,667	19,840	25,000	8,194	35,078	35,000	67,428	56,460	30,000
Repairs and maintenance	214,610	116,182	157,800	198,298	113,117	192,800	204,767	122,027	107,800
Retirement	57,249	51,509	52,200	79,656	80,190	80,200	55,114	50,915	52,100
Supplies	242,659	275,008	130,000	-	423,667	240,000	90,016	63,086	90,000
Telephone	3,591	3,318	4,000	-	4,710	4,800	3,246	2,629	3,500
Utilities	64,922	252,890	215,000	-	-	1,500	99,586	245,826	260,000
Workman's compensation	16,779	12,224	13,000	28,030	22,029	21,300	12,604	9,451	6,700
Total operating expenses	\$ 1,463,892	\$ 1,702,282	\$ 1,473,800	\$ 14,505,508	\$ 15,443,553	\$ 14,860,700	\$ 1,939,451	\$ 2,351,467	\$ 1,932,200
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ 19,149	\$ -	\$ -	\$ 15,772	\$ -	\$ 15,000	\$ 413,466	\$ 411,296	\$ 400,000
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Special Assessment Income	-	-	-	-	-	-	-	-	-
Interest expense and fees	(24,327)	(22,198)	(22,200)	-	-	-	(450,713)	(463,284)	(428,700)
Net non-operating revenues (expenses)	\$ (5,178)	\$ (22,198)	\$ (22,200)	\$ 15,772	\$ -	\$ 15,000	\$ (37,247)	\$ (51,988)	\$ (28,700)
Net income before transfers	\$ (95,085)	\$ 33,218	\$ (15,500)	\$ 878,253	\$ 413,539	\$ 798,300	\$ (30,452)	\$ (555,356)	\$ (143,000)
Transfers	-	400,000	-	(1,095,000)	(200,000)	(400,000)	-	(400,000)	-
Net income (loss)	\$ (95,085)	\$ 433,218	\$ (15,500)	\$ (216,747)	\$ 213,539	\$ 398,300	\$ (30,452)	\$ (955,356)	\$ (143,000)

