

BASIC FINANCIAL STATEMENTS

**CITY OF MONETT, MISSOURI
STATEMENT OF NET ASSETS
MARCH 31, 2010**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 546,272	\$ 869,659	\$ 1,415,931
Investments	394,040	1,053,423	1,447,463
Accounts receivable	473,727	2,042,737	2,516,464
Prepaid health insurance	67,076		67,076
Prepaid workmen's compensation	119,643	67,329	186,972
Inventory		871,192	871,192
Premium on bond insurance	368,297	416,547	784,844
Restricted assets:			
Cash and cash equivalents	1,502,668	2,253,684	3,756,352
Investments	569,268	1,188,777	1,758,045
Assessments receivable		226,568	226,568
Capital assets:			
Non depreciable	1,049,730	222,261	1,271,991
Depreciable, net	25,604,092	19,854,006	45,458,098
Total Assets	<u>30,694,813</u>	<u>29,066,183</u>	<u>59,760,996</u>
LIABILITIES			
Accounts payable	117,779	1,099,086	1,216,865
Accrued payroll and payroll taxes	78,150	43,680	121,830
Accrued interest payable	240,361	61,429	301,790
Due to depositors	15,576	355,366	370,942
Accrued compensated absences liabilities:			
Due within one year	327,703	205,116	532,819
Due in more than one year	36,411	21,365	57,776
Long-term debt liabilities:			
Due within one year	692,089	438,440	1,130,529
Due in more than one year	15,075,839	8,032,133	23,107,972
Total Liabilities	<u>16,583,908</u>	<u>10,256,615</u>	<u>26,840,523</u>
NET ASSETS			
Reserved:			
Invested in capital assets, net of related debt	10,885,894	11,605,694	22,491,588
Restricted for:			
Debt service			
Capital projects	1,946,214		1,946,214
Other purposes	124,980	3,442,461	3,567,441
Unrestricted	1,153,817	3,761,413	4,915,230
Total Net Assets	<u>\$ 14,110,905</u>	<u>\$ 18,809,568</u>	<u>\$ 32,920,473</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2010**

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	\$ 446,791	\$ 196,875	\$ 32,773	\$ (217,143)	\$	\$ (217,143)
Public safety	3,396,137	51,908	17,550	(3,326,679)		(3,326,679)
Public works	2,180,829	183,593	86,448	(1,910,788)		(1,910,788)
Parks and recreation	1,043,041	347,374	50,564	(645,103)		(645,103)
Municipal Airport	431,390	160,292	-	(271,098)		(271,098)
Interest on long-term debt	719,677	-	-	(719,677)		(719,677)
Total governmental activities	8,217,865	940,042	187,335	(7,090,488)		(7,090,488)
Business-type activities:						
Waterworks	1,950,533	2,080,117			129,584	129,584
Electric	14,608,794	17,288,606			2,679,812	2,679,812
Wastewater-sewer	2,643,779	2,032,944			(610,835)	(610,835)
Sanitation	478,446	563,016			84,570	84,570
Fiber optics	111,733	252,481			140,748	140,748
Total business-type activities	19,793,285	22,217,164			2,423,879	2,423,879
Total City	\$ 28,011,150	\$ 23,157,206	\$ 187,335	(7,090,488)	2,423,879	(4,666,609)

General revenues		
Sales and use taxes	2,029,279	2,029,279
Sales and use taxes - police station	304,265	304,265
Motor fuel sales tax	277,738	277,738
M & M Surcharge Tax	37,322	37,322
Emergency Telephone Tax	37,256	37,256
Sales Tax - TIF	696,439	696,439
Real Estate Tax - TIF	3,054	3,054
Franchise fees	502,202	502,202
Payments in lieu of taxes	2,113,366	(2,113,366)
Intergovernmental -TIF 1 - MODoT	1,120,692	1,120,692
Investment revenue	9,764	334,140
Gain (Loss) Sale of Assets	40,628	40,628
Settlement	651,036	651,036
Miscellaneous	142,721	142,721
Transfers	396,000	(396,000)
Total general revenues and transfers	8,361,762	(2,175,226)
Change in net assets	1,271,274	248,653
Net assets - beginning	12,839,631	18,560,915
Net assets - ending	\$ 14,110,905	\$ 18,809,568

