

**CITY OF MONETT,
MISSOURI**

**ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
MARCH 31, 2009**

CITY OF MONETT, MISSOURI

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
List of Elected and Appointed Officials	1
Organizational Chart	2
Letter of Transmittal	3
FINANCIAL SECTION	
Independent Auditors' Report	7
Management's Discussion and Analysis	9
Government-Wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:	
Statement of Net Assets	24
Statement of Revenues, Expenditures, and Changes in Fund Net Assets	26
Statement of Cash Flows	27
Notes to the Financial Statements	29
Required Supplementary Information:	
Notes to Budgetary Comparison Schedules	53
Budgetary Comparison Schedules	54
Schedule of Funding Process – Retirement System	58
Other Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes In Fund Balance (Original Budget and Actual)	59

FEDERAL COMPLIANCE SECTION

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	72
Report on Compliance With Requirements Applicable To Each Major Program and On Internal Control Over Compliance In Accordance With OMB Circular A-133	74
Schedule of Expenditure of Federal Awards	76
Schedule of Findings and Questioned Costs	77

INTRODUCTION SECTION

City of Monett, Missouri
List of Elected and Appointed Officials
March 31, 2009

Elected Officials

Mayor
Commissioner
Commissioner

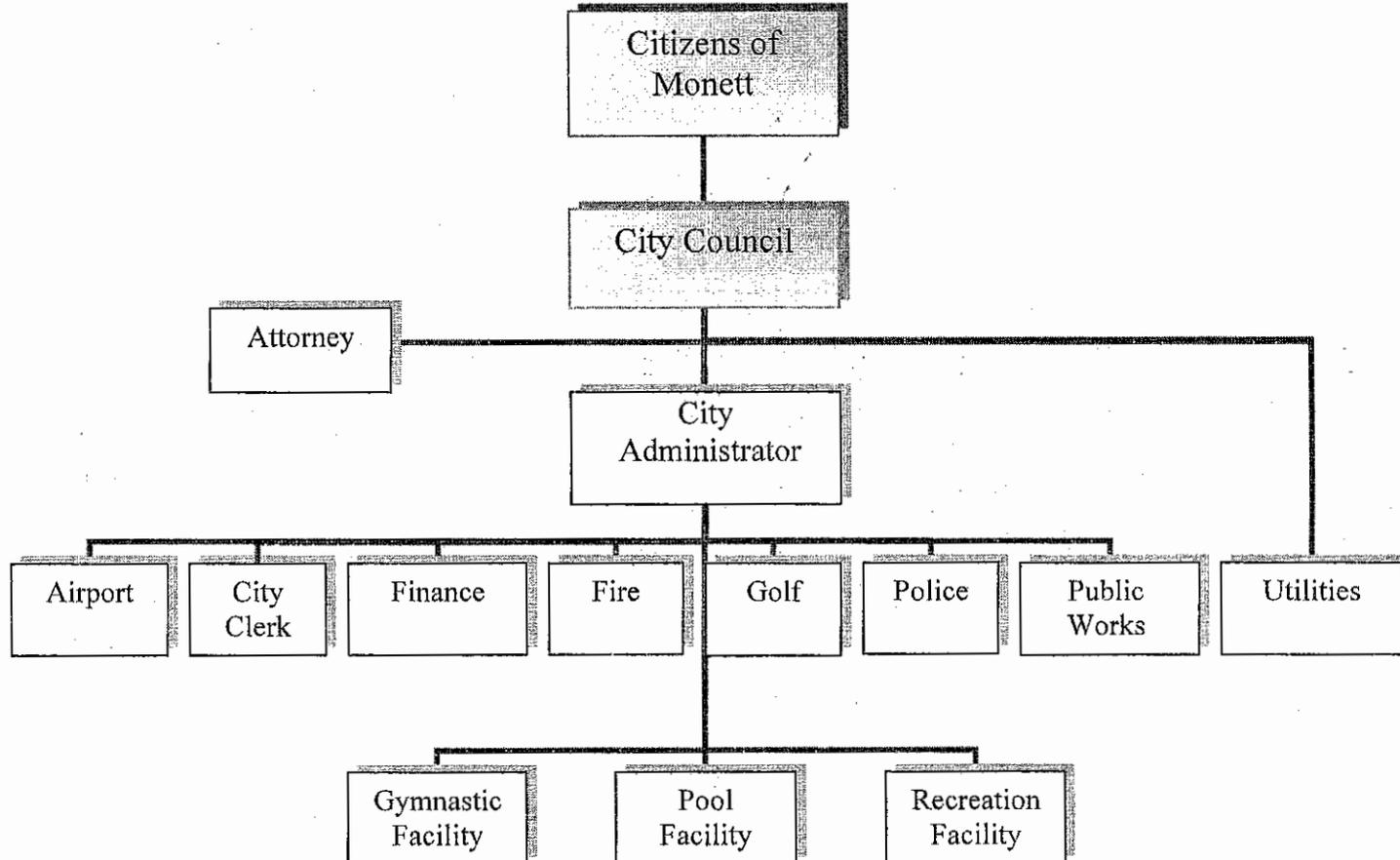
James Orr
Jerry Dierker
Michael Brownsberger

Appointed Officials

City Administrator
Airport Superintendent
City Clerk/Treasurer
Fire Chief
Golf Superintendent
Police Chief
Public Works Superintendent
Utilities General Manager

Dennis Pyle
Howard Frazier
Janie Knight
Tom Jones
Mike Knight
Tim Schweder
Russ Balmas
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

September 1, 2009

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

The Administrative Department is pleased to present the Annual Financial Report for the City of Monett, Missouri (the City), for fiscal year ended March 31, 2009. 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, 2009, 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 Annual Report 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 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 2012.

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 Administrator in January each year. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator 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 has a diverse manufacturing and industrial base that adds stability to the local economy. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer software providers, several window manufacturers, playground equipment manufacturer, food manufacturers, cheese processors, dairy processors, poultry processors, and several financial and insurance institutions. The City has a broad mix of retail and service establishments that serve Monett and the surrounding areas. The population growth of the last ten years has led to further expansion of the retail base and provided increased sales tax revenues to the local government.

In the last half of 2008 and first quarter of 2009, the national economy experienced a severe recession with negative economic growth and high rates of unemployment. The City's sales tax revenues for the last half of the fiscal year reflected this downturn in the economy and were lower than the prior fiscal year during that same period. This trend of lower sales tax revenues was expected to continue into Fiscal Year 2009-2010 with an anticipated recovery in the second half of 2009 or first half of 2010.

Employment levels in Monett remained relatively stable with no large layoffs announced by any local companies although there was evidence of modified workweeks and restrained capital spending in the private sector. The outlook for the second half of 2009 is more positive as local companies indicated increased demand for their products and services. However, it was indicated that this increase in production would not translate into an immediate increase in employment levels.

Long-term financial planning - Significant improvements to the Monett water system are needed to insure that current and future water supply needs are met. These improvements include the construction of a water treatment facility to operate in conjunction with Wells No. 9 and 12; installing a waterline west along Highway 60 to connect with an existing well at the Monett Municipal Airport; installing a larger pump at the airport well; constructing waterlines to resolve low pressure problems in the areas near Wells No. 15 and 16; installing a booster pump station in the area of the North Park tank and other system improvements.

The total cost of these improvements is estimated at \$13,330,000. These capital costs, in addition to the annual operating costs of the new treatment facility, will require an increase in water rates of approximately \$1.23 per thousand gallons of water sold. The City Council's intent is to increase rates equally over the next three years to cover these capital and operational costs. It is anticipated that the City will seek financing of these improvements from Missouri's State Revolving Fund (SRF) which will require voter approval of a revenue bond issue in either 2010 or 2011.

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 5.84 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,



James Orr, Mayor

INDEPENDENT AUDITORS' REPORT



A Professional Corporation
BIG FIRM QUALITY, SMALL FIRM VALUES
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor James Orr,
Councilman Jerry Dierker and Councilman Michael Brownsberger
City of Monett, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Monett, Missouri as of and for the year ended March 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Monett, Missouri'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 and each major fund of the City of Monett, Missouri, as of March 31, 2009, 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 also issued our report dated September 21, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 9 through 17 and 49 through 54, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monett, Missouri's basic financial statements. The introductory section, and the combining departmental financial statements 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 of Monett. The combining and individual departmental financial statements and 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 the combining departmental 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.

Monett, Missouri
September 21, 2009

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

217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

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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, 2009. 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 \$31,400,546 (*net assets*). Of this amount, \$3,505,326 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$1,519,562. Of this amount, \$1,648,423 was from the City's "governmental activities" with a decrease in net assets of \$128,861 from the "business-type activities". Additionally, a prior period adjustment was recorded in the amount of \$702,933 for the "business-type activities" to reflect a change in the accounting for supplies held as inventories to maintain operational effectiveness.
- The City total debt decreased by \$1,404,253 during the current fiscal year. The City's fiscal year started with existing debt of \$28,539,170, principal payments of \$2,046,416 were made during the year, also, new debt issuance of \$642,163, which created ending fiscal year debt balance of \$27,134,917. The debt increase was due to \$86,024 relating to police cars and \$556,139 for tax increment financing developer agreements.

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.

CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009

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.

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

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.

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, 2009, assets exceeded liabilities by \$31,400,546. 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, 2009 and 2008:

	Governmental Activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 4,340,309	\$ 13,692,432	\$ 8,053,929	\$ 6,874,195	\$ 12,394,238	\$ 20,566,627
Capital assets	27,722,031	17,375,570	21,122,590	22,245,035	48,844,621	39,620,605
Total assets	<u>32,062,340</u>	<u>31,068,002</u>	<u>29,176,519</u>	<u>29,119,230</u>	<u>61,238,859</u>	<u>60,187,232</u>
Long-term obligations	16,985,476	18,171,107	8,491,965	8,924,756	25,477,441	27,095,863
Other liabilities	2,237,233	1,705,687	2,123,639	2,207,631	4,360,872	3,913,318
Total liabilities	<u>19,222,709</u>	<u>19,876,794</u>	<u>10,615,604</u>	<u>11,132,387</u>	<u>29,838,313</u>	<u>31,009,181</u>
Net assets:						
Invested in capital assets, net of related debt	9,511,873	7,767,846	12,197,854	13,198,691	21,709,727	20,966,537
Restricted	2,957,292	2,229,396	3,228,201	1,215,992	6,185,493	3,445,388
Unrestricted	370,466	1,193,966	3,134,860	3,572,160	3,505,326	4,766,126
Total net assets	<u>\$ 12,839,631</u>	<u>\$ 11,191,208</u>	<u>\$ 18,560,915</u>	<u>\$ 17,986,843</u>	<u>\$ 31,400,546</u>	<u>\$ 29,178,051</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 \$31,400,546 from \$29,178,051 as a result of the increase in net assets reflected in the next table.

The largest portion of the City's net assets, \$21,709,727 (69%), 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

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

additional portion of the City's net assets, \$6,185,493 (20%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, \$3,505,326 (11%), represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors.

Change in Net Assets

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

	City of Monett Changes in Net Assets					
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 991,382	\$ 1,360,178	\$ 21,791,322	\$ 22,128,935	\$ 22,782,704	\$ 23,489,113
Capital grants and contributions	1,303,457	1,492,579	-	-	1,303,457	1,492,579
General revenues:						
Sales taxes	2,892,812	2,726,868	-	-	2,892,812	2,726,868
TIF taxes	1,202,033	1,304,998	-	-	1,202,033	1,304,998
Franchise fees	423,246	295,305	-	-	423,246	295,305
Other taxes	121,023	126,130	-	-	121,023	125,130
Other revenues	234,011	262,273	422,917	404,876	656,928	667,149
Total revenues	7,167,964	7,568,331	22,214,239	22,533,811	29,382,203	30,102,142
Expenses:						
Policy development and administration	628,863	737,943	-	-	628,863	737,943
Public works	1,581,321	3,101,434	-	-	1,581,321	3,101,434
Public safety	3,501,412	1,563,160	-	-	3,501,412	1,563,160
Parks and recreation	1,035,047	1,077,859	-	-	1,035,047	1,077,859
Interest on long-term debt	921,817	603,927	-	-	921,817	603,927
Airport	442,779	439,608	-	-	442,779	439,608
Waterworks	-	-	1,784,867	1,568,458	1,784,867	1,568,458
Electric	-	-	14,739,071	15,116,987	14,739,071	15,116,987
Wastewater-sewer	-	-	2,813,032	2,680,219	2,813,032	2,680,219
Sanitation	-	-	503,868	526,084	503,868	526,084
Fiber optics	-	-	94,695	99,704	94,695	99,704
Total expenses	8,111,239	7,523,932	19,935,533	19,991,452	28,046,772	27,515,383
Gain(Loss) Sale of Assets	(12,243)	-	-	-	(12,243)	-
Settlement	196,374	-	-	-	196,374	-
Other Sources	184,131	-	-	-	184,131	-
Increase in net assets before transfers	(759,144)	44,399	2,278,706	2,542,359	1,519,562	2,586,759
Transfers - Payments in lieu of taxes	2,107,567	2,110,984	(2,107,567)	(2,110,984)	-	-
Transfers	300,000	150,000	(300,000)	(150,000)	-	-
Total transfers	2,407,567	2,260,984	(2,407,567)	(2,260,984)	-	-
Increase in net assets	1,648,423	2,305,383	(128,861)	281,375	1,519,562	2,586,759
Net assets, beginning	11,191,208	8,885,825	17,986,843	17,734,345	29,178,051	26,620,170
Prior period adjustment	-	-	702,933	(28,877)	702,933	(28,877)
Net assets, ending	\$ 12,839,631	\$ 11,191,208	\$ 18,560,915	\$ 17,986,843	\$ 31,400,546	\$ 29,178,051

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

Governmental Activities

Governmental activities increased the City's net assets by \$1,648,423. Sales tax revenues, the largest governmental category, were \$2,892,812. For the fiscal year ended March 31, 2009, revenues totaled \$29,382,203 (governmental and business-type). Revenues from governmental activities total \$7,167,964, or 24%, of the total City revenues. City revenues decreased \$400,367 within the governmental activities.

