CITY OF MONETT,

MISSOURI

ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
MARCH 31, 2010

Table of Contents

	Page
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	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Enterprise Funds:	
Statement of Net Assets	23
Statement of Revenues, Expenditures, and Changes in Fund Net Assets	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
Required Supplementary Information:	
Notes to Budgetary Comparison Schedules	49
Budgetary Comparison Schedules	50
Schedule of Funding Process – Retirement System	53
Other Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes In Fund Balance (Original Budget and Actual)	54

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	67
Report on Compliance With Requirements Applicable To Each Major Program and On Internal Control Over Compliance In Accordance With OMB Circular A-133	69
Schedule of Expenditure of Federal Awards	71
Schedule of Findings and Questioned Costs	72

INTRODUCTION SECTION

City of Monett, Missouri
List of Elected and Appointed Officials
March 31, 2010

Elected Officials

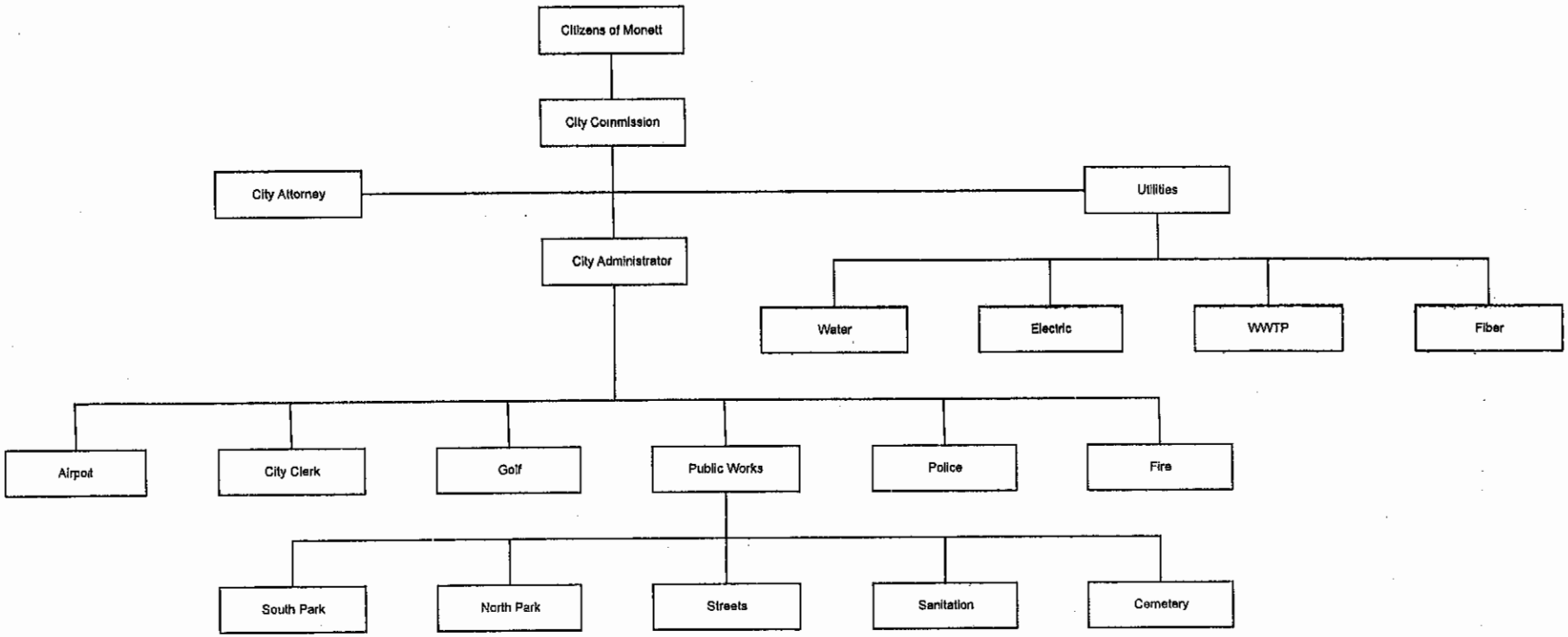
Mayor	James Orr
Commissioner	Jerry Dierker
Commissioner	Michael Brownsberger

Appointed Officials

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

City of Monett, Missouri

Organization Chart



City of Monett, Missouri

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT
James Orr, Mayor • Michael Brownsberger, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

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

September 1, 2010

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, 2010. 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, 2010, 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 it's 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. Monett's population has increased 19.4% in the last ten years which has led to further expansion of the retail base and provided increased sales tax revenues to the local government.

During FY2010, the City experienced a decline of 7% in general sales tax revenue compared with the previous year. This was attributable to an economy that continued a slow recovery from the recession of 2008-2009. Relatively high unemployment and modest levels of consumer confidence led consumers to increase personal savings and reduce spending. General sales tax revenue for the last half of FY2010 appeared to indicate some improvement leading into FY2011.

Total General revenues and transfers for FY2010 declined 6.3% from the previous year despite a substantial increase in revenue derived from settlements with various phone companies relating to the payment of back taxes. Total expenditures decreased in FY2010 by less than one percent from the previous year.

The Monett Industrial Council indicates that business conditions have improved since 2009 and particularly in the last 30 to 45 days, however, they caution that there is uncertainty in the market which is acting as a barrier to significant economic growth. Employment levels in local industries remains stable but some companies have modified workweeks that have reduced the total number of employee hours. The outlook for 2011 remains cautiously optimistic with concern voiced for the impact of federal health care reform on small businesses.

Long-term financial planning – As of March 31, 2010, the City was preparing to issue $2,859,000 in Recovery Zone Bonds to finance major improvements to the water distribution system. These improvements were preliminary but significant steps toward the construction of a new water treatment plant. The scope of work consisted generally of new transmission lines looping the system, improvements to Well # 21, a new raw water line from Well # 12 to the future site of the water treatment facility, and a booster pump station that would resolve low pressure problems in certain areas of the system. The City Council intends to increase water rates by $0.40 per 1,000 gallons in April, 2010 and $0.43 per 1,000 gallons in April, 2011 to pay for these improvements.

It is the City's intent to proceed with plans for the construction of a water treatment facility and to ask voters to approve the issuance of revenue bonds to pay for such improvements. An election is likely to be scheduled for August, 2011. These improvements to the water distribution system remain the City's top priority in the Capital Improvement Plan.

The City's Capital Improvement Plan includes Public Facility Improvements relating to the Casino building and Community Building; planning associated with the Vision 2030 Downtown Revitalization plan; constructing a new Public Works Maintenance Facility; and constructing additional hangars at the Monett Airport. Long term plans include street improvements at the intersection of Central and Broadway streets; a new railroad overpass on Chapell Drive near the intersection of Business 60; and the construction of a new, expanded runway at the airport.

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.

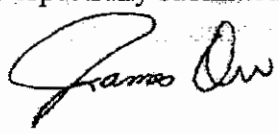
Risk management - During 1998, the government initiated a safety program for workers' compensation. This program strives to emphasize the importance of practicing sound loss prevention techniques, the refinement of work safety policies and procedures and the creation and maintenance of a safe working 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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The CPA Group
A Professional Corporation
BIG FIRM QUALITY, SMALL FIRM VALUES
WWW.CPA2WEB.COM

HOME OFFICE
217 FOURTH STREET
P.O. BOX 68
MONETT, MISSOURI 65708
PHONE: (417) 235-3650
FAX: (417) 235-0334

BRANCH OFFICE
83 SOUTH MAIN STREET
CASSVILLE, MISSOURI 65625
PHONE: (417) 671-9550
FAX: (800) 242-7634

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City 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, 2010, 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 20,2010, 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.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis and budgetary comparison information on pages 9 through 16 and 48 through 52, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monett, Missouri's financial statements taken as a whole. The introductory section, combining and individual departmental financial statements are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual departmental financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. in our opinion, are fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

THE CPA GROUP, P.C.

Monett, Missouri
September 20, 2010

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

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

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, 2010. 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 $32,920,473 *(net assets)*. Of this amount, $4,915,230 *(unrestricted net assets)* may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net assets increased $1,519,927. Of this amount, $1,271,274 was from the City's "governmental activities" and $248,653 from the "business-type activities".