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2010

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	
ASSETS					
Cash and cash equivalents	\$ 546,272	\$ -	\$ -	\$ -	\$ 546,272
Investments	394,040	-	-	-	394,040
Accounts receivable	415,516	-	36,271	21,940	473,727
Due from other funds	-	-	-	-	-
Prepaid health insurance	67,076	-	-	-	67,076
Prepaid workmen's compensation	119,643	-	-	-	119,643
Restricted assets:					
Cash and cash equivalents	35,232	56,749	637,939	772,748	1,502,668
Investments	-	69,268	500,000	-	569,268
Total assets	<u>\$ 1,577,779</u>	<u>\$ 126,017</u>	<u>\$ 1,174,210</u>	<u>\$ 794,688</u>	<u>\$ 3,672,694</u>
LIABILITIES					
Accounts payable	95,094	-	22,684	-	\$ 117,778
Accrued payroll and payroll taxes	77,113	1,037	-	-	78,150
Due to depositors	15,576	-	-	-	15,576
Due to other funds	-	-	-	-	-
Total liabilities	<u>187,783</u>	<u>1,037</u>	<u>22,684</u>	<u>-</u>	<u>211,504</u>
FUND BALANCE					
Reserved:					
Reserved for E-911	-	124,980	-	-	124,980
Reserved for Tax Increment Financing	-	-	1,151,526	794,688	1,946,214
Reserved for prepaid items	186,719	-	-	-	186,719
Undesignated	1,203,277	-	-	-	1,203,277
Total fund balances	<u>1,389,996</u>	<u>124,980</u>	<u>1,151,526</u>	<u>794,688</u>	<u>3,461,190</u>
Total liabilities and fund balances	<u>\$ 1,577,779</u>	<u>\$ 126,017</u>	<u>\$ 1,174,210</u>	<u>\$ 794,688</u>	<u>\$ 3,672,694</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, 2010**

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

Total fund balance - total governmental funds		\$ 3,461,190
Capital assets used in governmental activities are not current financial resource, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 41,293,525	
Less accumulated depreciation	<u>(14,639,703)</u>	26,653,822
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	(95,091)	
Revenue bonds	(11,895,000)	
Notes payable	(540,194)	
Capital lease obligations	(3,237,643)	
Accrued compensated absences	(364,114)	
Unamortized issuance cost of bonds	368,297	
Accrued interest liability	<u>(240,362)</u>	(16,004,107)
Net assets of Governmental Activities		<u><u>\$ 14,110,905</u></u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED MARCH 31, 2010

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance -District 1	Tax Increment Finance - District 2	
REVENUES					
Business license and permits	\$ 33,755	\$ -	\$ -	\$ -	\$ 33,755
Federal and state grants	187,335	-	-	-	187,335
Fines and forfeitures	181,919	-	-	-	181,919
Franchise fees	502,202	-	-	-	502,202
Sales tax	2,333,544	-	470,891	225,548	3,029,983
Investment income	3,443	-	6,134	187	9,764
Intergovernmental	-	-	1,120,692	-	1,120,692
Other revenue	699,021	35,800	-	-	734,821
Other taxes and assessments	315,060	37,256	917	2,137	355,370
Rental revenue	157,269	-	-	-	157,269
Total Revenues	4,413,548	73,056	1,598,634	227,872	6,313,110
EXPENDITURES					
Current					
Policy development and administration	411,582	-	-	-	411,582
Public safety	2,947,059	85,301	-	-	3,032,360
Public works	1,196,397	-	94,459	32,568	1,323,424
Parks and recreation	809,613	-	-	-	809,613
Municipal airport	253,983	-	-	-	253,983
Capital outlay	633,471	-	141,835	-	775,306
Debt service:					
Principal	759,571	-	1,760,000	-	2,519,571
Interest and other charges	148,972	-	386,182	189,588	724,742
Total Expenditures	7,160,648	85,301	2,382,476	222,156	9,850,581
Excess (Deficiency) of Revenues over Expenditures	(2,747,100)	(12,245)	(783,842)	5,716	(3,537,471)
OTHER FINANCING SOURCES (USES)					
Due from (to) other funds	-	-	-	-	-
Proceeds from exchange of assets	72,797	-	-	-	72,797
Settlement	651,036	-	-	-	651,036
Proceeds from financing	86,300	-	-	-	86,300
Transfers - Payments in lieu of taxes (PILOTS)	2,113,366	-	-	-	2,113,366
Transfers in	466,727	-	(95,727)	-	371,000
Total Other Financing Sources (Uses)	3,390,226	-	(95,727)	-	3,294,499
Net Change in Fund Balances	643,126	(12,245)	(879,569)	5,716	(242,972)
Fund balance - beginning	746,870	137,225	2,031,095	788,972	3,704,162
Fund balance - ending	\$ 1,389,996	\$ 124,980	\$ 1,151,526	\$ 794,688	\$ 3,461,190