Certain revenues are generated that are specific to governmental program activity. These totaled \$1,360,178. The following table shows expenses and program revenues of the governmental activities for the year ended March 31, 2009 and 2008:

Net Cost of City of Monett Governmental Activities

	<u>Total cost of service</u>		<u>Net cost of service</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Policy development and administration	\$ 628,863	\$ 737,943	\$ 420,539	\$ 15,555
Public safety	3,501,412	3,101,434	3,460,172	3,009,765
Public works	1,581,321	1,563,160	455,779	157,159
Parks and recreation	1,035,047	1,077,859	667,268	712,920
Municipal airport	442,779	439,608	(109,175)	171,848
Interest on long-term debt	921,817	603,927	921,817	603,927
	<u>\$ 8,111,239</u>	<u>\$ 7,523,931</u>	<u>\$ 5,816,400</u>	<u>\$ 4,671,174</u>

As previously noted, expenses from governmental activities total \$8,111,239 million. However, net costs of these services were \$5,816,400. The difference represents direct revenues received from charges for services of \$991,382 and capital grants and contributions of \$1,303,457. Taxes and other revenues of \$7,464,823 were collected to cover these net costs.

Business-type Activities

Business-type activities decreased the City's net assets by \$128,861. Key elements of this decrease are as follows:

- The water recorded net loss of \$44,646 for the year. Revenues relating to charges for services increased \$181,462. Operating expenses increased \$218,655 compared to prior year expenses due to increases in repairs and maintenance expense.
- The electric recorded net income of \$590,762 for the year. Revenues relating to charges for services increased \$47,158. Operating expenses decreased \$377,917 due to storm related expenditures incurred in the prior year.

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

- The sewer recorded a net loss of \$807,818 for the year. Revenues relating to charges for services decreased \$603. Increases in cost included \$74,765 in repair and maintenance 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 \$12,839,631 (an increase of approximately 15%). This increase is largely due to the repayment of principal on debt service obligations.

The fund balance of the General Fund decreased to \$1,478,584 at the end of the fiscal year due to capital expenditures.

The net assets in the E-911 Fund increased to \$137,225 (increase of \$2,315 or 2%) in the fiscal year due to retention of restricted revenues for 911 purposes.

The Electric Fund's net assets increased \$590,762 (19%) in the current year as a result of the 2007 storm related expenditures from the prior year.

The Sewer Fund's net assets decreased \$807,818 (0.8%) in the current year as a result of operating expenses and debt service payments in excess of operating revenues.

General Fund Budgetary Highlights

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

- The original revenue budget of \$6.58 million was decreased to \$6.46 million.
- The total original expenditure budget of \$9.98 million was increased to \$10.55 million.

Actual revenues were \$787,692 less 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, 2009, amounts to \$48.8 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:

- Airport taxiway \$355,277.
- Electric infrastructure \$25,995 and digger truck \$187,676.
- Fiber optic infrastructure \$4,599.

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

CITY OF MONETT,
MISSOURI
MARCH 31, 2009

- Golf chlorine contact basin \$26,984 and tractor \$22,031.
- North Park mower \$14,692.
- Police station building \$602,292, (8) computers for vehicles \$22,840, surveillance equipment \$127,650, 200' communication tower \$267,918, security system \$44,145, mobile filing \$124,523, E-911 workstations \$51,074, (4) computer server/computer rack \$28,650, ice maker \$1,348, refrigerator \$1,614, phone system \$20,049, furniture \$97,525, and (3) 2009 Dodge Charger police cars \$86,024.
- Recreation roof at 205 Euclid \$53,420.
- Sewer chlorine basin \$26,984, portable generator \$66,363, camera system \$56,126, and flow meter package \$38,250.
- South Park festival of lights \$5,058 and resurface (4) tennis courts \$20,430.
- Streets department wheel loader \$112,341, overhead calcium equipment \$8,110, roller screed \$6,200, infrastructure – Clear Creek \$325,990, Eisenhower Bridge \$1,239,916, Greenway Project \$49,630, Cleveland overlay \$152,991, TIF 1 infrastructure \$7,913,911.
- Water Scada system \$8,186.

(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 939,346	\$ 939,344	\$ 210,160	\$ 210,160	\$ 1,149,506	\$ 1,149,504
Construction in progress	110,384	-	-	-	110,384	-
Building and improvements	4,947,519	4,584,323	668,171	694,325	5,615,690	5,278,648
Machinery and equipment	2,188,605	1,797,188	941,799	736,861	3,130,404	2,534,049
Infrastructure	19,536,177	10,054,713	19,302,457	20,603,687	38,838,634	30,658,400
Total	<u>\$ 27,722,031</u>	<u>\$ 17,375,568</u>	<u>\$ 21,122,587</u>	<u>\$ 22,245,033</u>	<u>\$ 48,844,618</u>	<u>\$ 39,620,601</u>

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 2009, had a total of \$27,134,917 of outstanding long-term debt. This was a decrease of \$1,404,253 from the previous year. During the fiscal year 2008/2009, the City repaid principal in the amount of \$2,039,432 and incurred \$549,155 developer agreements payable relating to TIF 1 infrastructure and incurred \$86,024 capital lease obligations for the purchase of police cars.

**CITY OF MONETT, MISSOURI
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2009**

City of Monett Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 108,954	\$ 122,271	\$ 335,000	\$ 350,000	\$ 443,954	\$ 472,271
Revenue bonds	13,655,000	14,510,000	8,125,000	8,470,000	21,780,000	22,980,000
Obligations payable	599,155	100,000			599,155	100,000
Capital leases and participation obligations	3,847,051	4,400,557	464,757	586,342	4,311,808	4,986,899
Total	<u>\$ 18,210,160</u>	<u>\$ 19,132,828</u>	<u>\$ 8,924,757</u>	<u>\$ 9,406,342</u>	<u>\$ 27,134,917</u>	<u>\$ 28,539,170</u>

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 Janie Knight, City Clerk of the City of Monett, PO Box 110, 217 5th Street, Monett, MO 65708.

BASIC FINANCIAL STATEMENTS

**CITY OF MONETT, MISSOURI
STATEMENT OF NET ASSETS
MARCH 31, 2009**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 367,648	\$ 1,234,520	\$ 1,602,168
Investments	-	404,452	404,452
Accounts receivable	439,749	1,542,950	1,982,699
Prepaid health insurance	57,752	-	57,752
Prepaid workman's compensation	119,345	70,732	190,077
Inventory	-	878,666	878,666
Premium on bond issuance	400,465	439,792	840,257
Restricted assets:			
Cash and cash equivalents	2,955,350	1,035,215	3,990,565
Investments	-	2,192,986	2,192,986
Assessments receivable	-	254,616	254,616
Capital assets:			
Non depreciable	1,049,730	210,160	1,259,890
Depreciable, net	26,672,301	20,912,430	47,584,731
Total Assets	32,062,340	29,176,519	61,238,859
LIABILITIES			
Accounts payable	239,510	1,087,952	1,327,462
Accrued payroll and payroll taxes	92,370	47,240	139,610
Accrued interest payable	285,495	-	285,495
Due to depositors	14,187	342,022	356,209
Accrued compensated absences liabilities:			
Due within one year	342,890	192,289	535,179
Due in more than one year	38,099	21,365	59,464
Long-term debt liabilities:			
Due within one year	1,362,781	454,136	1,816,917
Due in more than one year	16,298,222	8,470,600	24,768,822
Developers' agreements	549,155	-	549,155
Total Liabilities	19,222,709	10,615,604	29,838,313
NET ASSETS			
Reserved:			
Invested in capital assets, net of related debt	9,511,873	12,197,854	21,709,727
Restricted for:			
Capital projects	2,820,067	-	2,820,067
Other purposes	137,225	3,228,201	3,365,426
Unrestricted	370,466	3,134,860	3,505,326
Total Net Assets	\$ 12,839,631	\$ 18,560,915	\$ 31,400,546

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 STATEMENT OF ACTIVITIES
 YEAR ENDED MARCH 31, 2009

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets		
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Policy development and administration	\$ 628,863	\$ 208,324	\$ -	\$ (420,539)	\$ -	\$ (420,539)
Public safety	3,501,412	34,051	7,189	(3,460,172)	-	(3,460,172)
Public works	1,581,321	191,688	933,854	(455,779)	-	(455,779)
Parks and recreation	1,035,047	350,112	17,667	(667,268)	-	(667,268)
Municipal airport	442,779	207,207	344,747	109,175	-	109,175
Interest on long-term debt	921,817	-	-	(921,817)	-	(921,817)
Total governmental activities	8,111,239	991,382	1,303,457	(5,816,400)	-	(5,816,400)
Business-type activities:						
Waterworks	1,784,867	1,934,031	-	-	149,164	149,164
Electric	14,739,071	17,296,765	-	-	2,557,694	2,557,694
Wastewater-sewer	2,813,032	1,810,725	-	-	(1,002,307)	(1,002,307)
Sanitation	503,868	565,831	-	-	61,963	61,963
Fiber optics	94,695	183,970	-	-	89,275	89,275
Total business-type activities	19,935,533	21,791,322	-	-	1,855,789	1,855,789
Total city	\$ 28,046,772	\$ 22,782,704	\$ 1,303,457	(5,816,400)	1,855,789	(3,960,611)

See accompanying notes to the financial statements.

**Net Revenue (Expense) and
Changes in Net Assets**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General revenues			
Sales and use taxes	2,179,966	-	2,179,966
Sales and use taxes - police station	428,701	-	428,701
Motor fuel sales tax	284,145	-	284,145
M & M surcharge tax	37,320	-	37,320
Emergency telephone tax	83,703	-	83,703
Sales tax - TIF	845,871	-	845,871
Real estate tax - TIF	356,162	-	356,162
Franchise fees	423,246	-	423,246
Payments in lieu of taxes	2,107,567	(2,107,567)	-
Investment revenue	104,478	422,917	527,395
Gain (loss) sale of assets	(12,243)	-	(12,243)
Settlement	196,374	-	196,374
Miscellaneous	129,533	-	129,533
Transfers	300,000	(300,000)	-
Total general revenues and transfers	<u>7,464,823</u>	<u>(1,984,650)</u>	<u>5,480,173</u>
Change in net assets	1,648,423	(128,861)	1,519,562
Net assets - beginning	11,191,208	17,986,843	29,178,051
Prior period adjustment	-	702,933	702,933
Net assets - ending	<u>\$ 12,839,631</u>	<u>\$ 18,560,915</u>	<u>\$ 31,400,546</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2009

Major Funds

	General	E-911	Tax Increment Finance District 1	Tax Increment Finance District 2	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 367,648	\$ -	\$ -	\$ -	\$ 367,648
Accounts receivable	397,158	-	31,315	11,276	439,749
Prepaid health insurance	57,752	-	-	-	57,752
Prepaid workman's compensation	119,345	-	-	-	119,345
Restricted assets:					
Cash and cash equivalents	40,649	137,225	1,999,780	777,696	2,955,350
Investments	-	-	-	-	-
Total assets	<u>\$ 982,552</u>	<u>\$ 137,225</u>	<u>\$ 2,031,095</u>	<u>\$ 788,972</u>	<u>\$ 3,939,844</u>
LIABILITIES					
Accounts payable	\$ 129,125	\$ -	\$ -	\$ -	\$ 129,125
Accrued payroll and payroll taxes	92,370	-	-	-	92,370
Due to depositors	14,187	-	-	-	14,187
Total liabilities	<u>235,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,682</u>
FUND BALANCE					
Reserved:					
Reserved for E-911	-	137,225	-	-	137,225
Reserved for Tax Increment Financing	-	-	2,031,095	788,972	2,820,067
Reserved for prepaid items	177,097	-	-	-	177,097
Undesignated	569,773	-	-	-	569,773
Total fund balances	<u>746,870</u>	<u>137,225</u>	<u>2,031,095</u>	<u>788,972</u>	<u>3,704,162</u>
Total liabilities and fund balances	<u>\$ 982,552</u>	<u>\$ 137,225</u>	<u>\$ 2,031,095</u>	<u>\$ 788,972</u>	<u>\$ 3,939,844</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, 2009

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

Total fund balance - total governmental funds	\$ 3,704,162
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 40,976,468	
Less accumulated depreciation	<u>(13,254,437)</u>	27,722,031

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	(108,954)	
Revenue bonds	(13,655,000)	
Notes payable	(50,000)	
Capital lease obligations	(3,847,049)	
Developers' agreements	(549,155)	
Accounts payable - capital work in progress	(110,384)	
Accrued compensated absences	(380,989)	
Unamortized issuance cost of bonds	400,465	
Accrued interest liability	<u>(285,496)</u>	(18,586,562)