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2007**

	Fiber			Sanitation			Total Proprietary Funds		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
<b>Operating revenues</b>									
Revenues	\$ 72,769	\$ 125,706	\$ 78,000	\$ 556,825	\$ 571,810	\$ 555,500	\$ 19,278,706	\$ 19,847,536	\$ 19,324,500
Federal and state grants	-	-	-	-	9,753	11,500	-	9,753	11,500
Tap - in charges	-	-	-	-	-	-	30,857	45,451	8,600
Penalties	-	-	-	-	-	-	3,435	46,867	23,000
Miscellaneous charges	-	-	-	865	965	-	4,099	216,956	218,800
Rental	-	-	-	-	-	-	1,582	4,560	1,000
Total operating revenues	\$ 72,769	\$ 125,706	\$ 78,000	\$ 557,690	\$ 582,528	\$ 567,000	\$ 19,318,679	\$ 20,171,123	\$ 19,587,400
<b>Operating expenses</b>									
Salaries	\$ -	\$ -	\$ -	\$ 127,062	\$ 131,281	\$ 131,200	\$ 1,648,631	\$ 1,717,096	\$ 1,685,200
Payroll taxes	-	-	-	9,049	9,126	10,000	120,811	124,513	128,900
Depreciation	27,993	-	26,700	77,983	82,182	65,600	1,139,088	1,519,009	1,622,403
Computer	73	50	-	-	-	-	28,224	17,583	30,000
Education	26	31	-	-	-	-	9,914	25,091	17,000
Electric purchases	-	-	-	-	-	-	12,167,346	12,151,747	11,800,000
Health and life insurance	-	-	-	22,875	25,054	25,400	182,179	199,472	196,900
Insurance	-	-	-	6,239	5,308	-	129,424	131,340	-
Landfill and recycling	-	-	-	131,815	159,886	175,000	131,815	159,886	175,000
Miscellaneous	-	-	-	918	746	1,500	2,395	7,631	5,000
Payments in Lieu of Taxes (PILOT)	5,657	12,571	7,800	-	-	-	1,461,906	1,925,805	1,835,400
Professional and consulting service	2,101	12,543	12,000	-	-	-	86,390	123,921	102,000
Repairs and maintenance	4,330	3,621	10,000	74,559	51,068	74,600	696,564	406,015	543,000
Retirement	-	-	-	17,786	15,338	15,600	209,805	197,952	200,100
Supplies	28,669	111,448	25,000	6,403	6,546	6,000	791,414	696,088	341,016
Telephone	3,698	145	300	71	-	-	15,316	10,892	11,046
Utilities	-	-	-	-	-	-	164,508	500,216	574,586
Workman's compensation	-	-	-	17,664	13,254	12,500	75,077	56,958	53,500
Total operating expenses	\$ 72,547	\$ 140,409	\$ 81,800	\$ 492,424	\$ 499,789	\$ 517,400	\$ 19,060,807	\$ 19,971,215	\$ 19,321,051
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,387	\$ 411,296	\$ 415,000
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Special Assessment Income	-	-	-	-	-	-	625,000	625,000	625,000
Interest expense and fees	-	-	-	(3,133)	(1,590)	(1,600)	(478,173)	(487,072)	(452,500)
Net non-operating revenues (expenses)	\$ -	\$ -	\$ -	\$ (3,133)	\$ (1,590)	\$ (1,600)	\$ 595,214	\$ 549,224	\$ 587,500
Net income before transfers	\$ 222	\$ (14,703)	\$ (3,800)	\$ 62,133	\$ 81,149	\$ 48,000	\$ 853,086	\$ 749,132	\$ 853,849
Transfers	-	-	-	-	-	-	(1,095,000)	(200,000)	(400,000)
Net income (loss)	\$ 222	\$ (14,703)	\$ (3,800)	\$ 62,133	\$ 81,149	\$ 48,000	\$ (241,914)	\$ 549,132	\$ 453,849

See Independent Auditors' Report.

CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES  
 YEAR ENDED MARCH 31, 2007

	Hazardous Material			Safety Program			Mechanic		
	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007	Prior Year 3/31/2006	Current Year 3/31/2007	Budget ** 3/31/2007
<b>Operating revenues</b>									
Revenues	\$ 15,350	\$ 15,394	\$ 15,800	\$ 22,370	\$ 20,700	\$ 20,400	\$ 136,032	\$ 132,895	\$ 136,800
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Miscellaneous charges	-	-	-	50	-	-	30	270	-
Rental	-	-	-	-	-	-	-	-	-
Total operating revenues	\$ 15,350	\$ 15,394	\$ 15,800	\$ 22,420	\$ 20,700	\$ 20,400	\$ 136,062	\$ 133,165	\$ 136,800
<b>Operating expenses</b>									
Salaries	\$ 7,680	\$ 7,693	\$ 7,900	\$ 9,840	\$ 9,857	\$ 10,100	\$ 63,379	\$ 65,580	\$ 64,900
Payroll taxes	584	588	600	750	754	800	4,506	4,632	5,000
Depreciation	-	-	-	-	-	-	-	-	-
Computer	-	-	-	1,590	1,948	1,000	-	80	2,000
Education	396	616	500	2,821	1,010	2,000	-	-	1,000
Electric purchases	-	-	-	-	-	-	-	-	-
Health and life insurance	99	99	200	99	99	200	8,080	9,677	8,900
Insurance	77	77	-	-	-	-	1,016	1,019	-
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	12	-	-	-	-	100	-	-	-
Professional and consulting service	-	-	500	14	100	200	-	-	100
Repairs and maintenance	934	-	500	497	554	400	2,754	5,329	3,200
Retirement	899	944	900	1,146	1,213	1,200	8,052	7,804	7,800
Supplies	3,048	3,939	3,500	3,551	3,301	2,500	41,091	33,312	40,000
Telephone	1,156	1,076	600	1,508	1,392	1,200	1,250	1,197	1,200
Utilities	-	-	-	-	-	-	2,983	2,458	800
Workman's compensation	465	362	600	604	472	700	2,951	2,077	1,900
Total operating expenses	\$ 15,350	\$ 15,394	\$ 15,800	\$ 22,420	\$ 20,700	\$ 20,400	\$ 136,062	\$ 133,165	\$ 136,800
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Interest expense and fees	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income before transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