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, 2010**

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

Net change in fund balance - total governmental funds	\$ (242,972)
Prior year construction in progress is included in current year capital outlay	(110,384)
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.	775,306
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,664,790)
In the Statement of Activities, assets that are sold, exchanged or retired generate a gain or loss	40,628
In the Statement of Activities cost of accrued compensated absences are expensed as salary costs.	16,875
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 are expensed as interest costs	46,547
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.	(86,300)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	2,528,532
Change in net assets of governmental activities	<u>\$ 1,271,274</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF NET ASSETS
 MARCH 31, 2010

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 704,894	\$ -	\$ 158,141	\$ 6,624	\$ 869,659
Investments	-	860,395	-	193,028	-	1,053,423
Accounts receivable	171,330	1,641,613	170,385	37,163	22,246	2,042,737
Prepaid workmen's compensation	14,567	27,419	10,974	14,369	-	67,329
Inventory	177,692	627,651	35,347	-	30,502	871,192
Due from other funds	-	220,000	-	-	-	220,000
Unamortized bond issue costs/investments	-	-	416,547	-	-	416,547
Total current assets	<u>363,589</u>	<u>4,081,972</u>	<u>633,253</u>	<u>402,701</u>	<u>59,372</u>	<u>5,540,887</u>
Restricted assets:						
Cash and cash equivalents	205,265	616,965	1,431,454	-	-	2,253,684
Investments	250,111	-	938,666	-	-	1,188,777
Total restricted assets	<u>455,376</u>	<u>616,965</u>	<u>2,370,120</u>			<u>3,442,461</u>
Assessments receivable			226,568			226,568
Capital assets:						
Land	56,932	58,400	94,828	12,101	-	222,261
Building and improvements	908,946	753,871	33,705	84,878	-	1,781,400
Machinery and equipment	402,402	791,518	494,599	902,738	-	2,591,257
Infrastructure	6,685,017	5,346,629	25,029,301	61,189	635,923	37,758,059
Construction in progress	-	-	-	-	-	-
Less: accumulated depreciation	(3,772,780)	(5,226,767)	(12,405,979)	(694,801)	(176,383)	(22,276,710)
Total capital assets (net of accumulated depreciation)	<u>4,280,517</u>	<u>1,723,651</u>	<u>13,246,454</u>	<u>366,105</u>	<u>459,540</u>	<u>20,076,267</u>
Total noncurrent assets	<u>4,280,517</u>	<u>1,723,651</u>	<u>13,246,454</u>	<u>366,105</u>	<u>459,540</u>	<u>20,076,267</u>
Total Assets	<u>5,099,482</u>	<u>6,422,588</u>	<u>16,476,395</u>	<u>768,806</u>	<u>518,912</u>	<u>29,286,183</u>
LIABILITIES						
Current liabilities:						
Accounts payable	5,716	1,082,869	-	10,501	-	1,099,086
Accrued payroll and payroll taxes	11,861	18,043	10,841	2,935	-	43,680
Accrued interest payable	-	-	61,429	-	-	61,429
Due to other funds	-	-	-	-	220,000	220,000
Current maturities of long-term debt	68,440	-	370,000	-	-	438,440
Total current liabilities	<u>86,017</u>	<u>1,100,912</u>	<u>442,270</u>	<u>13,436</u>	<u>220,000</u>	<u>1,862,635</u>
Long-term liabilities, less current maturities:						
Due to depositors	29,198	326,168	-	-	-	355,366
Accrued compensated absences	42,842	125,247	47,080	11,312	-	226,481
Notes and capitalized lease obligations payable	312,133	-	-	-	-	312,133
Neighborhood improvement bonds	-	-	320,000	-	-	320,000
Revenue bonds payable, net	-	-	7,400,000	-	-	7,400,000
Total noncurrent liabilities	<u>384,173</u>	<u>451,415</u>	<u>7,767,080</u>	<u>11,312</u>		<u>8,613,980</u>
Total Liabilities	<u>470,190</u>	<u>1,552,327</u>	<u>8,209,350</u>	<u>24,748</u>	<u>220,000</u>	<u>10,476,615</u>
NET ASSETS						
Reserved:						
Invested in capital assets, net of related debt	3,899,944	1,723,651	5,526,454	366,105	459,540	11,605,694
Restricted for:						
Capital projects	455,376	616,965	2,370,120			3,442,461
Other purposes	729,348	3,146,610	2,740,591	377,953	(160,628)	6,833,874
Unrestricted						
Total Net Assets	<u>\$ 4,629,292</u>	<u>\$ 4,870,261</u>	<u>\$ 8,267,045</u>	<u>\$ 744,058</u>	<u>\$ 298,912</u>	<u>\$ 18,809,568</u>