Net assets of governmental activities

\$ 12,839,631

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, 2009

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance District 1	Tax Increment Finance District 2	
REVENUES					
Business license and permits	\$ 22,834	\$ -	\$ -	\$ -	\$ 22,834
Federal and state grants	1,303,457	-	-	-	1,303,457
Fines and forfeitures	194,660	-	-	-	194,660
Franchise fees	423,246	-	-	-	423,246
Sales tax	2,608,667	-	567,263	278,608	3,454,538
Investment income	31,717	-	63,300	9,461	104,478
Intergovernmental	-	-	-	-	-
Other revenue	741,303	10,800	-	-	752,103
Other taxes and assessments	321,465	83,703	259,476	96,686	761,330
Rental revenue	151,319	-	-	-	151,319
Total Revenues	5,798,668	94,503	890,039	384,755	7,167,965
EXPENDITURES					
Current					
Policy development and administration	587,965	-	-	-	587,965
Public safety	3,057,285	92,188	-	-	3,149,473
Public works	1,168,702	-	12,967	6,461	1,188,130
Parks and recreation	784,706	-	-	-	784,706
Municipal airport	291,246	-	-	-	291,246
Capital outlay	3,545,647	-	7,913,911	-	11,459,558
Debt service:					
Principal	702,848	-	361,985	500,000	1,564,833
Interest and other charges	171,896	-	299,187	214,587	685,670
Total Expenditures	10,310,295	92,188	8,588,050	721,048	19,711,581
Excess (Deficiency) of Revenues over Expenditures	(4,511,627)	2,315	(7,698,011)	(336,293)	(12,543,616)
OTHER FINANCING SOURCES (USES)					
Due from (to) other funds	-	-	-	-	-
Gain (loss) on sale of assets	51,685	-	-	-	51,685
Settlement	196,374	-	-	-	196,374
Proceeds from financing	86,024	-	549,155	-	635,179
Transfers - payments in lieu of taxes (PILOTS)	2,107,567	-	-	-	2,107,567
Transfers in	591,393	-	(291,393)	-	300,000
Total Other Financing Sources (Uses)	3,033,043	-	257,762	-	3,290,805
Net Change in Fund Balances	(1,478,584)	2,315	(7,440,249)	(336,293)	(9,252,811)
Fund balance - beginning	2,225,454	134,910	9,471,344	1,125,265	12,956,973
Fund balance - ending	\$ 746,870	\$ 137,225	\$ 2,031,095	\$ 788,972	\$ 3,704,162

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, 2009**

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

Net change in fund balance - total governmental funds	\$ (9,252,811)
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.	11,395,630
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,159,554)
In the Statement of Activities cost of accrued compensated absences are expensed as salary costs.	(28,348)
Governmental funds report unamortized bond premium as expenditures. However, in the statement of activities the cost of those premiums are allocated over their debt repayment lives.	(32,168)
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	(196,995)
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.	(642,163)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,564,833
Change in net assets of governmental activities	<u>\$ 1,648,424</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
PROPRIETARY FUNDS STATEMENT OF NET ASSETS
MARCH 31, 2009

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 996,374	\$ -	\$ 233,436	\$ 4,710	\$ 1,234,520
Investments	-	404,452	-	-	-	404,452
Accounts receivable	132,144	1,217,020	140,622	35,753	17,411	1,542,950
Prepaid workmen's compensation	15,583	30,295	8,425	16,429	-	70,732
Inventory	191,891	630,400	26,420	-	29,955	878,666
Due from other funds	-	360,000	-	-	-	360,000
Unamortized bond issue costs/investments	-	-	439,792	-	-	439,792
Total current assets	339,618	3,638,541	615,259	285,618	52,076	4,931,112
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents	49,384	326,805	659,026	-	-	1,035,215
Investments	319,926	-	1,873,060	-	-	2,192,986
Total restricted assets	369,310	326,805	2,532,086	-	-	3,228,201
Assessments receivable	-	-	254,616	-	-	254,616
Capital assets:						
Land	56,932	58,400	94,828	-	-	210,160
Building and improvements	908,946	751,127	33,705	84,878	-	1,778,656
Machinery and equipment	402,402	791,518	494,599	1,012,379	-	2,700,898
Infrastructure	6,685,017	5,244,864	24,870,595	61,189	635,923	37,497,588
Construction in progress	-	-	-	-	-	-
Less: accumulated depreciation	(3,523,070)	(5,057,467)	(11,596,480)	(743,108)	(144,587)	(21,064,712)
Total capital assets (net of accumulated depreciation)	4,530,227	1,788,442	13,897,247	415,338	491,336	21,122,590
Total noncurrent assets	4,899,537	2,115,247	16,683,949	415,338	491,336	24,605,407
Total Assets	5,239,155	5,753,788	17,299,208	700,956	543,412	29,536,519

See accompanying notes to the financial statements.

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
LIABILITIES						
Current liabilities:						
Accounts payable	2,917	1,074,534	-	10,501	-	1,087,952
Accrued payroll and payroll taxes	12,001	19,130	12,265	3,844	-	47,240
Due to other funds	-	-	-	-	360,000	360,000
Current maturities of long-term debt	68,440	-	370,000	15,696	-	454,136
Total current liabilities	83,358	1,093,664	382,265	30,041	360,000	1,949,328
Long-term liabilities, less current maturities:						
Due to depositors	28,414	313,608	-	-	-	342,022
Accrued compensated absences	38,353	122,212	41,662	11,427	-	213,654
Notes and capitalized lease obligations payable	380,600	-	-	-	-	380,600
Neighborhood improvement bonds	-	-	335,000	-	-	335,000
Revenue bonds payable, net	-	-	7,755,000	-	-	7,755,000
Total noncurrent liabilities	447,367	435,820	8,131,662	11,427	-	9,026,276
Total Liabilities	530,725	1,529,484	8,513,927	41,468	360,000	10,975,604
NET ASSETS						
Reserved:						
Invested in capital assets, net of related debt	4,149,627	1,788,442	5,807,247	415,338	491,336	12,197,854
Restricted for:						
Other purposes	369,310	326,805	2,532,086	-	-	3,228,201
Unrestricted	558,803	2,435,862	2,978,034	244,150	(307,924)	5,908,925
Total Net Assets	\$ 4,708,430	\$ 4,224,304	\$ 8,785,281	\$ 659,488	\$ 183,412	\$ 18,560,915

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, 2009

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 1,724,125	\$ 17,220,777	\$ 1,809,703	\$ 562,293	\$ 165,322	\$ 21,482,220
OPERATING EXPENSES						
Salaries	439,429	761,147	446,689	123,122	-	1,770,387
Payroll taxes	32,436	55,081	32,650	2,569	-	122,736
Depreciation	257,246	166,914	1,019,051	82,925	31,566	1,557,702
Computer	7,082	10,413	7,398	-	-	24,893
Education	3,736	10,869	1,105	-	14	15,724
Electric purchases	-	13,114,942	-	-	-	13,114,942
Health and life insurance	52,205	74,009	44,632	20,132	-	190,978
Insurance	17,686	71,943	21,666	4,785	-	116,080
Landfill and recycling	-	-	-	152,957	-	152,957
Miscellaneous	740	1,789	618	5,253	18,648	27,048
Professional and consulting service	252,869	23,253	139,520	108	16,924	432,674
Repairs and maintenance	504,971	139,814	507,712	70,890	4,670	1,228,057
Retirement	41,355	82,593	47,575	11,941	-	183,464
Supplies	141,602	199,813	58,654	7,831	21,943	429,843
Telephone	3,949	7,653	3,756	314	930	16,602
Utilities	-	-	-	-	-	-
Workman's compensation	11,884	18,838	7,244	15,932	-	53,898
Total Operating Expenses	1,767,190	14,739,071	2,338,270	498,759	94,695	19,437,985
Operating Income (Loss)	(43,065)	2,481,706	(528,567)	63,534	70,627	2,044,235
NONOPERATING REVENUES (EXPENSES)						
Investment income	349	1,280	421,288	-	-	422,917
Federal and state grants	101,341	1,147	-	-	-	102,488
Miscellaneous income	108,565	74,841	1,022	3,538	18,648	206,614
Interest expense and fees	(17,677)	-	(474,762)	(5,109)	-	(497,548)
Total Nonoperating Revenues (Expenses)	192,578	77,268	(52,452)	(1,571)	18,648	234,471
Income (Loss) Before Contributions and Transfers	149,513	2,558,974	(581,019)	61,963	89,275	2,278,706
Payments in lieu of taxes (PILOTS)	(194,159)	(1,668,212)	(226,799)	-	(18,397)	(2,107,567)
Transfers out	-	(300,000)	-	-	-	(300,000)
Change in Net Assets	(44,646)	590,762	(807,818)	61,963	70,878	(128,861)
Net assets - beginning	4,599,563	3,129,222	9,571,963	597,525	88,570	17,986,843
Prior period adjustment	153,513	504,320	21,136	-	23,964	702,933
Net assets - ending	\$ 4,708,430	\$ 4,224,304	\$ 8,785,281	\$ 659,488	\$ 183,412	\$ 18,560,915

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2009

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 1,724,990	\$ 17,518,930	\$ 2,095,404	\$ 567,328	\$ 162,496	\$ 22,069,148
Cash received from other sources	108,565	74,841	1,022	3,538	18,648	206,614
Cash payments to suppliers	(179,979)	(13,440,835)	(63,938)	(7,831)	(27,934)	(13,720,517)
Cash payments to employees	(444,677)	(751,812)	(446,730)	(120,496)	-	(1,763,715)
Cash payments to employee benefits and payroll taxes	(125,996)	(211,683)	(124,857)	(34,642)	-	(497,178)
Cash payments for other expenses	(831,305)	(296,597)	(936,078)	(273,785)	(41,186)	(2,378,951)
Net cash provided by (used in) operating activities	251,598	2,892,844	524,823	134,112	112,024	3,915,401
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	-	(300,000)	-	-	-	(300,000)
Transfers - Payments in lieu of taxes (PILOTS)	(194,159)	(1,668,212)	(226,799)	-	(18,397)	(2,107,568)
Due (from) to other funds	-	84,390	-	-	(84,390)	-
Net cash provided by (used in) non-capital financing activities	(194,159)	(1,883,822)	(226,799)	-	(102,787)	(2,407,568)
Cash flows from capital and related financing activities:						
Interest expense & fees	(17,677)	-	(474,762)	(5,109)	-	(497,548)
Principal payment on capital lease	(66,094)	-	(360,000)	(55,514)	-	(481,608)
Purchase of capital acquisitions	(5,894)	(215,965)	(208,801)	-	(4,598)	(435,258)
Federal and state grants	101,341	1,147	-	-	-	102,488
Financing proceeds	-	-	-	-	-	-
Redemption of bonds payable	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	11,676	(214,818)	(1,043,563)	(60,623)	(4,598)	(1,311,926)
Cash flows from investing activities:						
Investment income	349	1,280	421,288	-	-	422,917
Sale of investments - held to maturity	-	-	-	-	-	-
Net cash provided by (used in) investing activities	349	1,280	421,288	-	-	422,917
Net increase (decrease) in cash and cash equivalents	69,464	795,484	(324,251)	73,489	4,639	618,824
Cash and cash equivalents - beginning	299,846	932,147	2,856,337	159,947	71	4,248,348
Cash and cash equivalents - ending	\$ 369,310	\$ 1,727,631	\$ 2,532,086	\$ 233,436	\$ 4,710	\$ 4,867,172

See accompanying notes to the financial statements.

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Displayed as:						
Cash and cash equivalents	\$ -	\$ 1,400,826	\$ -	\$ 233,436	\$ 4,710	\$ 1,638,971
Restricted - cash and cash equivalents	369,310	326,805	2,532,086	-	-	3,228,201
Total cash, cash equivalents, and investments	<u>\$ 369,310</u>	<u>\$ 1,727,631</u>	<u>\$ 2,532,086</u>	<u>\$ 233,436</u>	<u>\$ 4,710</u>	<u>\$ 4,867,172</u>

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

Operating income (loss)	\$ (43,065)	\$ 2,481,706	\$ (528,566)	\$ 63,534	\$ 70,627	\$ 2,044,236
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	257,246	166,914	1,019,051	82,925	31,566	1,557,702
Amortization	-	-	(231,371)	-	-	(231,371)
Miscellaneous revenue	108,565	74,841	1,022	3,538	18,648	206,614
(Increase) decrease in accounts receivable	955	227,886	285,701	5,035	(2,826)	516,751
(Increase) decrease in prepaid sales tax	-	63,437	-	-	-	63,437
(Increase) decrease in inventory	(38,377)	(126,080)	(5,284)	-	(5,991)	(175,732)
Increase (decrease) in workmen's compensation	(6,241)	(13,999)	(3,723)	(7,097)	-	(31,060)
Increase (decrease) in accounts payable	(22,147)	1,974	(11,966)	(16,449)	-	(48,588)
Increase (decrease) in accrued payroll	3,609	5,916	4,454	1,405	-	15,384
Increase (decrease) in customer deposits	(90)	6,830	-	-	-	6,740
Increase (decrease) in accrued compensated absences	(8,857)	3,419	(4,495)	1,221	-	(8,712)
Net cash provided by (used in) operating activities	<u>\$ 251,598</u>	<u>\$ 2,892,844</u>	<u>\$ 524,823</u>	<u>\$ 134,112</u>	<u>\$ 112,024</u>	<u>\$ 3,915,401</u>

NONCASH CAPITAL FINANCING ACTIVITIES

Supplemental information						
Interest paid	<u>\$ 17,677.00</u>	<u>\$ -</u>	<u>\$ 474,762.00</u>	<u>\$ 5,109.00</u>	<u>\$ -</u>	<u>\$ 497,548.00</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting Entity

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 expired in April 2012, and to which they were re-elected for another four-years. 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.