- The City total debt decreased by $2,896,416 during the current fiscal year. The City's fiscal year started with existing debt of $27,134,917, principal payments of $2,982,716 were made during the year, also, new debt issuance of $86,300, which created ending fiscal year debt balance of $24,238,501. The debt increase was due to golf cart purchases.

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.

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

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

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

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

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

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

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

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, 2010, assets exceeded liabilities by $32,920,473. 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, 2010 and 2009:

City of Monett Net Assets

	Governmental Activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2008
Current and other assets	$ 4,040,991	$ 4,340,309	$ 8,989,916	$ 8,053,929	$ 13,030,907	$ 12,394,238
Capital assets	26,653,822	27,722,031	20,076,267	21,122,590	46,730,089	48,844,621
Total assets	30,694,813	32,062,340	29,066,183	29,176,519	59,760,996	61,238,859
Long-term debt outstanding	15,075,839	16,985,476	8,032,133	8,491,965	23,107,972	25,477,441
Other liabilities	1,508,069	2,237,233	2,224,482	2,123,639	3,732,551	4,360,872
Total liabilities	16,583,908	19,222,709	10,256,615	10,615,604	26,840,523	29,838,313
Net assets:						
Invested in capital assets, net of related debt	10,885,894	9,511,873	11,605,694	12,197,854	22,491,588	21,709,727
Restricted	2,071,194	2,957,292	3,442,461	3,228,201	5,513,655	6,185,493
Unrestricted	1,153,817	370,466	3,761,413	3,134,860	4,915,230	3,505,326
Total net assets	$ 14,110,905	$ 12,839,631	$ 18,809,568	$ 18,560,915	$ 32,920,473	$ 31,400,546

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 $32,920,473 from $31,400,546 as a result of the increase in net assets reflected in the next table.

The largest portion of the City's net assets, $22,491,588 (68%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net assets, $5,513,655 (17%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, $4,915,230 (15%), 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	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 940,042	$ 991,382	$ 22,217,164	$ 21,791,322	$ 23,157,206	$ 22,782,704
Capital grants and contributions	187,335	1,303,457	-	-	187,335	1,303,457
General revenues:						
Sales taxes	2,611,282	2,892,812	-	-	2,611,282	2,892,812
TIF taxes	1,820,185	1,202,033	-	-	1,820,185	1,202,033
Franchise fees	502,202	423,246	-	-	502,202	423,246
Other taxes	74,578	121,023	-	-	74,578	121,023
Other revenues	152,485	234,011	334,140	422,917	486,625	656,928
Total revenues	6,288,109	7,167,964	22,551,304	22,214,239	28,839,413	29,382,203
Expenses:						
Policy development and administration	446,791	628,863	-	-	446,791	628,863
Public works	2,180,829	1,581,321	-	-	2,180,829	1,581,321
Public safety	3,396,137	3,501,412	-	-	3,396,137	3,501,412
Parks and recreation	1,043,041	1,035,047	-	-	1,043,041	1,035,047
Interest on long-term debt	719,677	921,817	-	-	719,677	921,817
Airport	431,390	442,779	-	-	431,390	442,779
Waterworks	-	-	1,950,533	1,784,867	1,950,533	1,784,867
Electric	-	-	14,608,794	14,739,071	14,608,794	14,739,071
Wastewater-sewer	-	-	2,643,779	2,813,032	2,643,779	2,813,032
Sanitation	-	-	478,446	503,868	478,446	503,868
Fiber optics	-	-	111,733	94,695	111,733	94,695
Total expenses	8,217,865	8,111,239	19,793,285	19,935,533	28,011,150	28,046,772
Gain(Loss) Sale of Assets	40,628	(12,243)			40,628	(12,243)
Settlement	651,036	196,374			651,036	196,374
Other Sources	691,664	184,131	-	-	691,664	184,131
Increase in net assets before transfers	(1,238,092)	(759,144)	2,758,019	2,278,706	1,519,927	1,519,562
Transfers - Payments in lieu of taxes	2,113,366	2,107,567	(2,113,366)	(2,107,567)	-	-
Transfers	396,000	300,000	(396,000)	(300,000)	-	-
Total transfers	2,509,366	2,407,567	(2,509,366)	(2,407,567)	-	-
Increase in net assets	1,271,274	1,648,423	248,653	-128,861	1,519,927	1,519,562
Net assets, beginning	12,839,631	11,191,208	18,560,915	17,986,843	31,400,546	29,178,051
Prior period adjustment	-	-	-	702,933	-	702,933
Net assets, ending	$ 14,110,905	$ 12,839,631	$ 18,809,568	$ 18,560,915	$ 32,920,473	$ 31,400,546

Governmental Activities

Governmental activities increased the City's net assets by $1,271,274. Sales tax revenues, the largest governmental category, were $2,611,282. For the fiscal year ended March 31, 2010, revenues totaled $28,839,413 (governmental and business-type). Revenues from governmental activities total $6,288,109, or 22%, of the total City revenues. City revenues decreased $879,855 within the governmental activities due to a reduction in capital grants and contributions.

Certain revenues are generated that are specific to governmental program activity. These totaled $1,127,377. The following table shows expenses and program revenues of the governmental activities for the year ended March 31, 2010 and 2009:

Net Cost of City of Monett Governmental Activities

	Total cost of service		Net cost of service	
	2010	2009	2010	2009
Policy development and administration	$ 446,791	$ 628,863	$ 217,143	$ 420,539
Public safety	3,396,137	3,501,412	3,326,679	3,460,172
Public works	2,180,829	1,581,321	1,910,788	455,779
Parks and recreation	1,043,041	1,035,047	645,103	667,268
Municipal airport	431,390	442,779	271,098	(109,175)
Interest on long-term debt	719,677	921,817	719,677	921,817
	$8,217,865	$8,111,239	$7,090,488	$5,816,400

As previously noted, expenses from governmental activities total $8,217,865 million. However, net costs of these services were $7,090,488.

Business-type Activities

Business-type activities increased the City's net assets by $248,653. Key elements of this increase are as follows:

- The water recorded net loss of $79,138 for the year. Revenues relating to charges for services increased $146,086. Operating expenses increased $168,038 compared to prior year expenses due to increases in repairs and maintenance expense.
- The electric recorded net income of $645,957 for the year. Revenues relating to charges for services decreased $8,159. Operating expenses decreased $130,277, due to reduced electricity purchase charges.
- The sewer recorded a net loss of $518,236 for the year. Revenues relating to charges for services increased $222,219. Operating expenses decreased $153,164 due to reduced depreciation charges.

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 $14,110,905 (an increase of approximately 10%). This increase is largely due to intergovernmental payment of $1,120,692 from MODoT to the TIF 1 fund. This payment was for reimbursement of construction costs relating to Hwy 60.

The fund balance of the General Fund increased to $1,389,996 at the end of the fiscal year due to reduction in operating costs and also reduced capital outlay.

The net assets in the E-911 Fund decreased to $124,980 (decrease of $12,245 or 9%) in the fiscal year due to operating expenditures in excess of restricted revenues for 911 purposes.

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, 2010, amounts to $46.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Capital events during the current fiscal year included the following:

- Administration – 5th Street Parking Lot $17,060, N Central Land $2,500.
- Airport – Credit Card Reader $6,220
- Fire – Thermal Imager $8,100.
- Street – Roof Replacement $41,923, Vermeer Clipper $33,840, Clear Creek Bridget $185,418, Eisenhower Bridge $123,331, Greenway Project $49,218, TIF 1 Hwy 60 addition $141,836 and land $12,100.
- Golf – 24 carts $103,190.
- Mechanic – Roof Replacement $19,312
- North Park – HVAC unit $5,500 (donated)
- South Park – Lighting Displays $5,758 (donated) and 2002 Kubota Tractor $20,000
- Electric – PCB building $2,743 and Electric System Improvement $101,764
- Sewer – Sewer System Improvements $158,706.
- Sanitation – Land purchase $12,100.