**CITY OF MONETT, MISSOURI  
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES  
 YEAR ENDED MARCH 31, 2007**

**Total Internal Service Funds**

	<b>Prior Year 3/31/2006</b>	<b>Current Year 3/31/2007</b>	<b>Budget ** 3/31/2007</b>
<b><u>Operating revenues</u></b>			
Revenues	\$ 173,752	\$ 168,989	\$ 173,000
Federal and state grants	-	-	-
Tap - in charges	-	-	-
Penalties	-	-	-
Miscellaneous charges	80	270	-
Rental	-	-	-
Total operating revenues	<u>\$ 173,832</u>	<u>\$ 169,259</u>	<u>\$ 173,000</u>
<b><u>Operating expenses</u></b>			
Salaries	\$ 80,899	\$ 83,130	\$ 82,900
Payroll taxes	5,840	5,974	6,400
Depreciation	-	-	-
Computer	1,590	2,028	3,000
Education	3,217	1,626	3,500
Electric purchases	-	-	-
Health and life insurance	8,278	9,875	9,300
Insurance	1,093	1,096	-
Landfill and recycling	-	-	-
Miscellaneous	12	-	100
Professional and consulting service	14	100	800
Repairs and maintenance	4,185	5,883	4,100
Retirement	10,097	9,961	9,900
Supplies	47,690	40,552	46,000
Telephone	3,914	3,665	3,000
Utilities	2,983	2,458	800
Workman's compensation	4,020	2,911	3,200
Total operating expenses	<u>\$ 173,832</u>	<u>\$ 169,259</u>	<u>\$ 173,000</u>
<b><u>Non-operating revenues (expenses)</u></b>			
Investment Income	\$ -	\$ -	\$ -
Loss on Asset Disposal	-	-	-
Interest expense and fees	-	-	-
Net non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income before transfers	\$ -	\$ -	\$ -
Transfers	-	-	-
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.

## **STATISTICAL SECTION**

**City of Monett, Missouri  
Government-wide Expenses by Function  
Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Policy Development And Administration</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Parks And Recreation</b>	<b>Municipal Airport</b>	<b>Interest on Long-Term Debt</b>	<b>Waterworks</b>	<b>Electric</b>	<b>Wastewater- Sewer</b>	<b>Sanitation</b>	<b>Fiber Optics</b>	<b>Total</b>
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	309,776	2,669,911	1,003,991	1,148,503	337,963	373,882	953,069	10,110,009	1,823,205	426,164	3,167	19,159,640
2005	399,114	2,961,579	1,251,906	1,071,259	343,254	216,650	1,093,533	10,879,614	2,008,336	519,036	51,553	20,795,833
2006	272,835	3,042,470	1,477,033	1,018,100	334,486	137,982	1,379,444	13,840,616	2,205,935	495,557	66,890	24,271,348
2007	276,242	3,081,528	1,441,999	1,046,234	420,614	515,003	1,567,362	13,908,842	2,593,346	501,379	127,838	25,480,387

**City of Monett, Missouri  
Government-wide Revenues  
Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>PROGRAM REVENUES</b>		<b>GENERAL REVENUES</b>			<b>Total</b>
	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Taxes</b>	<b>Unrestricted Investment Earnings</b>	<b>Miscellaneous</b>	
1998	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	16,470,498	676,492	3,225,621	421,478	129,428	20,923,517
2005	17,312,070	980,260	3,537,587	450,364	18,756	22,299,037
2006	20,267,932	907,572	3,687,042	579,657	15,789	25,457,992
2007	21,419,576	1,034,375	3,639,043	690,332	226,709	27,010,035