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, 2010

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 2,062,795	\$ 17,273,108	\$ 2,032,720	\$ 558,321	\$ 233,329	\$ 22,160,273
OPERATING EXPENSES						
Salaries	451,659	738,645	438,032	116,990		1,745,326
Payroll taxes	32,229	53,893	31,458	9,319		126,899
Depreciation	249,710	169,300	809,500	60,380	31,796	1,320,686
Computer	7,562	10,433	8,829		255	27,079
Education	2,437	2,221	1,590	73		6,321
Electric purchases		12,876,613				12,876,613
Health and life insurance	61,355	78,597	56,794	18,623		215,369
Insurance	17,219	70,816	21,237	4,658		113,930
Landfill and recycling				146,865		146,865
Miscellaneous	360	883	774	572	19,348	21,937
Professional and consulting service	192,108	36,940	106,732	956	500	337,236
Repairs and maintenance	600,339	130,399	582,819	87,604	25,780	1,426,941
Retirement	43,976	75,498	44,706	10,125		174,305
Supplies	258,296	328,016	68,831	4,527	33,539	693,209
Telephone	2,944	8,270	2,383	372	515	14,484
Utilities						
Workman's compensation	15,034	28,270	11,421	14,771		69,496
Total Operating Expenses	1,935,228	14,608,794	2,185,106	475,835	111,733	19,316,696
Operating Income (Loss)	127,567	2,664,314	(152,386)	82,486	121,596	2,843,577
NONOPERATING REVENUES (EXPENSES)						
Investment income	8	211	333,921			334,140
Federal and State Grants						
Miscellaneous income	17,322	15,498	224	4,695	19,152	56,891
Interest expense and fees	(15,305)		(458,673)	(2,611)		(476,589)
Total Nonoperating Revenues (Expenses)	2,025	15,709	(124,528)	2,084	19,152	(85,558)
Income (Loss) Before Contributions and Transfers	129,592	2,680,023	(276,914)	84,570	140,748	2,758,019
Payments in lieu of taxes (PILOTS)	(208,730)	(1,638,066)	(241,322)		(25,248)	(2,113,366)
Transfers out		(396,000)				(396,000)
Change in Net Assets	(79,138)	645,957	(518,236)	84,570	115,500	248,653
Net assets - beginning	4,708,430	4,224,304	8,785,281	659,488	183,412	18,560,915
Prior period adjustment						
Net assets - ending	\$ 4,629,292	\$ 4,870,261	\$ 8,267,045	\$ 744,058	\$ 298,912	\$ 18,809,568