(net of accumulated depreciation)

	Governmental actiivities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 937,038	$ 939,346	$ 222,261	$ 210,160	$ 1,159,299	$ 1,149,506
Construction in progress	-	110,384	-	-	-	110,384
Building and improvements	4,834,020	4,947,519	616,924	668,171	5,450,944	5,615,690
Machinery and equipment	1,882,828	2,188,605	788,464	941,799	2,671,292	3,130,404
Infrastructure	18,999,937	19,536,177	18,448,615	19,302,457	37,448,552	38,838,634
Total	$ 26,653,823	$ 27,722,031	$ 20,076,264	$ 21,122,587	$ 46,730,087	$ 48,844,618

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 2010, had a total of $24,238,501 of outstanding long-term debt. This was a decrease of $2,896,416 from the previous year. During the fiscal year 2009/2010, the City repaid principal in the amount of $2,982,716 and incurred $86,300 capital lease obligations for the purchase of golf carts.

City of Monett Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	$ 95,091	$ 108,954	$ 320,000	$ 335,000	$ 415,091	$ 443,954
Revenue bonds	11,895,000	13,655,000	7,770,000	8,125,000	19,665,000	21,780,000
Note payable	540,194	599,155			540,194	599,155
Capital leases and participation obligations	3,237,643	3,847,051	380,573	464,757	3,618,216	4,311,808
Total	$15,767,928	$18,210,160	$8,470,573	$8,924,757	$24,238,501	$27,134,917

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, 2010

	Governmental Activities	Business-type Activities	Total
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 issurance	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	30,694,813	29,066,183	59,760,996
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	16,583,908	10,256,615	26,840,523
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	$ 14,110,905	$ 18,809,568	$ 32,920,473

See accompanying notes to the financial statements.

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

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Governmental Activities	Net Revenue (Expense) and Changes in Net Assets: Business-type Activities	Net Revenue (Expense) and Changes in Net Assets: 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	343,904
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)	6,186,536
Change in net assets				1,271,274	248,653	1,519,927
Net assets - beginning				12,839,631	18,560,915	31,400,546
Net assets - ending				$ 14,110,905	$ 18,809,568	$ 32,920,473

See accompanying notes to the financial statements.

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

	Major Funds				
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	Total Governmental Funds
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	$ 1,577,779	$ 126,017	$ 1,174,210	$ 794,688	$ 3,672,694
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	187,783	1,037	22,684	-	211,504
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	1,389,996	124,980	1,151,526	794,688	3,461,190
Total liabilities and fund balances	$ 1,577,779	$ 126,017	$ 1,174,210	$ 794,688	$ 3,672,694

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	(14,639,703)	
		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	(240,362)	
		(16,004,107)
Net assets of Governmental Activities		$ 14,110,905

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	$	1,271,274

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	363,589	4,081,972	633,253	402,701	59,372	5,540,887
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	455,376	616,965	2,370,120			3,442,461
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)	4,280,517	1,723,651	13,246,454	366,105	459,540	20,076,267
Total noncurrent assets	4,280,517	1,723,651	13,246,454	366,105	459,540	20,076,267
Total Assets	5,099,482	6,422,588	16,476,395	768,806	518,912	29,286,183
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	86,017	1,100,912	442,270	13,436	220,000	1,862,635
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 oabligaitons 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	384,173	451,415	7,767,080	11,312		8,613,980
Total Liabilities	470,190	1,552,327	8,209,350	24,748	220,000	10,476,615
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						
Other purposes	455,376	616,965	2,370,120			3,442,461
Unrestricted	729,348	3,146,610	2,740,591	377,953	(160,628)	6,833,874
Total Net Assets	$ 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 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
Amoritzation			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	4,439	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 ACTIVITES

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

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

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 expire in April 2012. 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: (l) 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.

(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 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:

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

Purchase 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. Capital Assets

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

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

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

	Years
Primary government:	
Buildings	5 to 40
Improvements	5 to 40
Machinery and equipment	3 to 40
Infrastructure	20 to 40

f. Compensated Absences

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences for the years ended March 31, 2010 and 2009 are $590,595 and $594,643, respectively.

g. Long-Term Obligations

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

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

h. Fund Balances

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

i. Capitalization of Interest

Net interest costs related to acquisition or construction is capitalized as part of the cost of the related asset for the business type and proprietary activities of the City, and component unit. Total interest costs incurred by the City were $1,106,790, of which none was capitalized.

j. Interfund and Related Party Transactions

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government. Certain transactions between City Utilities and the City are also treated in this manner. The operations of City Utilities for the year ended March 31, 2010 reflect payments in lieu of taxes (PILOTS) to the City of $2,113,366.

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 $685,562.87 in the current fiscal year.

k. Net Assets

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

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

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

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

l. Use of Estimates

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

(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, 2010, the bank balance of the City's deposits was $2,233,024, 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 ($22,008) due to deposits in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2010, the bank balance of the City's restricted deposits was $3,089,670, 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.

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, 2010, the City held the following investments, all of which have maturities of more than 24 months:

Investment Type	Fair Value
U.S. Agency:	
GNMA	$ 1,322,466
FNMA	200,787
FHMA	24,589
Certificates of deposit	1,657,665
Total	$ 3,205,507

The following is a listing of cash and investments held by the City as of March 31, 2010:

Money market funds	$	50,850
Deposits		3,121,756
Investment in security		1,579,411
Investments in CD's		1,657,665
Trustee accounts		1,968,111
Total	$	8,377,793

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	$	1,415,933
Investments		1,447,463
Restricted cash and cash equivalents		3,756,352
Restricted investments		1,758,045
Total	$	8,377,793

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, 2010, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

Investment Type	Rating
U.S. Agency Securities	AAA

(C) Capital Assets

Capital asset activity for the year ended March 31, 2010, was as follows:

Governmental Activates	Balance March 31, 2009	Additions	Deductions	Transfers	Balance March 31, 2010
Non-Depreciable Capital Assets					
Land	$ 939,346	14,601	-	(16,909)	$ 937,038
Construction in Process	110,384	-	(110,384)	-	-
Total Non-Depreciable Capital Assets	1,049,730	14,601	(110,384)	(16,909)	937,038
Depreciable Capital Assets					
Buildings and Building Imp.	6,439,466	66,735	-	39,456	6,545,657
Machinery and Equipment	6,052,019	177,107	(347,865)	(45,929)	5,835,332
Infrastructure	27,435,253	516,863	-	23,382	27,975,498
Total Depreciable Capital Assets	39,926,738	760,705	(347,865)	16,909	40,356,487
Less Accumulated Depreciation					
Buildings and Building Imp.	(1,491,947)	(219,787)	97	-	(1,711,637)
Machinery and Equipment	(3,863,414)	(368,517)	279,427	-	(3,952,504)
Infrastructure	(7,899,076)	(1,076,485)	-	-	(8,975,561)
Total Accumulated Depreciable	(13,254,437)	(1,664,789)	279,524	-	(14,639,702)
Total Capital Assets, Net	26,672,301	(904,084)	(68,341)	16,909	25,716,785
Total Governmental Activities Capital Assets	$ 27,722,031	(889,483)	(178,725)	-	$ 26,653,823

Depreciation expense was charged to functions as follows:

Policy Development and Administration	30,771
Public Safety	364,120
Public Works	860,590
Parks and Recreation	233,383
Municipal Airport	175,926
Total depreciation expense governmental activities	$ 1,664,790

Water Fund:	Balance March 31, 2009	Additions	Deductions	Transfers	Balance March 31, 2010
Non-Depreciable Capital Assets					
Land	$ 56,932	-	-	-	$ 56,932
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	56,932	-	-	-	56,932
Depreciable Capital Assets					
Buildings and Building Imp.	908,946	-	-	-	908,946
Machinery and Equipment	402,400	2	-	-	402,402
Infrastructure	6,685,017	-	-	-	6,685,017
Total Depreciable Capital Assets	7,996,363	2	-	-	7,996,365
Less Accumulated Depreciation					
Buildings and Building Imp.	(536,172)	(26,556)	-	-	(562,728)
Machinery and Equipment	(299,577)	(25,442)	-	-	(325,019)
Infrastructure	(2,687,321)	(197,712)	-	-	(2,885,033)
Total Accumulated Depreciable	(3,523,070)	(249,710)	-	-	(3,772,780)
Total Depreciable Capital Assets, Net	4,473,293	(249,708)	-	-	4,223,585
Total Water Fund Business - Type Capital Assets	$ 4,530,225	$ (249,708)	$ -	$ -	$ 4,280,517