**City of Monett, Missouri**  
**General Governmental Expenditures by Function**  
**Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Policy Development And Administration</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Parks And Recreation</b>	<b>Municipal Airport</b>	<b>E-911</b>	<b>Tax Increment Finance District</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
1998	377,296	1,897,975	1,230,083	855,666	238,618	56,157		2,124,642	13,180	6,793,617
1999	349,583	2,025,229	1,253,602	856,585	154,038	59,725		4,075,075	9,387	8,783,225
2000	397,163	2,225,143	1,463,551	964,716	148,228	47,161		5,078,359	6,035	10,330,358
2001	394,425	2,241,229	1,213,077	911,309	178,445	60,113	810	2,417,020	411,455	7,827,883
2002	382,978	2,286,170	1,210,019	961,296	194,783	58,222	743	1,547,131	675,974	7,317,315
2003	252,042	2,316,545	1,079,241	864,320	177,366	62,607	14,719	3,062,197	529,884	8,358,921
2004	288,627	2,445,994	967,715	914,646	185,433	64,780	385	735,135	902,938	6,505,653
2005	215,892	2,763,201	1,065,543	825,345	190,528	68,884	420	890,588	834,778	6,855,178
2006	254,762	2,764,627	1,272,942	770,196	185,227	74,973	5,843	2,206,560	705,076	8,240,206
2007	242,747	2,832,933	1,243,210	794,003	254,795	92,734	2,748	2,053,795	2,220,405	9,737,370

**City of Monett, Missouri  
General Governmental Revenues by Source  
Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Licenses and Permits</b>	<b>Federal and State Grants</b>	<b>Fines and Forfeitures</b>	<b>Franchise Fee</b>	<b>Sales Tax</b>	<b>Investment Earnings</b>	<b>Inter- governmental</b>	<b>Other Revenues</b>	<b>Other Taxes and Assessments</b>	<b>Rental Revenues</b>	<b>Total</b>
1998	25,626	582,315	87,177	177,979	945,020	310,427		544,585	501,582	74,405	3,249,117
1999	25,507	1,482,883	124,124	179,827	1,260,086	252,838		670,992	582,187	80,058	4,658,502
2000	22,308	715,388	131,880	187,541	2,125,674	128,783		431,173	509,379	76,512	4,328,638
2001	27,401	802,365	95,221	209,597	2,328,218	162,508		585,586	513,385	85,185	4,809,466
2002	28,450	276,004	98,337	161,837	2,572,007	61,201		486,893	546,255	90,736	4,321,721
2003	34,438	1,883,045	121,589	232,500	2,467,216	22,002		517,439	585,813	101,975	5,966,018
2004	39,750	84,559	114,830	248,821	2,629,878	109,083		491,801	595,743	124,001	4,438,466
2005	16,770	899	103,997	211,353	2,658,069	16,417	152,515	550,042	579,929	142,716	4,432,706
2006	80,723	555,508	100,881	275,050	2,765,548	131,270		693,537	559,358	219,813	5,381,688
2007	36,557	1,024,622	134,567	272,905	3,556,894	279,036		447,613	44,931	246,890	6,044,015

