

BASIC FINANCIAL STATEMENTS

**CITY OF MONETT, MISSOURI
STATEMENT OF NET ASSETS
MARCH 31, 2008**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 53,038	\$ 1,092,165	\$ 1,145,203
Investments	1,009,451	-	1,009,451
Accounts receivable	848,107	2,059,701	2,907,808
Prepaid health insurance	61,607	-	61,607
Prepaid workmen's compensation	62,374	39,672	102,046
Prepaid sales tax	-	63,437	63,437
Premium on bond issuance	432,633	463,037	895,670
Restricted assets:			
Cash and cash equivalents	11,225,222	1,940,191	13,165,413
Investments	-	1,215,992	1,215,992
Capital assets:			
Non depreciable	922,438	210,160	1,132,598
Depreciable, net	16,453,132	22,034,875	38,488,007
Total Assets	31,068,002	29,119,230	60,187,232
LIABILITIES			
Accounts payable	181,913	1,136,542	1,318,455
Accrued payroll and payroll taxes	107,753	31,856	139,609
Accrued interest payable	88,500	-	88,500
Due to depositors	13,160	335,282	348,442
Accrued compensated absences liabilities:			
Due within one year	317,376	200,128	517,504
Due in more than one year	35,264	22,237	57,501
Long-term debt liabilities:			
Due within one year	1,028,189	481,586	1,509,775
Due in more than one year	18,104,639	8,924,756	27,029,395
Total Liabilities	19,876,794	11,132,387	31,009,181
NET ASSETS			
Reserved:			
Invested in capital assets, net of related debt	7,767,846	13,198,691	20,966,537
Restricted for:			
Debt service	-	-	-
Capital projects	1,970,505	1,215,992	3,186,497
Other purposes	258,891	-	258,891
Unrestricted	1,193,966	3,572,160	4,766,126
Total Net Assets	\$ 11,191,208	\$ 17,986,843	\$ 29,178,051

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets		Total
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Policy development and administration	\$ 737,943	\$ 626,249	\$ 96,139	\$ (15,555)	\$ -	\$ (15,555)
Public safety	3,101,434	82,773	8,896	(3,009,765)	-	(3,009,765)
Public works	1,563,160	28,957	1,377,044	(157,159)	-	(157,159)
Parks and recreation	1,077,859	364,939	-	(712,920)	-	(712,920)
Municipal Airport	439,608	257,260	10,500	(171,848)	-	(171,848)
Interest on long-term debt	603,927	-	-	(603,927)	-	(603,927)
Total governmental activities	7,523,931	1,360,178	1,492,579	(4,671,174)	-	(4,671,174)
Business-type activities:						
Waterworks	1,568,458	1,752,569	-	-	184,111	184,111
Electric	15,116,987	17,802,191	-	-	2,685,204	2,685,204
Wastewater-sewer	2,680,219	1,811,328	-	-	(868,891)	(868,891)
Sanitation	526,084	570,534	-	-	44,450	44,450
Fiber optics	99,704	192,313	-	-	92,609	92,609
Total business-type activities	19,991,452	22,128,935	-	-	2,137,483	2,137,483
Total City	\$ 27,515,383	\$ 23,489,113	\$ 1,492,579	(4,671,174)	2,137,483	(2,533,691)
General revenues						
Sales and use taxes				2,018,812	-	2,018,812
Sales and use taxes - police station				407,164	-	407,164
Motor fuel sales tax				300,892	-	300,892
M & M Surcharge Tax				36,820	-	36,820
Emergency Telephone Tax				89,310	-	89,310
Sales tax - TIF				952,731	-	952,731
Real Estate Tax - TIF				352,267	-	352,267
Franchise fees				295,305	-	295,305
Investment revenue				262,272	399,876	662,148
Miscellaneous				-	5,000	5,000
Transfers - Payments in lieu of taxes				2,110,984	(2,110,984)	-
Transfers				150,000	(150,000)	-
Total general revenues and transfers				6,976,557	(1,856,108)	5,120,449
Change in net assets				2,305,383	281,375	2,586,758
Net assets - beginning				8,885,825	17,734,345	26,620,170
Prior period adjustment				-	(28,877)	(28,877)
Net assets - ending				\$ 11,191,208	\$ 17,986,843	\$ 29,178,051