Electric Fund:	Balance March 31, 2009	Additions	Deductions	Transfers	Balance March 31, 2010
Non-Depreciable Capital Assets					
Land	$ 58,400	-	-	-	$ 58,400
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	58,400	-	-	-	58,400
Depreciable Capital Assets					
Buildings and Building Imp.	751,127	2,743	-	-	753,870
Machinery and Equipment	791,518	-	-	-	791,518
Infrastructure	5,244,864	101,765	-	-	5,346,629
Total Depreciable Capital Assets	6,787,509	104,508	-	-	6,892,017
Less Accumulated Depreciation					
Buildings and Building Imp.	(551,148)	(23,481)	-	-	(574,629)
Machinery and Equipment	(465,505)	(42,256)	-	-	(507,761)
Infrastructure	(4,040,813)	(103,564)	-	-	(4,144,377)
Total Accumulated Depreciable	(5,057,466)	(169,301)	-	-	(5,226,767)
Total Depreciable Capital Assets, Net	1,730,043	(64,793)	-	-	1,665,250
Total Electric Fund Business - Type Capital Assets	$ 1,788,443	(64,793)	-	-	$ 1,723,650

Sewer Fund:	March 31, 2009	Additions	Deductions	Transfers	March 31, 2010
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.	33,705	-	-	-	33,705
Machinery and Equipment	494,598	-	-	-	494,598
Infrastructure	24,870,595	158,706	-	-	25,029,301
Total Depreciable Capital Assets	25,398,898	158,706	-	-	25,557,604
Less Accumulated Depreciation					
Buildings and Building Imp.	(1,344)	(1,124)	-	-	(2,468)
Machinery and Equipment	(283,395)	(29,173)	-	-	(312,568)
Infrastructure	(11,311,742)	(779,202)	-	-	(12,090,944)
Total Accumulated Depreciable	(11,596,481)	(809,499)	-	-	(12,405,980)
Total Depreciable Capital Assets, Net	13,802,417	(650,793)	-	-	13,151,624
Total Sewer Fund Business - Type Capital Assets	$ 13,897,245	(650,793)	-	-	$ 13,246,452

Sanitation Fund:	Balance March 31, 2009	Additions	Deductions	Transfers	Balance March 31, 2010
Non-Depreciable Capital Assets					
Land	$ -	12,101	-	-	$ 12,101
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	-	12,101	-	-	12,101
Depreciable Capital Assets					
Buildings and Building Imp.	84,878	-	-	-	84,878
Machinery and Equipment	1,012,379	-	(109,642)	-	902,737
Infrastructure	61,189	-	-	-	61,189
Total Depreciable Capital Assets	1,158,446	-	(109,642)	-	1,048,804
Less Accumulated Depreciation					
Buildings and Building Imp.	(21,821)	(2,829)	-	-	(24,650)
Machinery and Equipment	(710,621)	(52,352)	105,530	-	(657,443)
Infrastructure	(10,668)	(2,039)	-	-	(12,707)
Total Accumulated Depreciable	(743,110)	(57,220)	105,530	-	(694,800)
Total Depreciable Capital Assets, Net	415,336	(57,220)	(4,112)	-	354,004
Total Sanitation Fund Business - Type Capital Assets	$ 415,336	(45,119)	(4,112)	-	$ 366,105

Fiber Fund:	Balance March 31, 2009	Additions	Deductions	Transfers	Balance March 31, 2010
Non-Depreciable Capital Assets					
Land	$ -	-	-	-	$ -
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Infrastructure	635,923	-	-	-	635,923
Total Depreciable Capital Assets	635,923	-	-	-	635,923
Less Accumulated Depreciation					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Infrastructure	(144,587)	(31,796)	-	-	(176,383)
Total Accumulated Depreciable	(144,587)	(31,796)	-	-	(176,383)
Total Depreciable Capital Assets, Net	491,336	(31,796)	-	-	459,540
Total Fiber Fund Business - Type Capital Assets	$ 491,336	(31,796)	-	-	$ 459,540

Depreciation expense was charged to the functions as follows:

Water	$ 249,708
Electric	169,301
Sewer	809,499
Sanitation	57,220
Fiber optics	31,796
Total depreciation expense-business -type activities	$ 1,317,524

(D) Long-Term Obligations

The following is a summary of changes in long-term debt for the City for the year ended March 31, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	$ 108,954	$ -	$ 13,863	$ 95,091	$ 14,297
Revenue bonds	13,655,000		1,760,000	11,895,000	145,000
Total Bonds Payable	13,763,954	-	1,773,863	11,990,091	159,297
Notes Payable	50,000	-	50,000	-	-
Capital Lease Obligations	3,847,051	86,300	695,708	3,237,643	640,226
Developers Agreements	549,155		8,961	540,194	-
Total Governmental Activities Long-Term Liabilities	$ 18,210,160	$ 86,300	$ 2,528,532	$ 15,767,928	$ 799,523
Business Type Activities					
Sanitary Sewerage System Fund					
Revenue bonds	$ 8,125,000	$ -	$ 355,000	$ 7,770,000	$ 370,000
General obligation bonds	335,000		15,000	320,000	15,000
Water System Fund					
Certificates of participation	449,061		68,488	380,573	70,891
Sanitation System Fund					
Capital lease obligations	15,696	-	15,696	-	-
Total Business Type Activities Long-Term Liabilities	$ 8,924,757	$ -	$ 454,184	$ 8,470,573	$ 455,891
Total Governmental Activities and Business Type Activities Long- Term Liabilities	$ 27,134,917	$ 86,300	$ 2,982,716	$ 24,238,501	$ 1,255,414

Debt service requirements on long-term debt at March 31, 2010 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2010, are as follows:

Fiscal Year Ended March 31	Governmental Activities			
	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	14,297	4,829	145,000	517,939
2012	15,007	4,119	3,710,000	448,049
2013	15,753	3,373	580,000	369,931
2014	16,536	2,590	620,000	347,276
2015	17,358	1,768	710,000	323,037
2016-2020	16,140	906	3,535,000	1,068,965
2021-2025	-	-	1,000,000	562,060
2026-2030	-	-	1,595,000	211,236
2031-2035	-	-	-	-
	$ 95,091	$ 17,585	$ 11,895,000	$ 3,848,493

Fiscal Year Ended March 31	Governmental Activities (Cont)		Total Governmental Activities	
	Capital Lease Obligations			
	Principal	Interest	Principal	Interest
2011	640,227	120,485	799,524	643,253
2012	615,813	96,394	4,340,820	548,562
2013	467,965	74,173	1,063,718	447,477
2014	478,955	55,268	1,115,491	405,134
2015	482,161	36,072	1,209,519	360,877
2016-2020	552,522	24,711	4,103,662	1,094,582
2021-2025	-	-	1,000,000	562,060
2026-2030	-	-	1,595,000	211,236
2031-2035	-	-	-	-
	$ 3,237,643	$ 407,103	$ 15,227,734	$ 4,273,181

The annual Business Type Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2010, are as follows:

Fiscal Year Ended March 31	Business Type Activities					
	General Obligation Bonds - Sewer		Revenue Bonds - Sewer		Capital Lease Obligation - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
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	400,000	336,673	76,060	7,725
2014	15,000	13,063	415,000	319,856	78,784	5,001
2015	20,000	12,300	435,000	304,626	81,408	2,179
2016-2020	105,000	47,388	2,530,000	1,166,019	-	-
2021-2025	135,000	17,928	3,235,000	470,966	-	-
2026-2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
	$ 320,000	$ 133,590	$ 7,770,000	$ 3,316,892	$ 380,573	$ 38,154

Fiscal Year Ended March 31	Business Type Activities (Cont'd)		Total Business Type Activities	
	Capital Lease Obligation - Sanitation			
	Principal	Interest	Principal	Interest
2011	-	-	455,891	394,401
2012	-	-	473,430	376,811
2013	-	-	491,060	358,097
2014	-	-	508,784	337,920
2015	-	-	536,408	319,105
2016-2020	-	-	2,635,000	1,213,406
2021-2025	-	-	3,370,000	488,899
2026-2030	-	-	-	-
2031-2035	-	-	-	-
	$ -	$ -	$ 8,470,573	$ 3,488,639

General Obligation Bonds payable at March 31, 2010 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2006, due through September 6, 2015	$ 95,091
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, 2010, 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.	320,000
Total General Obligation Bonds	$ 415,091

Revenue bonds payable at March 31, 2010 are comprised of the following individual issues:

Tax Increment Financing fund:	
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 2009 had a partial defeasance of $590,000 with the issuance of the Series 2009 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, Junior Series 2009 (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.	2,720,000
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, 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).	7,515,000

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).	255,000
Total revenue bonds payable	$ 19,665,000

Developer agreements at March 31, 2010 consisted of the following obligation:

General fund:

Tax Increment Financing fund:

Certain developers applied for reimbursement of the cost of infrastructure should the city receive an increase in the sales taxes collected from the TIF district. The related infrastructure was given to the city and is included as capital assets.	540,194
Total notes payable	$ 540,194

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 $80,000, 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 $240,000, 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 $380,573, 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 $626,150, 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 Motor Corporation Commercial Customer Finance Lease Agreement: In July of 2009, the City entered into a lease of 24 golf carts. The present value of lease payments is $86,300 at year end, with interest at 4.88% and is payable in monthly payments through November 2014.