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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

(B) Government-wide and Fund Financial Statements

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 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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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.

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:

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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

a. Deposits and Investments

City monies are deposited in FDIC-insured banks. Funds in excess of FDIC insurable limits are secured with collateral pledged by the 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. Investments are carried at cost, less purchase premiums which are amortized over the life of the investment. Cost approximates fair market value at year end.

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

Purchases of various operating supplies are regarded as inventories at the time purchased and are recorded as assets at the close of the fiscal year. Supplies purchased are expensed at the time they are put into use.

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

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. Assessment Receivable

In 2004, the City issued Neighborhood Improvement District Bonds for the Brandermill/Country Club Gravity Sewer Project. Certain costs related to this project are reimbursed to the City by way of a sewer assessment. At March 31, 2009, the outstanding balance was \$254,616.

f. Capital Assets

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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 are 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

g. 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, 2009 and 2008 are \$594,643 and \$575,005, respectively.

h. 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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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.

i. 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. Designations of fund balances represent tentative plans for future use of financial resources that are subject to change.

j. 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 \$1,412,381, of which none was capitalized.

k. 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, 2009 reflect payments in lieu of taxes (PILOTS) to the City of \$2,107,568.

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 \$687,657 in 2009.

l. 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. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

m. 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.

(2) DETAILED NOTES ON ALL FUNDS

(A) Deposits

The City pools idle cash from all funds for the purpose of increasing income through investment activities. The cash and investment pool is available for use by all funds and is comprised of deposits and other investments. At March 31, 2009, the bank balance of the City's deposits was \$1,661,032, 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 (\$58,864) due to deposits in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2009, the bank balance of the City's restricted deposits was \$3,990,565, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

(B) Investments

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.

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

- 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, 2009, the City held the following investments, all of which have maturities of more than 24 months:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Agency:	
GNMA	\$ 1,695,587
FNMA	243,933
FHMA	28,893
Certificates of deposit	<u>629,025</u>
 Total	 <u>\$ 2,597,438</u>

The following is a listing of cash and investments held by the City as of March 31, 2009:

Money market funds	\$ 90,895
Deposits	2,132,420
Investments	2,597,438
Trustee accounts	3,369,418
Total	<u>\$ 8,190,171</u>

For purposes of the financial statements, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits and investments of the City at year end are reflected as follows:

Cash and cash equivalents	\$ 268,122
Investments	1,738,498
Restricted cash and cash equivalents	5,468,634
Restricted investments	714,917
Total	<u>\$ 8,190,171</u>

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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 minimizes 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.

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 minimizes 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, 2009, 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 FINANCIAL STATEMENTS
MARCH 31, 2009

(C) Capital Assets

Capital asset activity for the year ended March 31, 2009, was as follows:

Governmental Activities	Balance March 31, 2008	Additions	Deductions	Transfers	Balance March 31, 2009
Non-Depreciable Capital Assets					
Land	\$ 939,346	\$ -	\$ -	\$ -	\$ 939,346
Construction in Process	-	110,384	-	-	110,384
Total Non-Depreciable Capital Assets	939,346	110,384	-	-	1,049,730
Depreciable Capital Assets					
Buildings and Building Imp.	5,928,580	682,696	(171,810)	-	6,439,466
Machinery and Equipment	5,512,144	716,350	(176,475)	-	6,052,019
Infrastructure	17,374,741	10,060,512	-	-	27,435,253
Total Depreciable Capital Assets	28,815,465	11,459,558	(348,285)	-	39,926,738
Less Accumulated Depreciation					
Buildings and Building Imp.	(1,344,257)	(214,422)	66,732	-	(1,491,947)
Machinery and Equipment	(3,714,955)	(366,084)	217,625	-	(3,863,414)
Infrastructure	(7,320,026)	(579,048)	-	-	(7,899,075)
Total Accumulated Depreciable	(12,379,240)	(1,159,554)	284,357	-	(13,254,437)
Total Capital Assets, Net	16,436,225	10,300,004	(63,928)	-	26,672,301
Total Governmental Activities Capital Assets	\$ 17,375,571	\$ 10,410,388	\$ (63,928)	\$ -	\$ 27,722,031

Depreciation expense was charged to functions as follows:

Policy Development and Administration	36,049
Public Safety	336,205
Public Works	386,115
Parks and Recreation	249,773
Municipal Airport	151,412
Total depreciation expense governmental activities	\$ 1,159,554

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

Business Type Activites

Water Fund:	Balance March 31, 2008	Additions	Deductions	Transfers	Balance March 31, 2009
Non-Depreciable Capital Assets					
Land	\$ 56,932	\$ -	\$ -	\$ -	\$ 56,932
Construction in Process					
Total Non-Depreciable Capital Assets	<u>56,932</u>				<u>56,932</u>
Depreciable Capital Assets					
Buildings and Building Imp.	908,946				908,946
Machinery and Equipment	412,557	8,186	-	(18,343)	402,400
Infrastructure	6,685,017				6,685,017
Total Depreciable Capital Assets	<u>8,006,520</u>	<u>8,186</u>	<u>-</u>	<u>(18,343)</u>	<u>7,996,363</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(509,569)	(26,603)	-	-	(536,172)
Machinery and Equipment	(282,696)	(32,930)	-	16,049	(299,577)
Infrastructure	(2,489,608)	(197,713)	-	-	(2,687,321)
Total Accumulated Depreciable	<u>(3,281,873)</u>	<u>(257,246)</u>	<u>-</u>	<u>16,049</u>	<u>(3,523,070)</u>
Total Depreciable Capital Assets, Net	<u>4,724,647</u>	<u>(249,060)</u>	<u>-</u>	<u>(2,294)</u>	<u>4,473,293</u>
Total Water Fund Business - Type Capital Assets	<u>\$ 4,781,579</u>	<u>\$ (249,060)</u>	<u>\$ -</u>	<u>\$ (2,294)</u>	<u>\$ 4,530,225</u>
Electric Fund:					
Non-Depreciable Capital Assets					
Land	\$ 58,400	\$ -	\$ -	\$ -	\$ 58,400
Construction in Process					
Total Non-Depreciable Capital Assets	<u>58,400</u>				<u>58,400</u>
Depreciable Capital Assets					
Buildings and Building Imp.	751,127				751,127
Machinery and Equipment	585,499	187,676	-	18,343	791,518
Infrastructure	5,218,869	25,995	-	-	5,244,864
Total Depreciable Capital Assets	<u>6,555,495</u>	<u>213,671</u>	<u>-</u>	<u>18,343</u>	<u>6,787,509</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(527,667)	(23,481)	-	-	(551,148)
Machinery and Equipment	(410,714)	(38,742)	-	(16,049)	(465,505)
Infrastructure	(3,936,122)	(104,691)	-	-	(4,040,813)
Total Accumulated Depreciable	<u>(4,874,503)</u>	<u>(166,914)</u>	<u>-</u>	<u>(16,049)</u>	<u>(5,057,466)</u>
Total Depreciable Capital Assets, Net	<u>1,680,992</u>	<u>46,757</u>	<u>-</u>	<u>2,294</u>	<u>1,730,043</u>
Total Electric Fund Business - Type Capital Assets	<u>\$ 1,739,392</u>	<u>\$ 46,757</u>	<u>\$ -</u>	<u>\$ 2,294</u>	<u>\$ 1,788,443</u>

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

	Balance March 31, 2008	Additions	Deductions	Transfers	Balance March 31, 2009
Sewer Fund:					
Non-Depreciable Capital Assets					
Land	\$ 94,828	\$ -	\$ -	\$ -	\$ 94,828
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	94,828	-	-	-	94,828
Depreciable Capital Assets					
Buildings and Building Imp.	6,721	26,984	-	-	33,705
Machinery and Equipment	312,783	181,815	-	-	494,598
Infrastructure	24,870,595	-	-	-	24,870,595
Total Depreciable Capital Assets	25,390,099	208,799	-	-	25,398,898
Less Accumulated Depreciation					
Buildings and Building Imp.	(1,120)	(224)	-	-	(1,344)
Machinery and Equipment	(260,382)	(23,013)	-	-	(283,395)
Infrastructure	(10,315,328)	(995,814)	-	-	(11,311,742)
Total Accumulated Depreciable	(10,577,430)	(1,019,051)	-	-	(11,596,481)
Total Depreciable Capital Assets, Net	14,612,669	(810,252)	-	-	13,802,417
Total Sewer Fund Business - Type Capital Assets	<u>\$ 14,707,497</u>	<u>\$ (810,252)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,897,245</u>
Sanitation Fund:					
Non-Depreciable Capital Assets					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	84,878	-	-	-	84,878
Machinery and Equipment	1,174,379	-	(162,000)	-	1,012,379
Infrastructure	61,189	-	-	-	61,189
Total Depreciable Capital Assets	1,320,446	-	(162,000)	-	1,158,446
Less Accumulated Depreciation					
Buildings and Building Imp.	(18,991)	(2,830)	-	-	(21,821)
Machinery and Equipment	(794,565)	(78,056)	162,000	-	(710,621)
Infrastructure	(8,629)	(2,099)	-	-	(10,668)
Total Accumulated Depreciable	(822,185)	(82,925)	162,000	-	(743,110)
Total Depreciable Capital Assets, Net	498,261	(82,925)	-	-	415,336
Total Sanitation Fund Business - Type Capital Assets	<u>\$ 498,261</u>	<u>\$ (82,925)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,336</u>

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

CITY OF MONETT, MISSOURI
 FINANCIAL STATEMENTS
 MARCH 31, 2009

Fiber Fund:	Balance March 31, 2008	Additions	Deductions	Transfers	Balance March 31, 2009
Non-Depreciable Capital Assets					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Infrastructure	631,324	4,599	-	-	635,923
Total Depreciable Capital Assets	631,324	4,599	-	-	635,923
Less Accumulated Depreciation					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Infrastructure	(113,021)	(31,566)	-	-	(144,587)
Total Accumulated Depreciable	(113,021)	(31,566)	-	-	(144,587)
Total Depreciable Capital Assets, Net	518,303	(26,967)	-	-	491,336
Total Fiber Fund Business - Type Capital Assets	\$ 518,303	\$ (26,967)	\$ -	\$ -	\$ 491,336

Depreciation expense was charged to the functions as follows:

Water	\$ 257,246
Electric	166,914
Sewer	1,019,051
Sanitation	82,925
Fiber optics	31,566
Total depreciation expense-business -type activities	\$ 1,557,702

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

(D) Long-Term Obligations

The following is a summary of changes in long-term debt and other obligations for the year ended March 31, 2009:

	Beginning			Ending		Amounts
	Balance	Additions	Reductions	Balance		Due Within One Year
Governmental Activities						
General obligation bonds	\$ 122,271	\$ -	\$ 13,317	\$ 108,954	\$	13,620
Revenue bonds	14,510,000		855,000	13,655,000		560,000
Total Bonds Payable	14,632,271	-	868,317	13,763,954		573,620
Notes Payable	100,000	-	50,000	50,000		150,000
Capital Lease Obligations	4,400,557	86,024	639,530	3,847,051		639,161
Developers' Agreements	-	556,139	6,984	549,155		-
Total Governmental Activities Long-Term Liabilities	\$ 19,132,828	\$ 642,163	\$ 1,564,831	\$ 18,210,160	\$	1,362,781
Business Type Activities						
Sanitary Sewerage System Fund						
Revenue bonds	\$ 8,470,000	\$ -	\$ 345,000	\$ 8,125,000	\$	355,000
General obligation bonds	350,000		15,000	335,000		15,000
Water System Fund						
Certificates of participation	515,134	-	66,073	449,061		68,440
Sanitation System Fund						
Capital lease obligations	71,208	-	55,512	15,696		15,696
Total Business Type Activities Long-Term Liabilities	\$ 9,406,342	\$ -	\$ 481,585	\$ 8,924,757	\$	454,136
Total Governmental Activities and Business Type Activities Long-Term Liabilities						
	\$ 28,539,170	\$ 642,163	\$ 2,046,416	\$ 27,134,917	\$	1,816,917

The following summarizes changes in the liability for accrued compensated absences:

	Beginning			Ending		Amounts
	Balance	Additions	Reductions	Balance		Due Within One Year
Governmental activities						
	\$ 352,640	\$ 263,543	\$ 235,194	\$ 380,989	\$	342,890
Business type activities						
Sanitary Sewerage System Fund	46,157	17,746	22,240	41,663		37,497
Water System Fund	47,210	19,554	28,411	38,353		34,517
Sanitation System Fund	10,204	11,559	10,338	11,425		10,284
Electric Fund	118,793	70,594	67,175	122,212		109,991
Total business-type activities	222,364	119,453	128,164	213,653		192,289
Total Governmental and Business-type activities						
Accrued compensated absences	\$ 575,004	\$ 382,996	\$ 363,358	\$ 594,642	\$	535,179

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

Debt service requirements on long-term debt at March 31, 2009 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2009, are as follows:

Fiscal Year Ended March 31	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 13,620	\$ 5,506	\$ 560,000	\$ 575,746	\$ 50,000	\$ 1,500
2011	14,297	4,829	1,465,000	550,499	-	-
2012	15,007	4,119	3,910,000	428,049	-	-
2013	15,753	3,373	780,000	339,931	-	-
2014	16,536	2,590	820,000	307,276	-	-
2015-2019	33,742	2,674	4,455,000	972,090	-	-
2020-2024	-	-	1,000,000	332,060	-	-
2025-2029	-	-	665,000	76,648	-	-
2030-2034	-	-	-	-	-	-
	<u>\$ 108,955</u>	<u>\$ 23,091</u>	<u>\$ 13,655,000</u>	<u>\$ 3,582,299</u>	<u>\$ 50,000</u>	<u>\$ 1,500</u>