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2008

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	
ASSETS					
Cash and cash equivalents	\$ 53,038	\$ -	\$ -	\$ -	\$ 53,038
Investments	1,009,451	-	-	-	1,009,451
Accounts receivable	773,664	-	39,142	35,300	848,107
Due from other funds	-	-	-	-	-
Prepaid health insurance	61,607	-	-	-	61,607
Prepaid workmen's compensation	62,374	-	-	-	62,374
Restricted assets:					
Cash and cash equivalents	568,145	134,910	9,432,202	1,089,965	11,225,222
Investments	-	-	-	-	-
Total assets	\$ 2,528,280	\$ 134,910	\$ 9,471,344	\$ 1,125,265	\$ 13,259,799
LIABILITIES					
Accounts payable	\$ 181,913	\$ -	\$ -	\$ -	\$ 181,913
Accrued payroll and payroll taxes	107,753	-	-	-	107,753
Due to depositors	13,160	-	-	-	13,160
Due to other funds	-	-	-	-	-
Total liabilities	302,826	-	-	-	302,826
FUND BALANCE					
Reserved:					
Reserved for E-911	-	134,910	-	-	134,910
Reserved for Tax Increment Financing	-	-	9,471,344	1,125,265	10,596,610
Reserved for prepaid items	123,981	-	-	-	123,981
Undesignated	2,101,473	-	-	-	2,101,473
Total fund balances	2,225,454	134,910	9,471,344	1,125,265	12,956,974
Total liabilities and fund balances	\$ 2,528,280	\$ 134,910	\$ 9,471,344	\$ 1,125,265	\$ 13,259,799

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, 2008**

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

Total fund balance - total governmental funds		\$ 12,956,974
Capital assets used in governmental activities are not current financial resource, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 29,754,810	
Less accumulated depreciation	<u>(12,379,240)</u>	
		17,375,570
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.		
General obligation bonds	(122,271)	
Revenue bonds	(14,510,000)	
Notes payable	(100,000)	
Capital lease obligations	(4,400,557)	
Accrued compensated absences	(352,640)	
Unamortized issuance cost of bonds	432,633	
Accrued interest liability	<u>(88,500)</u>	
		(19,141,335)
Net assets of Governmental Activities		<u><u>\$ 11,191,208</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, 2008

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - District 1	Tax Increment Finance - District 2	
REVENUES					
Business license and permits	\$ 45,161	\$ -	\$ -	\$ -	\$ 45,161.00
Federal and state grants	878,488	-	614,092	-	1,492,580
Fines and forfeitures	221,332	-	-	-	221,332
Franchise fees	295,305	-	-	-	295,305
Sales tax	2,726,867	-	614,991	337,741	3,679,599
Investment income	138,789	-	76,717	46,766	262,272
Intergovernmental	-	-	-	-	-
Other revenue	939,819	13,826	-	-	953,646
Other taxes and assessments	36,820	89,310	264,786	87,481	478,397
Rental revenue	140,038	-	-	-	140,038
Total Revenues	5,422,621	103,136	1,570,585	471,988	7,568,329
EXPENDITURES					
Current					
Policy development and administration	696,160	-	-	-	696,160
Public safety	2,850,716	82,506	-	-	2,933,222
Public works	1,183,664	-	178,759	94,943	1,457,367
Parks and recreation	818,133	-	-	-	818,133
Municipal airport	286,929	-	-	-	286,929
Capital outlay	3,755,947	-	1,522,493	1,584,449	6,862,889
Debt service:					
Principal	442,376	-	940,000	-	1,382,376
Interest and other charges	155,292	-	88,247	271,889	515,428
Total Expenditures	10,189,217	82,506	2,729,500	1,951,281	14,952,504
Excess (Deficiency) of Revenues over Expenditures	(4,766,596)	20,630	(1,158,915)	(1,479,293)	(7,384,174)
OTHER FINANCING SOURCES (USES)					
Proceeds from financing	857,977	-	9,100,000	-	9,957,977
Transfers - Payments in lieu of taxes (PILOTS)	2,110,984	-	-	-	2,110,984
Transfers in	533,551	-	58,754	(442,305)	150,000
Total Other Financing Sources (Uses)	3,502,512	-	9,158,754	(442,305)	12,218,962
Net Change in Fund Balances	(1,264,084)	20,630	7,999,840	(1,921,598)	4,834,787
Fund balance - beginning	3,489,538	114,280	1,471,505	3,046,863	8,122,187
Fund balance - ending	\$ 2,225,454	\$ 134,910	\$ 9,471,344	\$ 1,125,265	\$ 12,956,974