Citi-capital Finance Lease Agreement: In May 2009, the City entered into a Lease of 2 golf utility carts. The present value of lease payments at March 31, 2010 is $7,800, with interest at 5.25% and is payable monthly through November 2012.

De Lange Landen Public Finance LLC: In October 2008, the City entered into a Lease of 3 police cars. The present value of lease payments at March 31, 2010 is $27,393, with interest at 3.47%, and is payable in annual installments through January 2011.

Wells Fargo Brokerage Services, LLC: In January of 2008, the City entered into a Lease, for which the funds were used to expand the police station and municipal court facilities by building the new Monett Justice Center. The present value of lease payments at March 31, 2010 is $2,170,000, with interest at 4.10%, and is payable in annual installments through January 2016.

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, 2010 was:

Assessed Valuation	
Real Estate	$ 89,296,225
Personal Property	44,804,110
Total Assessed Valuation	$134,100,335

The legal debt margin at March 31, 2010, was computed as follows:

General Obligation Debt Limit	$ 26,820,067
General Obligation Bonds Payable	415,091
Legal Debt Margin	$ 26,404,976

As of March 31, 2010, the City of Monett had $415,091 outstanding general obligation bonds.

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

As of March 31, 2010, the City had no contractual construction commitments.

(F) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2010 is as follows:

Receivable fund	Payable Fund	Amount
Electric	Fiber	$ 220,000

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.

Interfund Transfers

General fund	Electric Fund	Total
$ 396,000	$ (396,000)	$ -0-

Transfers

General fund	E-911	Total
$ (25,000)	$ 25,000	$ -0-

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

(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.

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 10.3% (general), 9.3% (police), and 12.8% (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 2009, the political subdivision's annual pension cost of $538,956 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 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 and division, attributable to seniority/merit, (d) pre-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 unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 15 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost APC	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	523,460	100%	$ -0-
6/30/2008	513,588	100%	$ -0-
6/30/2009	538,956	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, 2010, was $4,652,600; the City's total payroll was $4,818,583. 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.

(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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONETT, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
MARCH 31, 2010

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, 2010

Functions/Programs	Budgeted Amount Original	Budgeted Amount Final	Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
Business license and permits	$ 46,100	$ 33,500	$ 33,755	$ 255
Federal and state grants	1,960,935	203,225	187,335	(15,890)
Fines and forfeitures	215,200	195,300	181,919	(13,381)
Franchise fees	373,500	489,000	502,202	13,202
Sales tax	2,737,250	2,337,745	2,333,544	(4,201)
Interest income	50,000	4,000	3,443	(557)
Intergovernmental	-	-	-	-
Other revenue	713,175	677,504	699,021	21,517
Other taxes and assessments	348,000	316,000	315,060	(940)
Rental revenue	142,200	145,700	157,269	11,569
Total revenues	6,586,360	4,401,974	4,413,548	11,574
Expenditures				
Salaries	3,031,105	3,105,750	2,938,191	(167,559)
Payroll taxes	224,825	231,005	216,415	(14,590)
Community development block grant	-	-	-	-
Computer	34,000	78,410	82,519	4,109
Education and travel	35,500	32,870	18,921	(13,949)
Election	4,000	-	-	-
Health and life insurance	423,800	429,200	382,857	(46,343)
Insurance	74,625	97,915	98,994	1,079
Merchandise	125,000	24,800	23,663	(1,137)
Miscellaneous	23,500	27,770	32,104	4,334
Professional and consulting service	156,500	237,395	249,692	12,297
Repairs and maintenance	862,020	922,265	843,830	(78,435)
Retirement	320,950	323,700	304,320	(19,380)
Supplies	320,100	276,955	284,583	7,628
Telephone	35,700	34,845	38,960	4,115
Workman's compensation	74,130	131,650	122,897	(8,753)
Capital outlay	3,402,325	463,450	614,159	150,709
Debt service - principal	659,075	701,160	759,571	58,411
Debt service - interest	170,200	151,793	148,972	(2,821)
Total expenditures	9,977,355	7,270,933	7,160,648	(110,285)
Excess (deficiency) of revenues over expenditures	(3,390,995)	(2,868,959)	(2,747,100)	121,859
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Proceeds from exchange of assets	-	-	72,797	72,797
Settlement	-	651,000	651,036	36
Proceeds from Financing	-	-	86,300	86,300
Payments in Lieu of Taxes (PILOTS)	2,133,040	2,008,890	2,113,366	104,476
Transfers	650,000	466,000	466,727	727
Total other financing sources (uses)	2,783,040	3,125,890	3,390,226	264,336
Revenues and other sources over (under) expenditures and other uses	$ (607,955)	$ 256,931	$ 643,126	$ 386,195

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, 2010

Functions/Programs	Budgeted Amount Original	Budgeted Amount Final	Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
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	30,000	37,256	7,256
Rental revenue	-	-	-	-
Total revenues	50,800	40,800	48,056	7,256
Expenditures				
Salaries	39,275	40,000	40,480	480
Payroll taxes	2,950	3,000	3,017	17
Community development block grant	-	-	-	-
Computer	6,200	6,000	2,140	(3,860)
Education and travel	4,400	3,880	3,876	(4)
Election	-	-	-	-
Health and life insurance	6,500	5,700	4,347	(1,353)
Insurance	400	300	328	28
Merchandise	-	-	-	-
Miscellaneous	100	100	25	(75)
Professional and consulting service	2,500	2,425	-	(2,425)
Repairs and maintenance	-	-	-	-
Retirement	4,400	4,400	4,063	(337)
Supplies	1,500	1,455	621	(834)
Telephone	25,000	24,250	26,270	2,020
Workman's compensation	100	200	134	(66)
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	93,325	91,710	85,301	(6,409)
Excess (deficiency) of revenues over expenditures	(42,525)	(50,910)	(37,245)	13,665
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	-	25,000	25,000	-
Total other financing sources (uses)	-	25,000	25,000	-
Revenues and other sources over (under) expenditures and other uses	$ (42,525)	$ (25,910)	$ (12,245)	$ 13,665

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, 2010

Functions/Programs	Budgeted Amount Original	Budgeted Amount Final	Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
Business license and permits	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	589,250	463,825	470,891	7,066
Interest income	137,000	4,500	6,134	1,634
Intergovernmental	-	1,120,692	1,120,692	-
Other revenue	-	-	-	-
Other taxes and assessments	241,000	1,000	917	(83)
Rental revenue	-	-	-	-
Total revenues	967,250	1,590,017	1,598,634	$ 8,617
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	2,000	2,000	420	(1,580)
Professional and consulting service	5,000	60,000	94,039	34,039
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	8,035,000	159,300	141,835	(17,465)
Debt service - principal	355,000	1,760,000	1,760,000	-
Debt service - interest	505,000	386,285	386,182	(103)
Total expenditures	8,902,000	2,367,585	2,382,476	14,891
Excess (deficiency) of revenues over expenditures	(7,934,750)	(777,568)	(783,842)	(6,274)
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	(414,000)	(95,000)	(95,727)	(727)
Total other financing sources (uses)	(414,000)	(95,000)	(95,727)	(727)
Revenues and other sources over (under) expenditures and other uses	$ (8,348,750)	$ (872,568)	$ (879,569)	$ (7,001)