Fiscal Year Ended March 31	Governmental Activities (Cont)		Total	
	Capital Lease Obligations		Governmental Activities	
	Principal	Interest	Principal	Interest
2010	\$ 639,161	\$ 143,518	\$ 1,262,781	\$ 726,270
2011	640,168	120,093	2,119,465	675,421
2012	648,088	95,951	4,573,095	528,119
2013	455,807	72,940	1,251,560	416,244
2014	466,576	54,255	1,303,112	364,121
2015-2019	997,250	59,999	5,485,992	1,034,763
2020-2024	-	-	1,000,000	332,060
2025-2029	-	-	665,000	76,648
2030-2034	-	-	-	-
	<u>\$ 3,847,050</u>	<u>\$ 546,756</u>	<u>\$ 17,661,005</u>	<u>\$ 4,153,646</u>

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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
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	14,315	385,000	352,141	73,430	10,355
2013	15,000	13,700	40,000	336,673	76,060	7,725
2014	15,000	13,063	415,000	319,856	78,784	5,001
2015-2019	100,000	52,240	2,410,000	1,288,900	81,458	2,179
2020-2024	130,000	24,610	3,080,000	619,341	-	-
2025-2029	30,000	765	710,000	33,370	-	-
2030-2034	-	-	-	-	-	-
	<u>\$ 335,000</u>	<u>\$ 149,029</u>	<u>\$ 7,765,000</u>	<u>\$ 3,696,570</u>	<u>\$ 449,063</u>	<u>\$ 53,499</u>

Fiscal Year Ended March 31	Business Type Activities (Cont'd)		Total	
	Capital Lease Obligation - Sanitation		Business Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 15,696	\$ 2,610	\$ 454,136	\$ 413,073
2011	-	-	455,891	394,401
2012	-	-	473,430	376,811
2013	-	-	491,060	358,097
2014	-	-	508,784	337,920
2015-2019	-	-	2,591,458	1,343,319
2020-2024	-	-	3,210,000	643,951
2025-2029	-	-	740,000	34,135
2030-2034	-	-	-	-
	<u>\$ 15,696</u>	<u>\$ 2,610</u>	<u>\$ 8,924,759</u>	<u>\$ 3,901,707</u>

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

General Obligation Bonds payable at March 31, 2009 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2006, due through September 6, 2015	\$ 108,954
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. Monies from this bond were utilized for gravity sewer projects in the city.	335,000
	<hr/>
Total General Obligation Bonds	\$ 443,954

Revenue bonds payable at March 31, 2009 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 with bonds maturing in October 1, 2010 are subject to optional redemption on October 1, 2004 at 100% of the principal. Funding was used in combination with funds received from Missouri Department of Transportation to improve safety and usability of the city's infrastructure particularly related to the areas adjoining Highway 60.	\$ 1,480,000
3.625% to 3.85% Tax Increment Allocation Bonds, Subordinate Series 2007 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually October 1 and April 1; bonds mature October 1, 2010 through 2014, optional redemption beginning October 1, 2012 at 100% of the principal. Original issuance of \$6,100,000 in December of 2008 had a partial defeasance of \$590,000 with the issuance of the Series 2008 bonds. Monies generated from these bonds were used in combination with funds received from Missouri Department of Transportation for projects such as added lanes on Highway 60 and also combined with funds from the Burlington Northern Santa Fe Railroad to build an overpass on Eisenhower Street.	5,510,000
4.00% to 4.5% Subordinate Tax Increment Allocation Bonds,	3,000,000

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

Junior Series 2008 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually April 1 and October 1 with bonds maturing October 1, 2104 through 2018, optional redemption begins October 1, 2012 at 100% of the principal. Funding from this issuance was to further expand and improve the infrastructure of and adjacent to Highway 60.

5.00% Tax Increment Allocation Bonds Series 2005A (East Hwy 60 Infrastructure Project TIF #2) interest due semiannually January 1, and July 1, with principal and bonds maturing January 1, 2028 Optional redemption beginning January 1, 2010, at 100% of the principal. These monies were specifically generated to make improvements on and around Chapel Drive.

1,130,000

5.25% Tax Increment Allocation Bonds Series 2005B (RPA #1 Infrastructure Improvements Project TIF #2) interest due semiannually January 1, and July 1, with principal and bonds maturing January 1, 2028 optional redemption beginning January 1, 2010, at 100% of the principal. Specific use of this funding was to redevelop 385 acres in the southeast portion of the city adjacent to Highway 60.

2,535,000

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. Monies generated from this debt issuance were combined with funds from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Drinking Water Loan).

7,815,000

5.20% to 6.55% Sewerage Revenues Refunding Bonds, (State Revolving Funds Program) Series 1992A, due through June 1, 2013. Monies generated from this debt issuance were combined with funds from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Clean Water Loan).

310,000

Total revenue bonds payable \$ 21,780,000

Notes payable at March 31, 2009 consisted of the following obligation:

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

General fund:

3.00% Promissory Note (to purchase land for the police station on Business highway 60) payable in four annual payments maturing September 6, 2009.	\$ 50,000
	<hr/>
Total notes payable	\$ 50,000

Certificates of Participation

In 2002, the City accepted the Commerce National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of airport improvements. Currently the agreement has a present value of lease payments of \$120,000, with interest at 3.30%, and is payable in semiannual installments through October 2011.

In 2002, the City accepted the Commerce National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of golf course improvements. Currently the agreement has a present value of lease payments of \$360,040, with interest at 3.30%, and is payable in semiannual installments through October 2011.

In 2004, the City accepted the Commerce National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement in 2005, for the purpose of constructing a water tower. Currently the agreement has a present value of lease payments of \$449,040, with interest at 3.52%, and is payable in semiannual installments through December 2014.

Capital Leases

Governmental Activities:

Wells Fargo Brokerage Services, LLC, Governmental Lease-Purchase Agreement: dated February 25, 2009, the present value of lease payments is \$392,532, with interest at 3.85%, and is payable in annual payments through January 15, 2018. Funds generated from this lease were used for the interior security system and communication tower and equipment at the newly constructed Monett Justice Center.

Yamaha Commercial Customer Finance Lease Agreement: In May of 2008, the City entered into a lease of 24 golf carts. The present value of lease payments is \$67,335 at year end, with interest at 5.25% and is payable in monthly payments through October 2011.

Citi-capital Finance Lease Agreement: in May 2008, the City entered into a Lease of 2 golf utility carts. The present value of lease payments at March 31, 2009 is \$10,477, with interest at 5.25% and is payable monthly through November 2012.

In October 2007, the City entered into a Lease with Option to Purchase Agreement with United Missouri Bank. The present value of lease payments at March 31, 2009 is \$15,696, with interest at

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

4.50%, and is payable in annual installments through September 2009. These funds were used to purchase a street sweeper.

In January 2008, the City entered into a Lease with Option to Purchase Agreement with Welis Fargo Brokerage Services, LLC. The present value of lease payments at March 31, 2009 is \$2,540,000, with interest at 4.10%, and is payable in annual installments through July 2010. These funds were used to expand the police station and municipal court facilities by building the new Monett Justice Center.

In October 2008, the City entered into a Lease with Option to Purchases Agreement with De Lage Landen Public Financing LLC. The present value of lease payments at March 31, 2009 is \$56,707, with interest at 3.47%, and is payable in annual installments through January 2011. These funds were used to lease purchase three police cars.

Developers' Agreements

Certain developers within the Monett TIF #1 District applied for reimbursement of the cost of infrastructure from the district. The related infrastructure was given to the city and is included in the City's capital assets. The payment of reimbursement is based solely on sales taxes collected and as such there is no definitive payout schedule. Additionally, should the requested reimbursement not be completely paid off before the TIF District expires in 2019, the City's obligation ends. At March 31, 2009, the amount outstanding on this obligation is \$549,155.

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, 2009 was:

Assessed Valuation	
Real Estate	\$ 87,284,307
Personal Property	<u>43,769,359</u>
Total Assessed Valuation	<u>\$131,053,666</u>

The legal debt margin at March 31, 2009, was computed as follows:

General Obligation	
Debt Limit	\$ 26,210,733
General Obligation	
Bonds Payable	<u>443,954</u>
Legal Debt Margin	<u>\$ 25,766,779</u>

As of March 31, 2009, the City of Monett had \$443,954 outstanding general obligation bonds.

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

(E) Construction Commitments City of Monett

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

<u>Fund</u>	<u>Contract Amount</u>
Tax Increment Financing – Hwy 60	\$ 99,432
General Fund – Eisenhower/Clear Creek Project	\$ 239,303

(F) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2009 is as follows:

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Electric	Fiber	\$ 360,000

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. At its inception, the Fiber Fund borrowed startup money from the Electric Fund which is repaid with monies generated from Fiber operations.

<u>Interfund Transfers</u>		
<u>General fund</u>	<u>Electric fund</u>	<u>Total</u>
\$ 300,000	\$ (300,000)	\$ -0-

<u>Transfers</u>		
<u>General fund</u>	<u>TIF – District 1 fund</u>	<u>Total</u>
\$ 254,273	\$ (254,273)	\$ -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.

(3) OTHER INFORMATION

(A) Employee Retirement Systems and Plans

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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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.

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 10.9% (general), 10.7% (police), and 13.1% (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 2008, the political subdivision's annual pension cost of \$513,588 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2008 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

CITY OF MONETT, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

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.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost APC	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	514,468	100%	\$ -0-
6/30/2007	523,460	100%	-0-
6/30/2008	513,588	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, 2009, was \$4,633,876; the City's total payroll was \$4,923,336. All City full-time employees are eligible to participate in the 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 FINANCIAL STATEMENTS
MARCH 31, 2009

(C) Risk Management

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.

(D) Prior Period Adjustment

In the current year, the City changed its method of accounting for "business-type" activity supplies. In order to maintain service to the industries growing and developing in the municipality, it has become necessary to increase the amount of supplies kept on hand. In prior year, all supplies were expensed when purchased. With the change, supplies are considered inventory until put into service. Had this method been adopted in prior years, supplies expense would have been reduced in the "business-type" net assets as follows:

Waterworks	\$	153,513
Electric		504,320
Sewer		21,136
Fiber		23,964
Total	\$	<u>702,933</u>

CITY OF MONETT, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
MARCH 31, 2009

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 10th.
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, 2009

Functions/Programs	Budgeted Amount		March 31, 2009 Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Business license and permits	\$ 46,100	\$ 21,100	\$ 22,834	\$ 1,734
Federal and state grants	1,960,935	1,679,635	1,303,457	(376,178)
Fines and forfeitures	215,200	170,200	194,660	24,460
Franchise fees	373,500	397,500	423,246	25,746
Sales tax	2,737,250	2,737,250	2,608,667	(128,583)
Interest income	50,000	35,000	31,717	(3,283)
Intergovernmental	-	-	-	-
Other revenue	713,175	932,475	741,303	(191,172)
Other taxes and assessments	348,000	348,000	321,465	(26,535)
Rental revenue	142,200	142,200	151,319	9,119
Total revenues	<u>6,586,360</u>	<u>6,463,360</u>	<u>5,798,668</u>	<u>(664,692)</u>
Expenditures				
Salaries	3,031,105	3,046,305	3,022,187	(24,118)
Payroll taxes	224,825	224,825	220,660	(4,165)
Community development block grant	-	-	-	-
Computer	34,000	51,500	52,602	1,102
Education and travel	35,500	35,500	35,918	418
Election	4,000	4,000	2,889	(1,111)
Health and life insurance	423,800	423,800	357,477	(66,323)
Insurance	74,625	95,425	94,361	(1,064)
Merchandise	125,000	72,000	57,113	(14,887)
Miscellaneous	23,500	151,000	157,855	6,855
Professional and consulting service	156,500	334,500	270,750	(63,750)
Repairs and maintenance	862,020	947,820	805,639	(142,181)
Retirement	320,950	320,950	353,951	33,001
Supplies	320,100	357,900	335,534	(22,366)
Telephone	35,700	35,700	44,289	8,589
Workman's compensation	74,130	107,380	78,679	(28,701)
Capital outlay	3,402,325	3,499,325	3,545,647	46,322
Debt service - principal	659,075	659,075	702,848	43,773
Debt service - interest	170,200	183,700	171,896	(11,804)
Total expenditures	<u>9,977,355</u>	<u>10,550,705</u>	<u>10,310,295</u>	<u>(240,410)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,390,995)</u>	<u>(4,087,345)</u>	<u>(4,511,627)</u>	<u>(424,282)</u>
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	51,685	51,685
Settlement	-	-	196,374	196,374
Proceeds from Financing	-	85,000	86,024	1,024
Payments in Lieu of Taxes (PILOTS)	2,133,040	2,133,040	2,107,567	(25,473)
Transfers	650,000	555,000	591,393	36,393
Total other financing sources (uses)	<u>2,783,040</u>	<u>2,773,040</u>	<u>3,033,043</u>	<u>260,003</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (607,955)</u>	<u>\$ (1,314,305)</u>	<u>\$ (1,478,584)</u>	<u>\$ (164,279)</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, 2009