**City of Monett, Missouri**  
**Assessed and Estimated Actual Value of Property**  
**Last Ten Fiscal Years**

**Barry County:**

Fiscal Year	Real Estate		Personal Property		Utilities		Total		Ratio of Total Assessed Value to Total Est.
	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
1997-98	32,914,159	132,928,091	17,447,983	52,396,345	104,819	327,559	50,466,961	185,651,995	27.18%
1998-99	34,776,352	139,948,322	18,532,759	55,653,931	124,993	390,603	53,434,104	195,992,856	27.26%
1999-00	39,277,915	159,236,245	21,299,629	63,962,850	115,725	361,641	60,693,269	223,560,735	27.15%
2000-01	41,040,945	165,615,573	23,788,017	71,435,486	270,530	845,406	65,099,492	237,896,466	27.36%
2001-02	42,772,691	173,573,022	24,193,799	72,654,051	98,356	307,363	67,064,846	246,534,435	27.20%
2002-03	43,819,250	179,018,647	25,404,152	76,288,745	916,732	2,864,788	70,140,134	258,172,179	27.17%
2003-04	47,871,395	194,196,062	24,458,616	73,449,297	149,077	465,866	72,479,088	268,111,224	27.03%
2004-05	53,313,643	213,043,792	26,568,104	79,784,096			79,881,747	292,827,888	27.28%
2005-06	56,342,273	227,237,497	31,833,658	95,510,525	115,519	354,664	88,291,450	323,102,686	27.33%
2006-07	57,635,781	233,039,770	33,870,765	101,622,457	-	-	91,506,546	334,662,227	27.34%

**Lawrence County:**

Fiscal Year	Real Estate		Personal Property		Utilities		Total		Ratio of Total Assessed Value to Total Est.
	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
1996-97	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997-98	10,219,235	51,666,139	2,738,583	8,223,973			12,957,818	59,890,112	21.64%
1998-99	10,823,486	54,876,393	2,977,792	8,942,318			13,801,278	63,818,712	21.63%
1999-00	10,979,618	55,907,152	3,641,033	10,934,033			14,620,651	66,841,185	21.87%
2000-01	11,350,614	57,742,076	3,750,641	11,263,186			15,101,255	69,005,262	21.88%
2001-02	12,801,748	63,679,719	4,035,261	12,117,901			16,837,009	75,797,619	22.21%
2002-03	12,996,024	65,975,769	4,224,101	12,684,988			17,220,125	78,660,757	21.89%
2003-04	13,824,590	70,563,428	3,988,770	11,978,288	238,704	745,950	18,052,064	83,287,666	21.67%
2004-05	14,447,570	73,878,969	3,994,030	11,994,084	263,340	822,938	18,704,940	86,695,991	21.58%
2005-06	16,757,800	86,002,844	4,725,650	14,177,092	258,204	1,171,807	21,741,654	101,351,743	21.45%
2006-07	17,717,240	90,500,855	4,537,833	13,613,635	251,768	1,144,521	22,506,841	105,259,011	21.38%

1 Assessed values are set by the County Assessor each year as adjusted by the County Board of Equalization.

2 Real estate ratios were finalized during reassessment in 1985 as 19% for residential, 32% for commercial and 12% for agriculture.

Personal property ratio remained at 33.3%.

**City of Monett, Missouri**  
**Property Tax Rates Direct and Overlapping Governments**  
**Per \$100 Assessed Valuation**  
**Last Ten Fiscal Years**

**Barry/Lawrence County**

<u>Fiscal Year</u>	<u>City of Monett</u>	<u>Monett R-1</u>	<u>Developmentally Disabled</u>	<u>Regional Library</u>	<u>Ambulance District</u>	<u>State</u>	<u>Health Unit</u>	<u>Special Road District</u>	<u>Special Road District</u>	<u>Special Roads and Bridges</u>	<u>Senior Citizen's Fund</u>	<u>Nursing Home</u>	<u>County General</u>	<u>Barry County Total</u>	<u>Lawrence County Total</u>
1997-98	0.3400	3.1700	0.0700	0.1600	0.1200	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1100	0.1000	4.1200	4.2200
1998-99	0.3400	3.1800	0.0700	0.1600	0.1200	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1100	0.0900	4.1300	4.2200
1999-00	No Tax	3.3100	0.0700	0.1700	0.1200	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1100	0.0900	3.9300	4.0200
2000-01	No Tax	3.3100	0.0700	0.1770	0.1200	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1101	0.0900	3.9370	4.0271
2001-02	No Tax	3.3100	0.0800	0.1771	0.1200	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1101	0.0900	3.9471	4.0372
2002-03	No Tax	3.3100	0.0800	0.1771	0.1210	0.0300	0.0700	0.1600	No Tax	0.0700	0.0500	0.1102	0.0900	3.9481	4.0383
2003-04	No Tax	3.3100	0.0800	0.1784	0.1230	0.0300	0.0705	0.1652	No Tax	0.0700	0.0500	0.1111	0.0900	3.9571	4.0425
2004-05	No Tax	3.6200	0.0800	0.1784	0.1230	0.0300	0.0705	0.1652	No Tax	0.0700	0.0500	0.1111	0.0900	4.2671	4.3525
2005-06	No Tax	3.6246	0.0800	0.1749	0.1207	0.0300	0.0701	0.1652	No Tax	0.0700	0.0483	0.1073	0.0963	4.2655	4.3521
2006-07	No Tax	3.6242	0.0883	0.1750	0.1225	0.0300	0.0701	0.1652	No Tax	0.0700	0.0500	0.1079	0.1150	4.2753	4.3829