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, 2010

Functions/Programs	Budgeted Amount Original	Budgeted Amount Final	Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
Business license and permits	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	284,200	229,050	225,548	(3,502)
Interest income	35,000	10,500	187	(10,313)
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	87,200	2,200	2,137	(63)
Rental revenue	-	-	-	-
Total revenues	406,400	241,750	227,872	(13,878)
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	30,000	32,568	2,568
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	215,000	189,588	189,588	-
Total expenditures	220,000	219,588	222,156	2,568
Excess (deficiency) of revenues over expenditures	186,400	22,162	5,716	(16,446)
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	$ 186,400	$ 22,162	$ 5,716	$ (16,446)

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
SCHEDULE OF FUNDING PROCESS
RETIREMENT SYSTEM
MARCH 31, 2010

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
2/28/2007	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	
2/28/2009	8,815,555	10,382,004	1,566,449	85	4,668,686	34

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, 2010

	Total Policy Development and Administration			Public Safety					
				BOCA Building Enforcement			Municipal Court		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ 12,374	$ 12,303	$ 13,000	$ 10,460	$ 21,452	$ 20,500	$ -	$ -	$ -
Federal and state grants	-	32,773	32,775	-	-	-	-	-	-
Fines and forfeitures	188,993	173,771	188,200	-	-	-	-	-	-
Franchise fees	423,246	502,202	489,000	-	-	-	-	-	-
Sales tax	2,179,966	2,029,279	2,009,920	-	-	-	-	-	-
Interest income	31,717	3,443	4,000	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	83,297	123,415	118,700	205	185	250	-	-	-
Other taxes and assessments	37,320	37,322	33,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	2,956,913	2,914,508	2,888,595	10,665	21,637	20,750	-	-	-
Expenditures									
Salaries	149,814	150,285	152,500	99,755	85,906	86,750	55,376	52,758	54,100
Payroll taxes	10,957	10,770	11,000	6,911	5,988	7,000	4,216	4,037	4,400
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	9,989	9,906	9,700	16	788	1,455	1,070	1,276	1,165
Education and travel	3,506	1,416	3,395	247	370	950	589	1,494	1,550
Election	2,889	-	-	-	-	-	-	-	-
Health and life insurance	27,089	32,976	32,000	9,433	10,164	11,000	4,276	4,569	5,000
Insurance	23,375	28,151	34,000	1,838	1,789	1,675	297	289	265
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	140,801	8,506	9,850	374	1,263	950	660	198	485
Professional and consulting service	114,301	112,950	100,200	43,350	7,580	19,400	744	600	970
Repairs and maintenance	13,919	24,768	13,600	5,865	4,099	8,245	27	504	2,425
Retirement	51,150	21,382	16,000	9,268	8,852	9,500	4,336	3,856	4,600
Supplies	27,479	20,110	19,400	2,914	3,406	4,850	5,760	5,286	6,300
Telephone	5,359	5,443	2,425	1,811	1,956	1,750	915	622	970
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	7,337	4,231	7,660	184	3,615	4,500	349	315	540
Capital outlay	2,367	19,560	17,100	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	590,332	450,454	428,830	181,966	135,776	158,025	78,615	75,804	82,770
Excess (deficiency) of revenues over expenditures	2,366,581	2,464,054	2,459,765	(171,301)	(114,139)	(137,275)	(78,615)	(75,804)	(82,770)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	51,685	-	-	-	-	-	-	-	-
Settlement	196,374	651,036	651,000	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	2,107,567	2,113,366	2,008,890	-	-	-	-	-	-
Transfers	300,000	371,000	371,000	-	-	-	-	-	-
Total other financing sources (uses)	2,655,626	3,135,402	3,030,890	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	$ 5,022,207	$ 5,599,456	$ 5,490,655	$ (171,301)	$ (114,139)	$ (137,275)	$ (78,615)	$ (75,804)	$ (82,770)

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, 2010

	Public Safety								
	E-911			Emergency Management			Communications		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
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	-	3,668	-	-	-	-
Other taxes and assessments	83,703	37,256	30,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	94,503	48,056	40,800	-	3,668	-	-	-	-
Expenditures									
Salaries	39,181	40,480	40,000	1,248	2,065	2,500	241,509	236,904	256,750
Payroll taxes	2,997	3,017	3,000	95	159	155	17,958	17,758	18,000
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	9,741	2,140	6,000	-	-	-	8,526	2,413	2,985
Education and travel	3,587	3,876	3,880	328	568	875	471	878	970
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	4,495	4,347	5,700	126	229	150	31,607	33,404	37,000
Insurance	337	328	300	25	25	20	1,432	1,393	1,260
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	122	25	100	-	864	100	192	192	195
Professional and consulting service	-	-	2,425	-	-	-	-	-	485
Repairs and maintenance	-	-	-	542	2,689	2,135	6,556	2,288	3,745
Retirement	4,271	4,063	4,400	136	214	100	25,983	24,307	26,500
Supplies	966	621	1,455	30	-	390	226	1,304	1,455
Telephone	26,491	26,270	24,250	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	-	134	200	-	7	10	455	958	1,000
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	92,188	85,301	91,710	2,530	6,820	6,435	334,915	321,799	350,345
Excess (deficiency) of revenues over expenditures	2,315	(37,245)	(50,910)	(2,530)	(3,152)	(6,435)	(334,915)	(321,799)	(350,345)
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	-	25,000	25,000	-	-	-	-	-	-
Total other financing sources (uses)	-	25,000	25,000	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	$ 2,315	$ (12,245)	$ (25,910)	$ (2,530)	$ (3,152)	$ (6,435)	$ (334,915)	$ (321,799)	$ (350,345)

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, 2010

	Public Safety						Total Public Safety		
	Fire Department			Police Department					
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,460	$ 21,452	$ 20,500
Federal and state grants	3,924	-	-	3,265	17,550	6,700	7,189	17,550	6,700
Fines and forfeitures	-	-	-	5,667	8,148	7,100	5,667	8,148	7,100
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	428,701	304,265	327,825	428,701	304,265	327,825
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	8,678	6,066	4,500	15,849	12,425	11,900	35,532	33,144	27,450
Other taxes and assessments	-	-	-	-	-	-	83,703	37,256	30,000
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	12,602	6,066	4,500	453,482	342,388	353,525	571,252	421,815	419,575
Expenditures									
Salaries	702,310	696,461	724,500	849,794	804,100	857,000	1,989,173	1,918,674	2,021,600
Payroll taxes	50,240	50,076	53,000	62,768	60,786	64,000	145,185	141,821	149,555
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	407	730	680	31,259	66,705	60,000	51,019	74,052	72,285
Education and travel	7,121	5,367	6,790	18,787	7,201	14,550	31,130	19,754	29,565
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	70,384	79,781	94,000	91,337	91,787	107,000	211,658	224,281	259,850
Insurance	12,259	12,362	10,670	15,927	15,933	14,500	32,115	32,119	28,690
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	574	1,498	970	1,073	895	-	2,995	4,935	2,800
Professional and consulting service	-	209	-	21,332	23,608	19,700	65,426	31,997	42,980
Repairs and maintenance	64,506	61,982	74,150	150,452	132,745	135,800	227,948	204,307	226,500
Retirement	88,284	88,199	90,000	87,618	75,323	87,000	219,896	204,814	222,100
Supplies	11,956	9,406	12,125	52,939	31,914	27,160	74,791	51,937	53,735
Telephone	4,266	3,607	3,395	18,899	15,352	12,610	52,382	47,807	42,975
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	24,937	40,940	42,700	19,830	29,893	30,000	45,755	75,862	78,950
Capital outlay	-	8,100	8,100	1,150,210	-	-	1,150,210	8,100	8,100
Debt service - principal	-	-	-	515,785	515,697	513,435	515,785	515,697	513,435
Debt service - interest	-	-	-	144,516	127,933	129,840	144,516	127,933	129,840
Total expenditures	1,037,244	1,058,718	1,121,080	3,232,526	1,999,872	2,072,595	4,959,984	3,684,090	3,882,960
Excess (deficiency) of revenues over expenditures	(1,024,642)	(1,052,652)	(1,116,580)	(2,779,044)	(1,657,484)	(1,719,070)	(4,388,732)	(3,262,275)	(3,463,385)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-		-	
Settlement	-	-	-	-	-	-		-	
Proceeds from Financing	-	-	-	86,024	-	-	86,024	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	25,000	25,000
Total other financing sources (uses)	-	-	-	86,024	-	-	86,024	25,000	25,000
Revenues and other sources over (under) expenditures and other uses	$ (1,024,642)	$ (1,052,652)	$(1,116,580)	$(2,693,020)	$ (1,657,484)	$ (1,719,070)	$ (4,302,708)	$ (3,237,275)	$ (3,438,385)