Functions/Programs	Budgeted Amount		March 31, 2009 Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	-	-	-	-
Interest income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenue	10,800	10,800	10,800	-
Other taxes and assessments	40,000	65,000	83,703	18,703
Rental revenue	-	-	-	-
Total revenues	<u>50,800</u>	<u>75,800</u>	<u>94,503</u>	<u>18,703</u>
Expenditures				
Salaries	39,275	39,275	39,181	(94)
Payroll taxes	2,950	2,950	2,997	47
Community development block grant	-	-	-	-
Computer	6,200	6,200	9,741	3,541
Education and travel	4,400	4,400	3,587	(813)
Election	-	-	-	-
Health and life insurance	6,500	6,500	4,495	(2,005)
Insurance	400	400	337	(63)
Merchandise	-	-	-	-
Miscellaneous	100	100	122	22
Professional and consulting service	2,500	2,500	-	(2,500)
Repairs and maintenance	-	-	-	-
Retirement	4,400	4,400	4,271	(129)
Supplies	1,500	1,500	966	(534)
Telephone	25,000	25,000	26,491	1,491
Workman's compensation	100	100	-	(100)
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	<u>93,325</u>	<u>93,325</u>	<u>92,188</u>	<u>(1,137)</u>
Excess (deficiency) of revenues over expenditures	<u>(42,525)</u>	<u>(17,525)</u>	<u>2,315</u>	<u>19,840</u>
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (42,525)</u>	<u>\$ (17,525)</u>	<u>\$ 2,315</u>	<u>\$ 19,840</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 - DISTRICT 1
FOR THE FISCAL YEAR ENDED MARCH 31, 2009

Functions/Programs	Budgeted Amount		March 31, 2009 Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	589,250	589,250	567,263	(21,987)
Interest income	137,000	62,000	63,300	1,300
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	241,000	241,000	259,476	18,476
Rental revenue	-	-	-	-
Total revenues	<u>967,250</u>	<u>892,250</u>	<u>890,039</u>	<u>(2,211)</u>
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	2,000	7,200	7,313	113
Professional and consulting service	5,000	5,000	5,654	654
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	8,035,000	7,836,000	7,913,911	77,911
Debt service - principal	355,000	355,000	361,985	6,985
Debt service - interest	505,000	505,000	299,187	(205,813)
Total expenditures	<u>8,902,000</u>	<u>8,708,200</u>	<u>8,588,050</u>	<u>(120,150)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,934,750)</u>	<u>(7,815,950)</u>	<u>(7,698,011)</u>	<u>117,939</u>
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	550,000	549,155	(845)
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	(414,000)	(255,000)	(291,393)	(36,393)
Total other financing sources (uses)	<u>(414,000)</u>	<u>295,000</u>	<u>257,762</u>	<u>(37,238)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (8,348,750)</u>	<u>\$ (7,520,950)</u>	<u>\$ (7,440,249)</u>	<u>\$ 80,701</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 - DISTRICT 2
 FOR THE FISCAL YEAR ENDED MARCH 31, 2009

Functions/Programs	Budgeted Amount		March 31, 2009 Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	284,200	284,200	278,608	(5,592)
Interest income	35,000	10,000	9,461	(539)
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	87,200	87,200	96,686	9,486
Rental revenue	-	-	-	-
Total revenues	<u>406,400</u>	<u>381,400</u>	<u>384,755</u>	<u>3,355</u>
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	-	-	-	-
Professional and consulting service	5,000	5,000	6,461	1,461
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	500,000	500,000	-
Debt service - interest	215,000	215,000	214,587	(413)
Total expenditures	<u>220,000</u>	<u>720,000</u>	<u>721,048</u>	<u>1,048</u>
Excess (deficiency) of revenues over expenditures	186,400	(338,600)	(336,293)	2,307
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 186,400</u>	<u>\$ (338,600)</u>	<u>\$ (336,293)</u>	<u>\$ 2,307</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
SCHEDULE OF FUNDING PROCESS
RETIREMENT SYSTEM
MARCH 31, 2009**

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	8,100,173	8,265,211	165,038	98%	4,127,969	4%
2/28/2007	9,287,107	9,113,567	(173,540)	102	4,314,237	
2/28/2008	10,370,464	9,987,480	(382,984)	104	4,700,760	

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, 2006, 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, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

Revenues	Total Policy Development and Administration			Public Safety			Municipal Court		
	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget
	3/31/2008	3/31/2009	3/31/2009	3/31/2008	3/31/2009	3/31/2009	3/31/2008	3/31/2009	3/31/2009
Business license and permits	\$ 13,718	\$ 12,374	\$ 11,100	\$ 31,313	\$ 10,460	\$ 10,000	\$ -	\$ -	\$ -
Federal and state grants	96,139	-	-	-	-	-	-	-	-
Fines and forfeitures	213,434	188,993	165,200	-	-	-	-	-	-
Franchise fees	295,305	423,246	397,500	-	-	-	-	-	-
Sales tax	2,018,812	2,179,966	2,275,500	-	-	-	-	-	-
Interest income	38,789	31,717	35,000	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	399,097	83,297	277,500	375	205	500	-	-	-
Other taxes and assessments	36,820	37,320	33,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	<u>3,112,114</u>	<u>2,956,913</u>	<u>3,194,800</u>	<u>31,688</u>	<u>10,665</u>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Salaries	98,976	149,814	150,300	82,166	99,755	100,170	51,259	55,376	52,665
Payroll taxes	7,689	10,957	11,250	11,045	6,911	7,500	3,942	4,216	3,700
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	10,246	9,989	8,000	108	16	1,500	2,119	1,070	1,200
Education and travel	9,467	3,506	2,000	239	247	1,000	1,335	589	1,600
Election	6,744	2,889	4,000	-	-	-	-	-	-
Health and life insurance	21,825	27,089	29,300	7,819	9,433	10,700	3,605	4,276	4,600
Insurance	28,657	23,375	19,100	1,651	1,838	2,000	317	297	100
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	341,700	140,801	138,700	10,580	374	1,500	478	660	500
Professional and consulting service	124,038	114,301	100,000	22,353	43,350	45,000	756	744	1,500
Repairs and maintenance	5,537	13,919	13,500	4,598	5,865	6,000	-	27	2,500
Retirement	10,830	51,150	16,750	6,517	9,268	9,500	4,193	4,336	4,500
Supplies	19,287	27,479	24,800	3,289	2,914	5,000	2,384	5,760	5,000
Telephone	2,218	5,359	2,000	2,392	1,811	2,500	1,390	915	1,400
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	8,945	7,337	7,450	3,222	184	450	137	349	100
Capital outlay	-	2,367	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>696,159</u>	<u>590,332</u>	<u>527,150</u>	<u>155,979</u>	<u>181,966</u>	<u>192,820</u>	<u>71,915</u>	<u>78,615</u>	<u>79,365</u>
Excess (deficiency) of revenues over expenditures	<u>2,415,955</u>	<u>2,366,581</u>	<u>2,667,650</u>	<u>(124,291)</u>	<u>(171,301)</u>	<u>(182,320)</u>	<u>(71,915)</u>	<u>(78,615)</u>	<u>(79,365)</u>
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	51,685	-	-	-	-	-	-	-
Settlement	-	196,374	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes (PILOTS)	2,110,984	2,107,567	2,133,040	-	-	-	-	-	-
Transfers	533,551	300,000	300,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,644,535</u>	<u>2,655,626</u>	<u>2,433,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 5,060,490</u>	<u>\$ 5,022,207</u>	<u>\$ 5,100,690</u>	<u>\$ (124,291)</u>	<u>\$ (171,301)</u>	<u>\$ (182,320)</u>	<u>\$ (71,915)</u>	<u>\$ (78,615)</u>	<u>\$ (79,365)</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Public Safety								
	E-911			Emergency Management			Communications		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	13,826	10,800	10,800	-	-	-	-	-	-
Other taxes and assessments	89,310	83,703	65,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	103,136	94,503	75,800	-	-	-	-	-	-
Expenditures									
Salaries	37,044	39,181	39,275	1,393	1,248	1,500	222,216	241,509	231,050
Payroll taxes	2,930	2,997	2,950	108	95	125	16,834	17,958	17,300
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	9,741	6,200	-	-	-	5,433	8,526	7,200
Education and travel	4,310	3,587	4,400	875	328	900	1,583	471	1,000
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	7,223	4,495	6,500	-	126	-	31,199	31,607	38,500
Insurance	303	337	400	23	25	100	1,286	1,432	1,600
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	111	122	100	127	-	100	192	192	300
Professional and consulting service	375	-	2,500	-	-	-	163	-	500
Repairs and maintenance	-	-	-	2,650	542	2,200	5,435	6,556	8,500
Retirement	4,440	4,271	4,400	-	136	-	23,963	25,983	25,000
Supplies	689	966	1,500	476	30	400	398	226	1,500
Telephone	24,977	26,491	25,000	-	-	-	-	-	200
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	104	-	100	4	-	25	601	455	455
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	82,506	92,188	93,325	5,656	2,530	5,350	309,303	334,915	333,105
Excess (deficiency) of revenues over expenditures	20,630	2,315	(17,525)	(5,656)	(2,530)	(5,350)	(309,303)	(334,915)	(333,105)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ 20,630	\$ 2,315	\$ (17,525)	\$ (5,656)	\$ (2,530)	\$ (5,350)	\$ (309,303)	\$ (334,915)	\$ (333,105)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Public Safety						Total Public Safety		
	Fire Department			Police Department			Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009			
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,313	\$ 10,460	\$ 10,000
Federal and state grants	-	3,924	3,135	8,896	3,265	-	8,896	7,189	3,135
Fines and forfeitures	-	-	-	7,898	5,667	5,000	7,898	5,667	5,000
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	407,164	428,701	461,750	407,164	428,701	461,750
Interest income	-	-	-	100,000	-	-	100,000	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	6,555	8,678	-	22,806	15,849	9,600	43,562	35,532	20,900
Other taxes and assessments	-	-	-	-	-	-	89,310	83,703	65,000
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	6,555	12,602	3,135	546,764	453,482	476,350	688,143	571,252	565,785
Expenditures									
Salaries	691,486	702,310	717,900	806,679	849,794	842,550	1,892,243	1,989,173	1,985,110
Payroll taxes	49,907	50,240	50,000	60,232	62,768	62,000	144,998	145,185	143,575
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	920	407	600	18,863	31,259	30,500	27,443	51,019	47,200
Education and travel	4,887	7,121	7,000	12,144	18,787	15,000	25,373	31,130	30,900
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	61,657	70,384	82,500	80,018	91,337	110,000	191,521	211,658	252,800
Insurance	11,010	12,259	13,600	14,304	15,927	17,700	28,894	32,115	35,500
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	726	574	1,000	917	1,073	-	13,131	2,995	3,500
Professional and consulting service	-	-	-	17,273	21,332	20,000	40,920	65,426	69,500
Repairs and maintenance	71,686	64,506	74,220	120,374	150,452	164,650	204,743	227,948	258,070
Retirement	83,271	88,284	83,000	88,390	87,618	93,000	210,774	219,896	219,400
Supplies	16,172	11,956	12,000	25,122	52,939	48,000	48,530	74,791	73,400
Telephone	4,244	4,266	3,000	9,318	18,899	13,000	42,321	52,382	45,100
Utilities	1,750	-	-	-	-	-	1,750	-	-
Workman's compensation	32,604	24,937	35,700	23,909	19,830	27,500	60,581	45,755	64,330
Capital outlay	7,670	-	82,250	3,012,492	1,150,210	1,229,000	3,020,162	1,150,210	1,311,250
Debt service - principal	126,190	-	-	140,000	515,785	486,100	266,190	515,785	486,100
Debt service - interest	7,142	-	-	114,858	144,516	144,250	122,000	144,516	144,250
Total expenditures	1,171,322	1,037,244	1,162,770	4,544,893	3,232,526	3,303,250	6,341,574	4,959,984	5,169,985
Excess (deficiency) of revenues over expenditures	(1,164,767)	(1,024,642)	(1,159,635)	(3,998,129)	(2,779,044)	(2,826,900)	(5,653,431)	(4,388,732)	(4,604,200)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	759,000	86,024	85,000	759,000	86,024	85,000
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	759,000	86,024	85,000	759,000	86,024	85,000
Revenues and other sources over (under) expenditures and other uses	\$ (1,164,767)	\$ (1,024,642)	\$ (1,159,635)	\$ (3,239,129)	\$ (2,693,020)	\$ (2,741,900)	\$ (4,894,431)	\$ (4,302,708)	\$ (4,519,200)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