1. Information provided by Barry and Lawrence County, which are responsible for assessing and collecting such taxes by contract with the City.
2. Commercial property is assessed an additional surtax of \$.3273 in Barry County and \$.50 in Lawrence County .

**City of Monett, Missouri**  
**Principal Taxpayers**  
**March 31, 2007**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2006 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Jack Henry Associates, Inc	Cinoyter Software	\$ 14,018,553	13.75%
International Dehydrated Foods, Inc.	Food Processor	6,802,578	6.67%
Tyson Foods, Inc.	Food Processor	3,685,536	3.61%
Miracle Recreation Equipment Co.	Manufacturer	3,271,815	3.21%
EFCO Corp.	Manufacturer	3,246,327	3.18%
Schreiber Foods, Inc	Food Processor	2,972,014	2.91%
Missouri Gas Energy	Utility	2,044,498	2.00%
Wal-Mart	Retailer	1,971,517	1.93%
Friend Tire	Wholesaler	1,290,115	1.27%
Hydro Aluminum	Manufacturer	1,234,055	1.21%
Totals		<u>\$ 40,537,008</u>	<u>39.75%</u>

**City of Monett, Missouri**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Special Assessment Billings</b>	<b>Special Assessment Collected</b>
1998		
1999		
2000		
2001		
2002		
2003		
2004		
2005	30,912.77	
2006	49,358.37	43,494.06
2007	49,358.37	42,317.61

**City of Monett, Missouri**  
**Computation of Legal Debt Margin**  
**March 31, 2007**

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Assessed valuations		\$ 114,099,371
Legal debt margin		
Debt limitation - 20 percent of total assessed value		22,819,874
Debt applicable to limitation:		
Total bonded debt	15,656,125	
Less:		
Revenue bonds	(8,805,000)	
Tax increment revenue bonds	(6,350,000)	
Amount available for repayment of general obligation bonds	_____	
Total debt applicable to limitation		<u>501,125</u>
Legal debt margin		<u><u>\$ 22,318,749</u></u>

**City of Monett, Missouri**  
**Ratio of Net General Obligation Bonded Debt**  
**To Assessed Value and Net General Obligation Bonded Debt per Capita**  
**Last Ten Fiscal Years**

<b>Balance</b>		<b>Assessed</b>	<b>Gross</b>	<b>Less Debt</b>	<b>Net</b>	<b>Ratio of Net</b>		<b>Net Bonded</b>
<b>March 31,</b>	<b>Population</b>	<b>Value<sup>1</sup></b>	<b>Bonded</b>	<b>Service Fund<sup>3</sup></b>	<b>Bonded</b>	<b>Bonded</b>	<b>Debt to</b>	<b>Debt per</b>
			<b>Debt<sup>2</sup></b>		<b>Debt</b>	<b>Value</b>	<b>Assessed</b>	<b>Capita</b>
1998	6348	\$ 63,424,779	N/A	N/A	N/A	N/A	%	N/A
1999	6348	67,253,702	N/A	N/A	N/A	N/A		N/A
2000	7396	74,981,884	N/A	N/A	N/A	N/A		N/A
2001	7396	79,717,232	N/A	N/A	N/A	N/A		N/A
2002	7396	83,576,840	N/A	N/A	N/A	N/A		N/A
2003	7396	86,197,702	N/A	N/A	N/A	N/A		N/A
2004	7396	98,393,303	N/A	N/A	N/A	N/A		N/A
2005	7396	101,977,695	N/A	N/A	N/A	N/A		N/A
2006	7396	109,119,536	\$ 528,000	N/A	N/A	N/A		N/A
2007	7396	114,099,371	\$ 501,125	N/A	N/A	N/A		N/A