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, 2010

	Public Works								
	Cemetery			Tax Increment Finance - District 1			Tax Increment Finance - District 2		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	567,263	470,891	463,825	278,608	225,548	229,050
Interest income	-	-	-	63,300	6,134	4,500	9,461	187	10,500
Intergovernmental	-	-	-	-	1,120,692	1,120,692	-	-	-
Other revenue	14,860	21,641	16,800	-	-	-	-	-	-
Other taxes and assessments	-	-	-	259,476	917	1,000	96,686	2,137	2,200
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	14,860	21,641	16,800	890,039	1,598,634	1,590,017	384,755	227,872	241,750
Expenditures									
Salaries	102,690	101,106	104,700	-	-	-	-	-	-
Payroll taxes	7,147	6,960	7,800	-	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	78	-	-	-	-	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	14,964	15,878	17,000	-	-	-	-	-	-
Insurance	1,403	1,366	1,275	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	131	143	-	7,313	420	2,000	-	-	-
Professional and consulting service	-	-	-	5,654	94,039	60,000	6,461	32,568	30,000
Repairs and maintenance	34,411	19,208	30,860	-	-	-	-	-	-
Retirement	9,999	9,100	9,200	-	-	-	-	-	-
Supplies	709	699	970	-	-	-	-	-	-
Telephone	1,275	1,048	1,455	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	3,121	5,824	5,700	-	-	-	-	-	-
Capital outlay	-	-	-	7,913,911	141,835	159,300	-	-	-
Debt service - principal	-	-	-	361,985	1,760,000	1,760,000	500,000	-	-
Debt service - interest	-	-	-	299,187	386,182	386,285	214,587	189,588	189,588
Total expenditures	175,928	161,332	178,960	8,588,050	2,382,476	2,367,585	721,048	222,156	219,588
Excess (deficiency) of revenues over expenditures	(161,068)	(139,691)	(162,160)	(7,698,011)	(783,842)	(777,568)	(336,293)	5,716	22,162
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	549,155	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(291,393)	(95,727)	(95,000)	-	-	-
Total other financing sources (uses)	-	-	-	257,762	(95,727)	(95,000)	-	-	-
Revenues and other sources over (under) expenditures and other uses	$ (161,068)	$ (139,691)	$ (162,160)	$ (7,440,249)	$ (879,569)	$ (872,568)	$ (336,293)	$ 5,716	$ 22,162

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, 2010

	Public Works								
	Community Development Block Grant Project			Street Department			Total Public Works		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	933,854	86,448	86,000	933,854	86,448	86,000
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	845,871	696,439	692,875
Interest income	-	-	-	-	-	-	72,761	6,321	15,000
Intergovernmental	-	-	-	-	-	-	-	1,120,692	1,120,692
Other revenue	-	-	-	178,588	162,139	171,954	193,448	183,780	188,754
Other taxes and assessments	-	-	-	284,145	277,738	283,000	640,307	280,792	286,200
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	1,396,587	526,325	540,954	2,686,241	2,374,472	2,389,521
Expenditures									
Salaries	-	-	-	400,038	389,559	413,500	502,728	490,665	518,200
Payroll taxes	-	-	-	29,318	28,682	30,000	36,465	35,642	37,800
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	312	584	1,940	312	584	1,940
Education and travel	-	-	-	2,248	680	880	2,326	680	880
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	54,225	55,950	64,000	69,189	71,828	81,000
Insurance	-	-	-	16,856	16,862	15,250	18,259	18,228	16,525
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	1,449	765	700	8,893	1,328	2,700
Professional and consulting service	-	-	-	2,154	12,690	9,700	14,269	139,297	99,700
Repairs and maintenance	-	-	-	307,009	384,776	410,000	341,420	403,984	440,860
Retirement	-	-	-	43,610	39,423	45,000	53,609	48,523	54,200
Supplies	-	-	-	117,061	78,223	59,700	117,770	78,922	60,670
Telephone	-	-	-	3,262	2,795	3,880	4,537	3,843	5,335
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	-	-	-	15,232	24,076	27,000	18,353	29,900	32,700
Capital outlay	-	-	-	1,895,178	445,831	402,500	9,809,089	587,666	561,800
Debt service - principal	-	-	-	13,317	13,864	13,620	875,302	1,773,864	1,773,620
Debt service - interest	-	-	-	5,066	4,520	5,506	518,840	580,290	581,379
Total expenditures	-	-	-	2,906,335	1,499,280	1,503,176	12,391,361	4,265,244	4,269,309
Excess (deficiency) of revenues over expenditures	-	-	-	(1,509,748)	(972,955)	(962,222)	(9,705,120)	(1,890,772)	(1,879,788)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-		-	
Settlement	-	-	-	-	-	-		-	
Proceeds from Financing	-	-	-	-	-	-	549,155	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	291,393	95,727	95,000	-	-	-
Total other financing sources (uses)	-	-	-	291,393	95,727	95,000	549,155	-	-
Revenues and other sources over (under) expenditures and other uses	$ -	$ -	$ -	$ (1,218,355)	$ (877,228)	$ (867,222)	$ (9,155,965)	$ (1,890,772)	$ (1,879,788)

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, 2010

	Parks and Recreation								
	Casino			Recreation			Golf Course		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	21	-	2,226	1,820	1,000	245,458	234,913	236,400
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	24,299	26,916	23,000	12,500	19,000	19,000	59,812	55,431	55,200
Total revenues	24,299	26,937	23,000	14,726	20,820	20,000	305,270	290,344	291,600
Expenditures									
Salaries	16,050	19,566	20,000	-	-	-	178,584	179,101	195,500
Payroll taxes	1,228	1,497	1,250	-	-	-	13,285	13,539	16,000
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	1,023	117	485
Education and travel	-	-	-	-	-	-	927	187	970
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	-	-	-	18,492	19,249	21,250
Insurance	197	192	175	484	471	450	2,781	2,714	2,500
Merchandise	-	-	-	-	-	-	21,528	22,681	21,800
Miscellaneous	24	24	-	-	26	-	10,162	13,249	12,970
Professional and consulting service	-	-	-	-	-	-	2,676	1,789	1,940
Repairs and maintenance	7,387	12,386	10,700	11,080	16,288	15,440	62,274	64,568	66,400
Retirement	-	-	-	-	-	-	12,214	11,723	12,500
Supplies	7,832	7,032	6,800	73	-	-	91,983	104,771	115,785
Telephone	637	406	970	-	-	-	2,814	3,073	2,440
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	35	773	575	-	-	-	926	3,674	3,665
Capital outlay	-	-	-	53,420	-	-	49,015	103,190	-
Debt service - principal	-	-	-	-	-	-	133,746	190,010	134,105
Debt service - interest	-	-	-	-	-	-	17,307	12,871	12,817
Total expenditures	33,390	41,876	40,470	65,057	16,785	15,890	619,737	746,506	621,127
Excess (deficiency) of revenues over expenditures	(9,091)	(14,939)	(17,470)	(50,331)	4,035	4,110	(314,467)	(456,162)	(329,527)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from exchange of assets	-	-	-	-	-	-	-	72,797	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	86,300	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	159,097	-
Revenues and other sources over (under) expenditures and other uses	$ (9,091)	$ (14,939)	$ (17,470)	$ (50,331)	$ 4,035	$ 4,110	$ (314,467)	$ (297,065)	$ (329,527)