Revenues	Public Works								
	Cemetery			Tax Increment Finance - District 1			Tax Increment Finance - District 2		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	614,092	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	614,991	567,263	589,250	337,741	278,608	284,200
Interest income	-	-	-	76,717	63,300	62,000	46,766	9,461	10,000
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	17,041	14,860	14,300	-	-	-	-	-	-
Other taxes and assessments	-	-	-	264,785	259,476	241,000	87,481	96,686	87,200
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	17,041	14,860	14,300	1,570,585	890,039	892,250	471,988	384,755	381,400
Expenditures									
Salaries	97,253	102,690	103,785	-	-	-	-	-	-
Payroll taxes	6,603	7,147	7,800	-	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	-	78	-	-	-	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	16,152	14,964	20,000	-	-	-	-	-	-
Insurance	1,260	1,403	1,600	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	167	131	-	420	7,313	7,200	-	-	-
Professional and consulting service	175	-	500	178,339	5,654	5,000	94,943	6,461	5,000
Repairs and maintenance	25,712	34,411	36,000	-	-	-	-	-	-
Retirement	10,050	9,999	9,700	-	-	-	-	-	-
Supplies	754	709	1,000	-	-	-	-	-	-
Telephone	1,550	1,275	2,000	-	-	-	-	-	-
Utilities	591	-	-	-	-	-	-	-	-
Workman's compensation	4,491	3,121	5,625	-	-	-	-	-	-
Capital outlay	14,495	-	-	1,522,493	7,913,911	7,836,000	1,584,449	-	-
Debt service - principal	-	-	-	940,000	361,985	355,000	-	500,000	500,000
Debt service - interest	-	-	-	88,247	299,187	505,000	271,889	214,587	215,000
Total expenditures	179,253	175,928	188,010	2,729,499	8,588,050	8,708,200	1,951,281	721,048	720,000
Excess (deficiency) of revenues over expenditures:	(162,212)	(161,068)	(173,710)	(1,158,914)	(7,698,011)	(7,815,950)	(1,479,293)	(336,293)	(338,600)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	9,100,000	549,155	550,000	-	-	-
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	58,754	(291,393)	(255,000)	(442,305)	-	-
Total other financing sources (uses)	-	-	-	9,158,754	257,762	295,000	(442,305)	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (162,212)	\$ (161,068)	\$ (173,710)	\$ 7,999,840	\$ (7,440,249)	\$ (7,520,950)	\$ (1,921,598)	\$ (336,293)	\$ (338,600)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Public Works								
	Community Development Block Grant Project			Street Department			Total Public Works		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ 130	\$ -	\$ -	\$ 130	\$ -	\$ -
Federal and state grants	-	-	-	762,952	933,854	1,293,200	1,377,044	933,854	1,293,200
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	300,892	-	-	1,253,624	845,871	873,450
Interest income	-	-	-	-	-	-	123,483	72,761	72,000
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	11,785	178,588	189,275	28,826	193,448	203,575
Other taxes and assessments	-	-	-	-	284,145	315,000	352,266	640,307	643,200
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	1,075,759	1,396,587	1,797,475	3,135,373	2,686,241	3,085,425
Expenditures									
Salaries	-	-	-	425,626	400,038	404,410	522,879	502,728	508,195
Payroll taxes	-	-	-	32,118	29,318	30,300	38,721	36,465	38,100
Community development block grant	13	-	-	-	-	-	13	-	-
Computer	-	-	-	2,536	312	2,000	2,536	312	2,000
Education and travel	-	-	-	1,366	2,248	4,000	1,366	2,326	4,000
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	51,151	54,225	62,000	67,303	69,189	82,000
Insurance	-	-	-	15,139	16,856	18,700	16,399	18,259	20,300
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	1,287	1,449	1,000	1,874	8,893	8,200
Professional and consulting service	-	-	-	4,951	2,154	20,000	278,408	14,269	30,500
Repairs and maintenance	-	-	-	398,594	307,009	351,550	424,306	341,420	387,550
Retirement	-	-	-	45,240	43,610	43,000	55,290	53,609	52,700
Supplies	-	-	-	13,290	117,061	110,000	14,044	117,770	111,000
Telephone	-	-	-	3,515	3,262	4,000	5,065	4,537	6,000
Utilities	-	-	-	3,205	-	-	3,796	-	-
Workman's compensation	-	-	-	20,889	15,232	21,500	25,380	18,353	27,125
Capital outlay	-	-	-	567,372	1,895,178	1,822,150	3,688,809	9,809,089	9,658,150
Debt service - principal	-	-	-	12,780	13,317	12,975	952,780	875,302	867,975
Debt service - interest	-	-	-	5,603	5,066	6,150	365,739	518,840	726,150
Total expenditures	13	-	-	1,604,662	2,906,335	2,913,735	6,464,708	12,391,361	12,529,945
Excess (deficiency) of revenues over expenditures	(13)	-	-	(528,903)	(1,509,748)	(1,116,260)	(3,329,335)	(9,705,120)	(9,444,520)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	-	-	-	9,100,000	549,155	550,000
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	291,393	255,000	(383,551)	-	-
Total other financing sources (uses)	-	-	-	-	291,393	255,000	8,716,449	549,155	550,000
Revenues and other sources over (under) expenditures and other uses	\$ (13)	\$ -	\$ -	\$ (528,903)	\$ (1,218,355)	\$ (861,260)	\$ 5,387,114	\$ (9,155,965)	\$ (8,894,520)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Parks and Recreation								
	Casino			Recreation			Golf Course		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	314	2,226	500	232,910	245,458	259,500
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	27,381	24,299	24,500	12,000	12,500	12,000	53,128	59,812	57,200
Total revenues	27,381	24,299	24,500	12,314	14,726	12,500	286,038	305,270	316,700
Expenditures									
Salaries	13,524	16,050	13,250	-	-	-	176,144	178,584	181,350
Payroll taxes	1,035	1,228	950	-	-	-	13,289	13,285	16,500
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	181	1,023	500
Education and travel	-	-	-	-	-	-	1,141	927	1,000
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	-	-	-	16,091	18,492	22,000
Insurance	177	197	225	435	484	600	2,498	2,781	3,100
Merchandise	-	-	-	-	-	-	17,508	21,528	22,000
Miscellaneous	24	24	-	-	-	-	3,546	10,162	5,800
Professional and consulting service	-	-	-	-	-	-	2,453	2,676	2,000
Repairs and maintenance	3,608	7,387	4,700	1,651	11,080	58,100	61,600	62,274	74,200
Retirement	-	-	-	-	-	-	11,250	12,214	12,500
Supplies	8,742	7,832	6,200	537	73	-	125,234	91,983	123,500
Telephone	936	637	1,000	-	-	-	2,334	2,814	1,500
Utilities	569	-	-	4,588	-	-	884	-	-
Workman's compensation	433	35	325	-	-	-	2,948	926	1,975
Capital outlay	-	-	-	-	53,420	-	122,319	49,015	21,500
Debt service - principal	-	-	-	-	-	-	123,405	133,746	120,000
Debt service - interest	-	-	-	-	-	-	21,361	17,307	28,350
Total expenditures	29,048	33,390	26,650	7,211	65,057	58,700	704,186	619,737	637,775
Excess (deficiency) of revenues over expenditures	(1,667)	(9,091)	(2,150)	5,103	(50,331)	(46,200)	(418,148)	(314,467)	(321,075)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	-	-	-	98,977	-	-
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	98,977	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (1,667)	\$ (9,091)	\$ (2,150)	\$ 5,103	\$ (50,331)	\$ (46,200)	\$ (319,171)	\$ (314,467)	\$ (321,075)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
YEAR ENDED MARCH 31, 2009

Revenues	Parks and Recreation								
	North Park			South Park			Pool		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	17,667	17,700	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	2,320	879	-	32,034	15,961	12,300	4,853	4,722	5,000
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,320</u>	<u>879</u>	<u>-</u>	<u>32,034</u>	<u>33,628</u>	<u>30,000</u>	<u>4,853</u>	<u>4,722</u>	<u>5,000</u>
Expenditures									
Salaries	45,779	47,278	46,525	94,170	84,133	99,675	1,863	-	-
Payroll taxes	3,451	3,384	3,500	6,971	6,217	6,200	139	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	214	400	500	238	75	500	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	5,405	8,891	6,000	17,857	13,320	15,700	60	-	-
Insurance	917	1,021	1,150	2,112	2,351	2,600	580	646	750
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	48	48	500	96	269	-	-	-	-
Professional and consulting service	-	-	-	-	-	-	35,000	35,000	35,000
Repairs and maintenance	41,504	32,740	32,550	55,070	50,321	64,550	2,005	6,077	4,000
Retirement	4,201	5,153	5,000	9,313	7,361	9,000	209	-	-
Supplies	2,192	1,633	2,000	3,544	2,355	5,000	4,891	4,845	5,000
Telephone	654	817	700	1,419	1,166	1,500	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	1,502	2,180	1,150	3,332	2,329	2,350	40	-	-
Capital outlay	-	14,692	17,000	18,939	25,488	25,500	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>105,867</u>	<u>118,237</u>	<u>116,575</u>	<u>213,061</u>	<u>195,385</u>	<u>232,575</u>	<u>44,787</u>	<u>46,568</u>	<u>44,750</u>
Excess (deficiency) of revenues over expenditures	(103,547)	(117,358)	(116,575)	(181,027)	(161,757)	(202,575)	(39,934)	(41,846)	(39,750)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from financing	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (103,547)</u>	<u>\$ (117,358)</u>	<u>\$ (116,575)</u>	<u>\$ (181,027)</u>	<u>\$ (161,757)</u>	<u>\$ (202,575)</u>	<u>\$ (39,934)</u>	<u>\$ (41,846)</u>	<u>\$ (39,750)</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Parks and Recreation			Total Municipal Airport		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Revenues						
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	17,667	17,700	10,500	344,747	365,500
Fines and forfeitures	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Other revenue	272,431	269,246	277,300	209,730	170,580	164,000
Other taxes and assessments	-	-	-	-	-	-
Rental revenue	92,509	96,611	93,700	47,530	54,708	48,500
Total revenues	364,940	383,524	388,700	267,760	570,035	578,100
Expenditures						
Salaries	331,480	326,045	340,800	93,105	93,608	101,175
Payroll taxes	24,885	24,114	27,150	6,880	6,936	7,700
Community development block grant	-	-	-	-	-	-
Computer	181	1,023	500	-	-	-
Education and travel	1,593	1,402	2,000	816	1,141	1,000
Election	-	-	-	-	-	-
Health and life insurance	39,413	40,703	43,700	15,725	13,333	22,500
Insurance	6,719	7,480	8,425	13,627	13,469	12,500
Merchandise	17,508	21,528	22,000	85,008	35,585	50,000
Miscellaneous	3,714	10,503	6,300	1,475	2,098	1,600
Professional and consulting service	37,453	37,676	37,000	10,243	51,193	110,000
Repairs and maintenance	165,438	169,879	238,100	21,325	52,473	50,600
Retirement	24,973	24,728	26,500	7,377	8,839	10,000
Supplies	145,140	108,721	141,700	8,545	7,739	8,500
Telephone	5,343	5,434	4,700	2,747	3,068	2,900
Utilities	6,041	-	-	17,894	-	-
Workman's compensation	8,255	5,470	5,800	2,164	1,764	2,775
Capital outlay	141,258	142,615	64,000	12,648	355,277	301,925
Debt service - principal	123,405	133,746	120,000	40,000	40,000	40,000
Debt service - interest	21,361	17,307	28,350	6,327	5,007	4,950
Total expenditures	1,104,160	1,078,374	1,117,925	345,906	691,530	728,125
Excess (deficiency) of revenues over expenditures	(739,220)	(694,850)	(729,325)	(78,146)	(121,495)	(150,025)
Other financing sources (uses)						
Due from (to) other funds	-	-	-	-	-	-
Gain (loss) on sale of assets	-	-	-	-	-	-
Settlement	-	-	-	-	-	-
Proceeds from financing	98,977	-	-	-	-	-
Payments in lieu of taxes (PILOTS)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total other financing sources (uses)	98,977	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (640,243)	\$ (694,850)	\$ (728,325)	\$ (78,146)	\$ (121,495)	\$ (150,025)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2009

	Total General Fund		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Revenues			
Business license and permits	\$ 45,161	\$ 22,834	\$ 21,100
Federal and state grants	1,492,579	1,303,457	1,679,635
Fines and forfeitures	221,332	194,660	170,200
Franchise fees	295,305	423,246	397,500
Sales tax	3,679,600	3,454,538	3,610,700
Interest income	262,272	104,478	107,000
Intergovernmental	-	-	-
Other revenue	953,646	752,103	943,275
Other taxes and assessments	478,396	761,330	741,200
Rental revenue	140,039	151,319	142,200
Total revenues	7,568,330	7,167,965	7,812,810
Expenditures			
Salaries	2,938,683	3,061,368	3,085,580
Payroll taxes	223,173	223,657	227,775
Community development block grant	13	-	-
Computer	40,406	62,343	57,700
Education and travel	38,615	39,505	39,900
Election	6,744	2,889	4,000
Health and life insurance	335,787	361,972	430,300
Insurance	94,296	94,698	95,825
Merchandise	102,516	57,113	72,000
Miscellaneous	361,894	165,290	158,300
Professional and consulting service	491,062	282,865	347,000
Repairs and maintenance	821,349	805,639	947,820
Retirement	309,244	358,222	325,350
Supplies	235,546	336,500	359,400
Telephone	57,694	70,780	60,700
Utilities	29,481	-	-
Workman's compensation	105,325	78,679	107,480
Capital outlay	6,862,877	11,459,558	11,335,325
Debt service - principal	1,382,375	1,564,833	1,514,075
Debt service - interest	515,427	685,670	903,700
Total expenditures	14,952,507	19,711,581	20,072,230
Excess (deficiency) of revenues over expenditures	(7,384,177)	(12,543,616)	(12,259,420)
Other financing sources (uses)			
Due from (to) other funds	-	-	-
Gain (Loss) on Sale of Assets	-	51,685	-
Settlement	-	196,374	-
Proceeds from Financing	9,957,977	635,179	635,000
Payments in Lieu of Taxes (PILOTS)	2,110,984	2,107,567	2,133,040
Transfers	150,000	300,000	300,000
Total other financing sources (uses)	12,218,961	3,290,805	3,068,040
Revenues and other sources over (under) expenditures and other uses	\$ 4,834,784	\$ (9,252,811)	\$ (9,191,380)

See accompanying notes to the financial statements.