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2010

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 2,024,393	\$ 16,861,075	\$ 2,031,004	\$ 556,911	\$ 228,494	\$ 21,701,877
Cash received from other sources	17,322	15,498	224	4,695	19,152	56,891
Cash payments to suppliers	(258,296)	(328,016)	(68,831)	(4,527)	(33,539)	(693,209)
Cash payments to employees	(447,310)	(736,697)	(434,038)	(118,014)	-	(1,736,059)
Cash payments to employee benefits and payroll taxes	(137,560)	(207,988)	(132,958)	(38,067)	-	(516,573)
Cash payments for other expenses	(819,989)	(13,150,885)	(752,063)	(253,811)	(46,945)	(15,023,693)
Net cash provided by (used in) operating activities	378,560	2,452,987	643,338	147,187	167,162	3,789,234
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	-	(396,000)	-	-	-	(396,000)
Transfers - Payments in lieu of taxes (PILOTS)	(208,730)	(1,638,066)	(241,322)	-	(25,248)	(2,113,367)
Due (from) to other funds	-	140,000	-	-	(140,000)	-
Net cash provided by (used in) non-capital financing activities	(208,730)	(1,894,066)	(241,322)	-	(165,248)	(2,509,367)
Cash flows from capital and related financing activities:						
Interest expense & fees	(15,305)	-	(369,197)	(2,611)	-	(387,113)
Principal payment on capital lease	(68,467)	-	(370,000)	(15,696)	-	(454,163)
Purchase of capital acquisitions	-	(104,509)	(158,706)	(11,147)	-	(274,362)
Federal and state grants	-	-	-	-	-	-
Financing proceeds	-	-	-	-	-	-
Redemption of bonds payable	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(83,772)	(104,509)	(897,903)	(29,454)	-	(1,115,638)
Cash flows from investing activities:						
Investment income	8	211	333,921	-	-	334,140
Sale of investments - held to maturity	-	-	-	-	-	-
Net cash provided by (used in) investing activities	8	211	333,921	-	-	334,140
Net increase (decrease) in cash and cash equivalents	86,066	454,623	(161,966)	117,733	1,914	498,369
Cash and cash equivalents - beginning	369,310	1,727,631	2,532,086	233,436	4,710	4,867,173
Cash and cash equivalents - ending	\$ 455,376	\$ 2,182,254	\$ 2,370,120	\$ 351,169	\$ 6,624	\$ 5,365,542
Displayed as:						
Cash and cash equivalents	\$ 455,376	\$ 2,182,254	\$ 2,370,120	\$ 351,169	\$ 6,624	\$ 5,365,542
Restricted - cash and cash equivalents	-	-	-	-	-	-
Total cash, cash equivalents, and investments	\$ 455,376	\$ 2,182,254	\$ 2,370,120	\$ 351,169	\$ 6,624	\$ 5,365,542

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

Operating income (loss)	\$ 127,567	\$ 2,664,314	\$ (152,386)	\$ 82,486	\$ 121,596	\$ 2,843,577
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	249,710	169,300	809,500	60,380	31,796	1,320,686
Amortization	-	-	23,245	-	-	23,245
Miscellaneous revenue	17,322	15,498	224	4,695	19,152	56,891
(Increase) decrease in accounts receivable	(39,186)	(424,593)	(29,763)	(1,410)	(4,835)	(499,787)
(Increase) decrease in prepaid sales tax	-	-	-	-	-	-
(Increase) decrease in inventory	14,199	2,749	(8,927)	-	(547)	7,474
Increase (decrease) in workmen's compensation	1,016	2,876	(2,549)	2,060	-	3,403
Increase (decrease) in accounts payable	2,799	8,335	-	-	-	11,134
Increase (decrease) in accrued payroll	(140)	(1,087)	(1,424)	(909)	-	(3,560)
Increase (decrease) in customer deposits	784	12,560	-	-	-	13,344
Increase (decrease) in accrued compensated absences	4,489	3,035	5,418	(115)	-	12,827
Net cash provided by (used in) operating activities	\$ 378,560	\$ 2,452,987	\$ 643,338	\$ 147,187	\$ 167,162	\$ 3,789,234

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of \$192,856 were acquired through capital lease.

See accompanying notes to the financial statements.