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, 2008**

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

Net change in fund balance - total governmental funds	\$ 4,834,787
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.	6,862,889
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(831,470)
In the Statement of Activities cost of accrued compensated absences are expenses as salary costs.	(20,269)
Governmental funds report unamortized bond premium as expenditures. However, in the statement of activities the cost of those premiums is allocated over their debt repayment lives.	123,547
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	(88,500)
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.	(9,957,977)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,382,376
Change in net assets of governmental activities	<u>\$ 2,305,383</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF NET ASSETS
 MARCH 31, 2008

ASSETS	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Current assets:						
Cash and cash equivalents	\$ -	\$ 932,147	\$ -	\$ 159,947	\$ 71	\$ 1,092,165
Investments	-	-	-	-	-	-
Accounts receivable	133,099	1,444,906	426,323	40,788	14,585	2,059,701
Prepaid workmen's compensation	9,342	16,296	4,702	9,332	-	39,672
Prepaid sales tax	-	63,437	-	-	-	63,437
Due from other funds	-	444,390	-	-	-	444,390
Unamortized bond issue costs/investments	-	-	463,037	-	-	463,037
Total current assets	142,441	2,901,176	894,062	210,067	14,656	4,162,402
Restricted assets:						
Cash and cash equivalents	299,846	-	1,640,344	-	-	1,940,191
Investments	-	-	1,215,992	-	-	1,215,992
Total restricted assets	299,846	-	2,856,337	-	-	3,156,183
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	412,557	585,499	312,783	1,012,379	-	2,323,218
Infrastructure	6,685,017	5,218,869	24,870,595	61,189	631,324	37,466,994
Construction in progress	-	-	-	-	-	-
Less: accumulated depreciation	(3,281,873)	(4,874,503)	(10,577,430)	(660,184)	(113,020)	(19,507,010)
Total capital assets (net of accumulated depreciation)	4,781,579	1,739,392	14,707,497	498,262	518,304	22,245,034
Total noncurrent assets	4,781,579	1,739,392	14,707,497	498,262	518,304	22,245,034
Total Assets	5,223,866	4,640,567	18,457,896	708,329	532,960	29,563,619
LIABILITIES						
Current liabilities:						
Accounts payable	25,064	1,072,560	11,966	26,950	-	1,136,541
Accrued payroll and payroll taxes	8,392	13,214	7,811	2,439	-	31,856
Due to other funds	-	-	-	-	444,390	444,390
Current maturities of long-term debt	-	-	-	-	-	-
Total current liabilities	33,456	1,085,775	19,777	29,389	444,390	1,612,788
Long-term liabilities, less current maturities:						
Due to depositors	28,504	306,778	-	-	-	335,282
Accrued compensated absences	47,210	118,793	46,157	10,206	-	222,366
Notes and capitalized lease obligations payable	515,134	-	-	71,208	-	586,342
Neighborhood improvement bonds	-	-	360,000	-	-	360,000
Revenue bonds payable, net	-	-	8,460,000	-	-	8,460,000
Total noncurrent liabilities	590,848	425,571	8,866,157	81,414	-	9,963,990
Total Liabilities	624,304	1,511,346	8,885,934	110,804	444,390	11,576,778
NET ASSETS						
Reserved:						
Invested in capital asset, net of related debt	4,266,445	1,739,392	6,247,497	427,054	518,304	13,198,691
Restricted for:						
Capital projects	-	-	1,215,992	-	-	1,215,992
Unrestricted	333,117	1,389,830	2,108,473	170,472	(429,734)	3,572,158
Total Net Assets	\$ 4,599,563	\$ 3,129,222	\$ 9,571,963	\$ 597,525	\$ 88,570	\$ 17,986,843