<sup>1</sup> Information provided by Barry and Lawrence County.

<sup>2</sup> Amount does not include special assessment bonds and revenue bonds

<sup>3</sup> Amount available for repayment of general obligation bonds

**City of Monett, Missouri**  
**Ratio of Annual Debt Service Expenditures**  
**For General Obligation Bonded Debt<sup>1</sup>**  
**To Total General Governmental Expenditures**  
**Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
1998	\$	\$	N/A	\$ 6,793,617	N/A %
1999			N/A	8,783,225	N/A
2000			N/A	10,330,358	N/A
2001			N/A	7,827,883	N/A
2002			N/A	6,356,019	N/A
2003			N/A	8,358,921	N/A
2004			N/A	6,505,653	N/A
2005			N/A	7,026,880	N/A
2006	14,230	17,157	31,387	8,240,206	0.38
2007	26,875	24,078	50,953	9,737,370	0.52

<sup>1</sup> Special assessment debt with government commitment are excluded

**City of Monett, Missouri**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
City of Monett	\$ 501,125	100 %	\$ 501,125
Overlapping:			
Monett R-1 School District County	9,420,000	0 %	0
Total	<u>\$ 9,921,125</u>		<u>\$ 501,125</u>

**City of Monett, Missouri**  
**Revenue Bond Coverage**  
**Sewer Revenue Bonds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<b>Balance March 31,</b>	<b>Gross Revenues<sup>1</sup></b>	<b>Operating Expenses<sup>2</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements<sup>3</sup></b>			
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b>
1998	932,220	745,483	186,737	40,000	71,849	111,849	1.67
1999	965,386	738,552	226,834	40,000	50,674	90,674	2.50
2000	1,538,530	789,018	749,512	30,000	68,682	98,682	7.60
2001	1,708,053	665,350	1,042,703	30,000	100,459	130,459	7.99
2002	1,637,580	818,154	819,426	45,000	74,730	119,730	6.84
2003	1,790,427	794,026	996,401	335,000	74,259	409,259	2.43
2004	1,687,503	867,518	819,985	35,000	318,381	353,381	2.32
2005	1,757,492	886,223	871,269	40,000	452,894	492,894	1.77
2006	1,946,185	1,072,219	873,966	329,230	450,713	779,943	1.12
2007	1,848,099	1,332,577	515,522	340,000	463,284	803,284	0.64

<sup>1</sup>Total revenues (including investment earnings)

<sup>2</sup>Total operating expenses exclusive of depreciation

<sup>3</sup>Includes principal and interest of sewer revenue bonds only. It does not include the general obligation

**City of Monett, Missouri  
Demographic Statistics  
Last Ten Fiscal Years**

<b>Balance March 31,</b>	<b>Population<sup>1</sup></b>	<b>Per Capita Income<sup>1</sup></b>	<b>Median Age<sup>1</sup></b>	<b>Education Level in Years of Formal Schooling<sup>1</sup></b>	<b>R-1 Monett School District Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
1998	6348	10,659	N/A	12.8	1,844	4.4 %
1999	6348	10,659	N/A	12.8	1,878	3.3
2000	7396	17,048	35.4	13.4	1,915	3.1
2001	7396	17,048	35.4	13.4	1,975	4.3
2002	7396	17,048	35.4	13.4	2,012	N/A
2003	7396	17,048	35.4	13.4	1,998	N/A
2004	7396	17,048	35.4	13.4	1,981	2.7
2005	7396	17,048	35.4	13.4	2,002	3.3
2006	7396	17,048	35.4	13.4	2,002	2.3
2007	7396	17,048	35.4	13.4	2,002	2.7 (As of March 31, 2007)