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, 2009

	Waterworks			Electric			Wastewater-Sewer		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Operating revenues									
Revenues	\$ 1,714,004	\$ 1,719,805	\$ 1,780,000	\$ 17,134,539	\$ 17,071,100	\$ 17,601,500	\$ 1,807,385	\$ 1,809,493	\$ 1,901,000
Federal and state grants	-	101,341	100,000	552,585	1,147	-	-	-	-
Tap - in charges	17,172	-	-	-	-	-	-	-	-
Penalties	-	-	2,000	78,678	149,677	123,000	510	210	600
Miscellaneous charges	17,073	108,565	109,500	36,390	74,841	81,000	3,433	1,022	2,000
Rental	4,320	4,320	3,500	-	-	-	-	-	5,300
Total operating revenues	1,752,569	1,934,031	1,995,000	17,802,192	17,296,765	17,805,500	1,811,328	1,810,725	1,909,900
Operating expenses									
Salaries	437,490	439,429	501,700	726,484	761,147	751,200	415,393	446,689	498,900
Payroll taxes	33,124	32,436	37,100	52,727	55,081	56,400	31,550	32,650	36,000
Depreciation	257,427	257,246	-	156,394	166,914	-	1,012,908	1,019,051	-
Computer	6,555	7,082	10,000	6,238	10,413	10,000	4,613	7,398	10,000
Education	3,612	3,736	15,000	4,237	10,869	10,000	6,346	1,105	10,000
Electric purchases	-	-	-	13,312,839	13,114,942	13,460,000	-	-	-
Health and life insurance	42,589	52,205	65,500	53,976	74,009	80,000	38,908	44,632	62,000
Insurance	15,884	17,686	19,500	64,612	71,943	80,000	19,458	21,666	24,000
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	1,216	740	2,500	887	1,789	2,500	754	618	1,500
Professional and consulting service	30,511	252,869	260,000	17,942	23,253	70,000	73,204	139,520	130,000
Repairs and maintenance	220,499	504,971	556,450	193,289	139,814	211,450	236,322	507,712	501,450
Retirement	48,698	41,355	53,000	80,211	82,593	83,600	48,011	47,575	51,000
Supplies	177,630	141,602	240,000	419,325	199,813	365,000	104,683	58,654	90,000
Telephone	3,419	3,949	4,000	5,948	7,653	5,200	2,735	3,756	3,500
Utilities	258,043	-	-	437	-	-	259,886	-	-
Workman's compensation	11,838	11,884	13,150	21,442	18,838	25,800	8,734	7,244	10,225
Total operating expenses	1,548,535	1,767,190	1,778,000	15,116,988	14,739,071	15,210,550	2,263,505	2,338,270	1,428,575
Non-operating revenues (expenses)									
Investment income	14,200	349	-	38,789	1,280	1,500	346,887	421,288	125,000
Gain (loss) on asset disposal	-	-	-	-	-	-	-	-	-
Special assessment income	-	-	-	-	-	-	-	-	30,950
Interest expense and fees	(19,924)	(17,677)	(17,800)	-	-	-	(416,714)	(474,762)	(407,300)
Net non-operating revenues (expenses)	(5,724)	(17,328)	(17,800)	38,789	1,280	1,500	(69,827)	(53,474)	(251,350)
Net income before transfers	198,310	149,513	199,200	2,723,993	2,558,974	2,596,450	(522,004)	(581,019)	229,975
Transfers									
Transfers - payments in lieu of taxes (PILOT)	(177,207)	(194,159)	(182,700)	(1,691,902)	(1,668,212)	(1,718,650)	(222,644)	(226,799)	(198,890)
Transfers	-	-	-	(150,000)	(300,000)	(300,000)	-	-	-
Total transfers	(177,207)	(194,159)	(182,700)	(1,841,902)	(1,968,212)	(2,018,650)	(222,644)	(226,799)	(198,890)
Net income (loss)	\$ 21,103	\$ (44,646)	\$ 16,500	\$ 882,091	\$ 590,762	\$ 577,800	\$ (744,648)	\$ (807,818)	\$ 31,085

See accompanying notes to the financial statements.

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, 2009

	Fiber			Sanitation			Total Proprietary Funds		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Operating revenues									
Revenues	\$ 161,724	\$ 165,322	\$ 175,000	\$ 556,484	\$ 562,293	\$ 553,000	\$ 21,374,136	\$ 21,328,013	\$ 22,010,500
Federal and state grants	-	-	-	10,721	-	-	563,306	102,488	100,000
Tap - in charges	-	-	-	-	-	-	17,682	210	600
Penalties	-	-	-	-	-	-	78,678	149,677	127,000
Miscellaneous charges	30,590	18,648	-	3,329	3,538	1,000	90,815	206,614	196,800
Rental	-	-	-	-	-	-	4,320	4,320	4,500
Total operating revenues	192,314	183,970	175,000	570,534	565,831	554,000	22,128,937	21,791,322	22,439,400
Operating expenses									
Salaries	-	-	-	124,062	123,122	135,100	1,703,429	1,770,387	1,886,900
Payroll taxes	-	-	-	8,770	2,569	10,200	126,171	122,736	139,700
Depreciation	29,536	31,566	-	75,727	82,925	-	1,531,992	1,557,702	-
Computer	2,009	-	1,000	-	-	-	19,415	24,893	31,000
Education	30,590	14	-	-	-	500	44,785	15,724	35,500
Electric purchases	-	-	-	-	-	-	13,312,839	13,114,942	13,460,000
Health and life insurance	-	-	-	23,978	20,132	33,000	159,451	190,978	240,500
Insurance	-	-	-	4,297	4,785	5,500	104,251	116,080	129,100
Landfill and recycling	-	-	-	171,696	152,957	167,000	171,696	152,957	167,000
Miscellaneous	-	18,648	-	517	5,253	1,000	3,374	27,048	7,500
Professional and consulting service	10,373	16,924	12,000	-	108	-	132,030	432,674	472,000
Repairs and maintenance	7,004	4,670	10,000	82,966	70,890	64,900	740,080	1,228,057	1,344,250
Retirement	-	-	-	14,717	11,941	15,500	191,637	183,464	202,500
Supplies	20,016	21,943	25,000	6,596	7,831	8,000	728,250	429,843	728,000
Telephone	176	930	500	-	314	-	12,278	16,602	13,200
Utilities	-	-	-	215	-	-	518,581	-	-
Workman's compensation	-	-	-	12,543	15,932	9,350	54,557	53,898	58,525
Total operating expenses	99,704	94,695	48,500	526,084	498,759	450,050	19,554,816	19,437,985	18,915,675
Non-operating revenues (expenses)									
Investment income	-	-	-	-	-	-	-	-	-
Gain (loss) on asset disposal	-	-	-	5,000	-	-	399,876	422,917	126,500
Special assessment income	-	-	-	-	-	-	5,000	-	-
Interest expense and fees	-	-	-	-	(5,109)	(5,100)	(436,638)	(497,548)	30,950
Net non-operating revenues (expenses)	-	-	-	5,000	(5,109)	(5,100)	(31,762)	(74,631)	(430,200)
Net income before transfers	92,610	89,275	126,500	49,450	61,963	98,850	2,542,359	2,278,706	3,250,975
Transfers									
Transfers - payments in lieu of taxes (PILOT)	(19,231)	(18,397)	(17,500)	-	-	-	(2,110,984)	(2,107,567)	(2,117,740)
Transfers	-	-	-	-	-	-	(150,000)	(300,000)	(300,000)
Total transfers	(19,231)	(18,397)	(17,500)	-	-	-	(2,260,984)	(2,407,567)	(2,417,740)
Net income (loss)	\$ 73,379	\$ 70,878	\$ 109,000	\$ 49,450	\$ 61,963	\$ 98,850	\$ 281,375	\$ (128,861)	\$ 833,235

See accompanying notes to the financial statements.

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, 2009

	Hazardous Material			Safety Program			Mechanic		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
Operating revenues									
Revenues	\$ 7,723	\$ 3,359	\$ 7,850	\$ 20,325	\$ 19,138	\$ 21,200	\$ 138,386	\$ 145,806	\$ 156,250
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Miscellaneous charges	-	-	-	-	-	-	20	-	-
Rental	-	-	-	-	-	-	-	-	-
Total operating revenues	7,723	3,359	7,850	20,325	19,138	21,200	138,406	145,806	156,250
Operating expenses									
Salaries	3,638	2,058	2,000	10,115	10,111	10,700	68,637	70,072	71,900
Payroll taxes	278	157	600	773	773	800	4,589	4,655	5,400
Depreciation	-	-	-	-	-	-	-	-	-
Computer	-	-	-	928	759	1,600	-	-	-
Education	-	-	-	2,998	3,931	2,000	-	205	-
Electric purchases	-	-	-	-	-	-	-	-	-
Health and life insurance	102	107	200	102	107	200	9,720	10,170	12,000
Insurance	62	69	100	-	-	-	825	918	1,000
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	100	48	48	100
Professional and consulting service	-	325	-	-	-	200	-	-	-
Repairs and maintenance	-	-	500	648	888	500	2,597	5,494	7,000
Retirement	441	224	900	1,244	1,280	1,300	8,168	7,638	8,200
Supplies	2,155	-	3,400	2,143	154	2,500	38,082	42,846	48,000
Telephone	902	326	-	1,282	1,013	1,200	1,109	836	1,200
Utilities	-	-	-	-	-	-	2,393	-	-
Workman's compensation	145	93	150	92	122	100	2,238	2,924	1,450
Total operating expenses	7,723	3,359	7,850	20,325	19,138	21,200	138,406	145,806	156,250
Non-operating revenues (expenses)									
Investment income	-	-	-	-	-	-	-	-	-
Gain (loss) on asset disposal	-	-	-	-	-	-	-	-	-
Interest expense and fees	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-
Net income before transfers	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

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, 2009

	Total Internal Service Funds		
	Prior Year 3/31/2008	Current Year 3/31/2009	Budget 3/31/2009
<u>Operating revenues</u>			
Revenues	\$ 166,434	\$ 168,303	\$ 185,300
Federal and state grants	-	-	-
Tap - in charges	-	-	-
Penalties	-	-	-
Miscellaneous charges	20	-	-
Rental	-	-	-
Total operating revenues	<u>166,454</u>	<u>168,303</u>	<u>185,300</u>
<u>Operating expenses</u>			
Salaries	82,390	82,241	84,600
Payroll taxes	5,640	5,585	6,800
Depreciation	-	-	-
Computer	928	759	1,600
Education	2,998	4,136	2,000
Electric purchases	-	-	-
Health and life insurance	9,924	10,384	12,400
Insurance	887	987	1,100
Landfill and recycling	-	-	-
Miscellaneous	48	48	200
Professional and consulting service	-	325	200
Repairs and maintenance	3,245	6,382	8,000
Retirement	9,853	9,142	10,400
Supplies	42,380	43,000	53,900
Telephone	3,293	2,175	2,400
Utilities	2,393	-	-
Workman's compensation	2,475	3,139	1,700
Total operating expenses	<u>166,454</u>	<u>168,303</u>	<u>185,300</u>
<u>Non-operating revenues (expenses)</u>			
Investment income	-	-	-
Gain (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 accompanying notes to the financial statements.

FEDERAL COMPLIANCE SECTION



A Professional Corporation
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor James Orr,

Councilman Jerry Dierker and Councilman Michael Brownsberger
City of Monett, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Monett, Missouri, as of and for the year ended March 31, 2009, which collectively comprise the City of Monett, Missouri's basic financial statements and have issued our report thereon dated September 21, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Monett's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Monett, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Monett, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Monett's financial statements that is more than inconsequential will not be prevented or detected by the City of Monett's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Monett's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Monett, in a separate letter dated September 21, 2009.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.

Monett, Missouri
September 21, 2009



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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**

To the Honorable Mayor James Orr,
Councilman Jerry Dierker and Councilman Michael Brownsberger
City of Monett, Missouri

Compliance

We have audited the compliance of 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, 2009. The City of Monett, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on the City of Monett, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Non-Profit 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 City of Monett, Missouri's compliance with those requirements and performing such 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 of the City of Monett'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, 2009.

Internal Control Over Compliance

The management of the City of Monett, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the City of Monett's internal control over compliance.

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.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.

Monett, Missouri
September 21, 2009

**CITY OF MONETT, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 MARCH 31, 2009**

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
 Reportable condition(s) identified
 not considered to be material weaknesses? Yes No
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? Yes No
 Reportable condition(s) identified
 not considered to be material weaknesses? Yes No

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

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

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	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.

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
MARCH 31, 2009

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Department of Transportation			
Transportation Enhancement Funds passed Through the Missouri Highway and Transportation Commission	20.205	J7P0786	\$ 1,768,527
Federal Aviation Agency passed Through the Missouri Highway and Transportation Commission	20.106	AIR 035/045-98B	355,277
Law Enforcement Assistance Funds passed Through the Missouri Highway and Transportation Commission	20.600	LKKD47 and 033	842
Law Enforcement Equipment Funds passed Through the Missouri Highway and Transportation Commission	20.601	OMB-1121-0	5,009
Law Enforcement Payroll - DWI Funds passed Through the Missouri Highway and Transportation Commission	20.607	LKK033 & 044 NHTSA	1,853
Total Department of Transportation			\$ 2,131,508
Environmental Protection Agency			
Clean Water Loans passed through the Missouri Department of Natural Resources	66-458 66-468		\$ 310,000 7,815,000
Total Environmental Protection Agency			\$ 8,125,000
Total Federal Programs			\$ 10,256,508

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.