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET ASSETS
 YEAR ENDED MARCH 31, 2008

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 1,735,495	\$ 17,237,736	\$ 1,811,208	\$ 556,534	\$ 161,724	\$ 21,502,697
OPERATING EXPENSES						
Salaries	437,490	726,484	415,393	124,062	-	1,703,429
Payroll taxes	33,124	52,727	31,550	8,770	-	126,171
Depreciation	257,427	156,394	1,012,908	75,727	29,536	1,531,991
Computer	6,555	6,238	4,613	-	2,009	19,415
Education	3,612	4,237	6,346	-	30,590	44,785
Electric purchases	-	13,312,839	-	-	-	13,312,839
Health and life insurance	42,589	53,976	38,908	23,578	-	159,452
Insurance	15,884	64,612	19,455	4,297	-	104,251
Landfill and recycling	-	-	-	171,696	-	171,696
Miscellaneous	1,216	887	754	517	-	3,373
Professional and consulting service	30,513	17,942	73,204	-	10,373	132,031
Repairs and maintenance	220,499	193,289	236,322	82,966	7,004	740,080
Retirement	48,698	80,211	48,011	14,717	-	191,636
Supplies	177,630	419,325	104,684	6,596	20,015	728,250
Telephone	3,419	5,948	2,735	-	176	12,278
Utilities	258,043	437	259,886	215	-	518,581
Workman's compensation	11,838	21,442	8,734	12,543	-	54,556
Total Operating Expenses	1,548,535	15,116,987	2,263,505	526,084	99,704	19,554,814
Operating Income (Loss)	186,961	2,120,748	(452,297)	30,450	62,020	1,947,882
NONOPERATING REVENUES (EXPENSES)						
Investment income	14,200	38,789	346,887	-	-	399,876
Federal and state grants	-	552,585	-	10,721	-	563,306
Miscellaneous income	17,073	11,870	121	8,279	30,590	67,933
Interest expense and fees	(19,924)	-	(416,714)	-	-	(436,638)
Total Nonoperating Revenues (Expenses)	11,349	603,244	(69,706)	19,000	30,590	594,477
Income (Loss) Before Contributions and Transfers	198,310	2,723,992	(522,003)	49,450	92,610	2,542,359
Payments in lieu of taxes (PILOTS)	(177,207)	(1,691,902)	(222,644)	-	(19,231)	(2,110,984)
Transfers out	-	(150,000)	-	-	-	(150,000)
Change in Net Assets	21,103	882,091	(744,648)	49,450	73,379	281,375
Net assets - beginning	4,578,459	2,247,131	10,316,611	548,076	44,068	17,734,345
Prior period adjustment	-	-	-	-	(28,877)	(28,877)
Net assets - ending	\$ 4,599,563	\$ 3,129,222	\$ 9,571,963	\$ 597,525	\$ 88,570	\$ 17,986,843