Data Sources

<sup>1</sup>U.S. Census Bureau (www.factfinder.census.gov)

<sup>2</sup>R-1 Monett District

<sup>3</sup>Economic Research and Information Center, Department of Economic Development (573-751-3606)

**City of Monett, Missouri**  
**Miscellaneous Statistics**  
**March 31, 2007**

Date of Incorporation	1888
Form of Government	Mayor-Board of Commission
City Classification	Third Class
Number of employees (excluding police and fire):	
Classified	90
Exempt	16
Name of Government facilities and services:	
Miles of streets	62
Airport:	
Number of hangars	21
Number of runways	1
Length of runway	5,000
Culture and Recreation:	
Baseball/softball fields	7
Basketball courts	2
Golf course - 18 hole	1
Parks	2
Park acreage	100
Recreation facilities	4
Soccer fields	6
Skate park	1
Swimming pools	1
Tennis courts	8
Walking/biking trail miles	9.7
Fire Protection:	
Number of stations	2
Number of fire personnel and officers	23
Police Protection:	
Number of stations	1
Number of police personnel and officers	30
Number of patrol units	12
Number of law violations:	
Physical arrests	634
Traffic violations	1333
Sewerage System:	

Number of treatment plants	1
Number of service connections	3,800
Daily average treatment in gallons	3,100,000
Maximum daily capacity of treatment plant in gallons	12,000,000
Water System:	
Number of service connections	4,100
Daily average consumption in gallons	3,360,000
Maximum daily capacity of plant in gallons	5,000,000
Electric Distribution System:	
Number of meters	4,550
Number of distribution stations	5
Compost/Recycling Facilities:	
Compost Center	1
Recycle Drop-Off Center	1
Items accepted	aluminum, cardboard, paper, tin
Facilities and services not included in the reporting entity:	
Hospitals/Clinics:	
Number of hospitals	1
Number of patient beds	78
Libraries	1
Newspaper	daily paper
Radio Stations	2

**FEDERAL COMPLIANCE SECTION**



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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 James Orr  
Jerry Dierker and Michael Brownsberger, Councilmen  
Monett, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Monett, Missouri as of and for the year ended March 31, 2007, which collectively comprise of the City's basic financial statements and have issued our report thereon dated August 21, 2007. 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 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 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.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

August 21, 2007



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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 James Orr  
Jerry Dierker and Michael Brownsberger, 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, 2007. The City of Monett, Missouri's major federal programs is 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, 2007.

**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.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal and State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund information of City of Monett, Missouri as of and for the year ended March 31, 2006, and have issued our report thereon dated August 21, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Monett, Missouri's, basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

August 21, 2007

**CITY OF MONETT, MISSOURI  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
MARCH 31, 2007**

<b>FEDERAL GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
Department of Economic Development			
Community Development Block Grant		2005-ED-09	\$ 35,909
Community Development Block Grant Pass through Loan Program		2005-MO-07	500,000
Total Department of Economic Development			<u>535,909</u>
Department of Transportation			
Transportation Enhancement Funds passed Through the Missouri Highway and Transportation Commission	20.205	J7P0786	914,623
Federal Aviation Agency passed Through the Missouri Highway and Transportation Commission	20.106	AIR 035/045-98B	353,647
Total Department of Transportation			<u>1,268,270</u>
Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.004	2005-MU-T5-0005	10,427
Total Department of Homeland Security			<u>10,427</u>
Total Federal Programs			<u>\$ 1,814,606</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COST  
 MARCH 31, 2007**

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

Financial Statements

Type of auditors' report issued: Unqualified  
 Internal control over financial reporting:  
 Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) 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  
 Significant deficiency(ies) 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>
20.205	Department of Transportation

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.