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 1,739,269	\$ 17,087,626	\$ 1,844,394	\$ 563,418	\$ 159,714	\$ 21,394,421
Cash received from other sources	17,073	11,870	121	8,279	30,590	67,932
Cash payments to suppliers	(177,630)	(13,732,164)	(104,684)	(6,596)	(20,015)	(14,041,089)
Cash payments to employees	(434,287)	(732,252)	(428,757)	(126,953)	-	(1,722,249)
Cash payments to employee benefits and payroll taxes	(124,411)	(186,914)	(118,469)	(47,465)	-	(477,259)
Cash payments for other expenses	(540,454)	(274,566)	(598,341)	(230,123)	(50,153)	(1,693,637)
Net cash provided by (used in) operating activities	479,560	2,173,600	594,263	160,560	120,136	3,528,118
Cash flows from non-capital financing activities:						
Transfers - Payments in lieu of taxes (PILOTS)	(177,207)	(1,691,902)	(222,644)	-	(19,231)	-
Transfers from (to) other funds	-	(150,000)	-	-	-	(150,000)
Due (from) to other funds	-	61,000	-	-	(61,000)	-
Net cash provided by (used in) non-capital financing activities	(177,207)	(1,780,902)	(222,644)	-	(80,231)	(2,260,984)
Cash flows from capital and related financing activities:						
Interest expense & fees	(19,924)	-	(416,714)	-	-	(436,638)
Principal payment on capital lease	(63,848)	-	-	(102,935)	-	(166,783)
Purchase of capital acquisitions	(17,511)	(102,290)	(83,568)	(174,143)	(40,610)	(418,122)
Federal and state grants	-	552,585	-	10,721	-	563,306
Financing proceeds	-	-	-	174,143	-	174,143
Redemption of bonds payable	-	-	(350,000)	-	-	(350,000)
Net cash provided by (used in) capital and related financing activities	(101,283)	450,295	(850,282)	(92,214)	(40,610)	(634,094)
Cash flows from investing activities:						
Investment income	14,200	38,789	346,887	-	-	399,876
Premium paid on investment purchases	-	-	(273,914)	-	-	(273,914)
Sale of investments - held to maturity	-	-	84,842	-	-	84,842
Net cash provided by (used in) investing activities	14,200	38,789	157,815	-	-	210,804
Net increase (decrease) in cash and cash equivalents	215,270	881,782	(320,848)	68,346	(705)	843,845
Cash and cash equivalents - beginning	84,576	50,365	1,961,192	91,601	776	2,188,510
Cash and cash equivalents - ending	\$ 299,846	\$ 932,147	\$ 1,640,344	\$ 159,947	\$ 71	\$ 3,032,355
Displayed as:						
Cash and cash equivalents	\$ -	\$ 932,147	\$ -	\$ 159,947	\$ 71	\$ 1,092,165
Restricted - cash and cash equivalents	299,846	-	1,640,344	-	-	1,940,190
Total cash and cash equivalents	\$ 299,846	\$ 932,147	\$ 1,640,344	\$ 159,947	\$ 71	\$ 3,032,355
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 186,961	\$ 2,120,748	\$ (452,297)	\$ 30,450	\$ 62,020	\$ 1,947,883
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	257,427	156,394	1,012,908	75,727	29,536	1,531,991
Miscellaneous charges	17,073	11,870	121	8,279	30,590	67,933
(Increase) decrease in accounts receivable	3,162	(107,486)	33,186	6,884	(2,010)	(66,264)
(Increase) decrease in prepaid sales tax	-	(63,437)	-	-	-	(63,437)
Increase (decrease) in workmen's compensation	3,483	4,790	1,743	15,163	-	25,179
Increase (decrease) in accounts payable	7,639	35,675	11,966	26,948	-	82,228
Increase (decrease) in accrued payroll	8,392	(12,665)	(9,121)	(2,395)	-	(15,789)
Increase (decrease) in customer deposits	612	20,813	-	-	-	21,425
Increase (decrease) in accrued compensated absences	(5,189)	6,897	(4,243)	(496)	-	(3,031)
Net cash provided by (used in) operating activities	\$ 479,560	\$ 2,173,600	\$ 594,263	\$ 160,560	\$ 120,136	\$ 3,528,118

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of \$174,143 were acquired through capital lease.

See accompanying notes to the financial statements.