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, 2010

	Parks and Recreation								
	North Park			South Park			Pool		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues									
Business license and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal and state grants	-	-	-	17,667	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	879	7,208	-	15,961	10,434	15,000	4,722	6,234	6,200
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	879	7,208	-	33,628	10,434	15,000	4,722	6,234	6,200
Expenditures									
Salaries	47,278	47,423	48,500	84,133	77,463	86,700	-	-	-
Payroll taxes	3,384	3,390	3,600	6,217	5,657	7,100	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	400	35	485	75	30	485	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	8,891	9,845	10,000	13,320	14,618	15,100	-	-	-
Insurance	1,021	994	925	2,351	2,289	2,125	646	629	575
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	48	1,756	-	269	573	-	-	-	-
Professional and consulting service	-	-	-	-	-	-	35,000	35,000	35,000
Repairs and maintenance	32,740	34,335	33,440	50,321	40,143	56,590	6,077	6,167	6,790
Retirement	5,153	4,910	5,500	7,361	7,755	7,600	-	-	-
Supplies	1,633	2,507	2,440	2,355	959	4,850	4,845	6,680	6,000
Telephone	817	953	680	1,166	851	1,455	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	2,180	2,132	1,950	2,329	3,423	3,500	-	-	-
Capital outlay	14,692	5,500	-	25,488	25,758	25,750	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	118,237	113,780	107,520	195,385	179,519	211,255	46,568	48,476	48,365
Excess (deficiency) of revenues over expenditures	(117,358)	(106,572)	(107,520)	(161,757)	(169,085)	(196,255)	(41,846)	(42,242)	(42,165)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from exchange 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	$ (117,358)	$ (106,572)	$ (107,520)	$ (161,757)	$ (169,085)	$ (196,255)	$ (41,846)	$ (42,242)	$ (42,165)

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, 2010

	Parks and Recreation		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues			
Business license and permits	$ -	$ -	$ -
Federal and state grants	17,667	-	-
Fines and forfeitures	-	-	-
Franchise fees	-	-	-
Sales tax	-	-	-
Interest income	-	-	-
Intergovernmental	-	-	-
Other revenue	269,246	260,630	258,600
Other taxes and assessments	-	-	-
Rental revenue	96,611	101,347	97,200
Total revenues	383,524	361,977	355,800
Expenditures			
Salaries	326,045	323,553	350,700
Payroll taxes	24,114	24,083	27,950
Community development block grant	-	-	-
Computer	1,023	117	485
Education and travel	1,402	252	1,940
Election	-	-	-
Health and life insurance	40,703	43,712	46,350
Insurance	7,480	7,289	6,750
Merchandise	21,528	22,681	21,800
Miscellaneous	10,503	15,628	12,970
Professional and consulting service	37,676	36,789	36,940
Repairs and maintenance	169,879	173,887	189,360
Retirement	24,728	24,388	25,600
Supplies	108,721	121,949	135,875
Telephone	5,434	5,283	5,545
Utilities	-	-	-
Workman's compensation	5,470	10,002	9,690
Capital outlay	142,615	134,448	25,750
Debt service - principal	133,746	190,010	134,105
Debt service - interest	17,307	12,871	12,817
Total expenditures	1,078,374	1,146,942	1,044,627
Excess (deficiency) of revenues over expenditures	(694,850)	(784,965)	(688,827)
Other financing sources (uses)			
Due from (to) other funds	-	-	-
Proceeds from exchange of assets		72,797	
Settlement		-	
Proceeds from Financing	-	86,300	-
Payments in Lieu of Taxes (PILOTS)	-	-	-
Transfers	-	-	-
Total other financing sources (uses)	-	159,097	-
Revenues and other sources over (under) expenditures and other uses	$ (694,850)	$ (625,868)	$ (688,827)

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, 2010

	Total Municipal Airport			Total General Fund		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues						
Business license and permits	$ -	$ -	$ -	$ 22,834	$ 33,755	$ 33,500
Federal and state grants	344,747	50,564	77,750	1,303,457	187,335	203,225
Fines and forfeitures	-	-	-	194,660	181,919	195,300
Franchise fees	-	-	-	423,246	502,202	489,000
Sales tax	-	-	-	3,454,538	3,029,983	3,030,620
Interest income	-	-	-	104,478	9,764	19,000
Intergovernmental	-	-	-	-	1,120,692	1,120,692
Other revenue	170,580	108,852	94,800	752,103	709,821	688,304
Other taxes and assessments	-	-	-	761,330	355,370	349,200
Rental revenue	54,708	55,922	48,500	151,319	157,269	145,700
Total revenues	570,035	215,338	221,050	7,167,965	6,288,110	6,274,541
Expenditures						
Salaries	93,608	95,494	102,750	3,061,368	2,978,671	3,145,750
Payroll taxes	6,936	7,116	7,700	223,657	219,432	234,005
Community development block grant	-	-	-	-	-	-
Computer	-	-	-	62,343	84,659	84,410
Education and travel	1,141	695	970	39,505	22,797	36,750
Election	-	-	-	2,889	-	-
Health and life insurance	13,333	14,407	15,700	361,972	387,204	434,900
Insurance	13,469	13,535	12,250	94,698	99,322	98,215
Merchandise	35,585	982	3,000	57,113	23,663	24,800
Miscellaneous	2,098	2,152	1,550	165,290	32,549	29,870
Professional and consulting service	51,193	55,266	50,000	282,865	376,299	329,820
Repairs and maintenance	52,473	36,884	51,945	805,639	843,830	922,265
Retirement	8,839	9,276	10,200	358,222	308,383	328,100
Supplies	7,739	12,286	8,730	336,500	285,204	278,410
Telephone	3,068	2,854	2,815	70,780	65,230	59,095
Utilities	-	-	-	-	-	-
Workman's compensation	1,764	3,036	2,850	78,679	123,031	131,850
Capital outlay	355,277	6,220	10,000	11,459,558	755,994	622,750
Debt service - principal	40,000	40,000	40,000	1,564,833	2,519,571	2,461,160
Debt service - interest	5,007	3,648	3,630	685,670	724,742	727,666
Total expenditures	691,530	303,851	324,090	19,711,581	9,850,581	9,949,816
Excess (deficiency) of revenues over expenditures	(121,495)	(88,513)	(103,040)	(12,543,616)	(3,562,471)	(3,675,275)
Other financing sources (uses)						
Due from (to) other funds	-	-	-	-	-	-
Proceeds from exchange of assets	-	-	-	51,685	72,797	-
Settlement	-	-	-	196,374	651,036	651,000
Proceeds from Financing	-	-	-	635,179	86,300	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	2,107,567	2,113,366	2,008,890
Transfers	-	-	-	300,000	396,000	396,000
Total other financing sources (uses)	-	-	-	3,290,805	3,319,499	3,055,890
Revenues and other sources over (under) expenditures and other uses	$ (121,495)	$ (88,513)	$ (103,040)	$ (9,252,811)	$ (242,972)	$ (619,385)

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, 2010

	Waterworks			Electric			Wastewater-Sewer		
Operating revenues	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Revenues	$ 1,719,805	$ 2,058,450	$ 2,055,000	$ 17,071,100	$ 17,120,086	$ 17,652,000	$ 1,809,493	$ 2,032,480	$ 2,112,900
Federal and state grants	101,341	-	-	1,147	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	210	240	600
Penalties	-	25	2,000	149,677	153,022	120,000	-	-	2,000
Miscellaneous charges	108,565	17,322	14,500	74,841	15,498	30,500	1,022	224	500
Rental	4,320	4,320	3,500	-	-	-	-	-	1,000
Total operating revenues	1,934,031	2,080,117	2,075,000	17,296,765	17,288,606	17,802,500	1,810,725	2,032,944	2,117,000
Operating expenses									
Salaries	439,429	451,659	462,000	761,147	738,645	769,500	446,689	438,032	452,500
Payroll taxes	32,436	32,229	35,000	55,081	53,893	56,000	32,650	31,458	33,000
Depreciation	257,246	249,710	-	166,914	169,300	-	1,019,051	809,500	-
Computer	7,082	7,562	9,700	10,413	10,433	9,700	7,398	8,829	9,700
Education	3,736	2,437	5,550	10,869	2,221	9,700	1,105	1,590	2,700
Electric purchases	-	-	-	13,114,942	12,876,613	13,425,000	-	-	-
Health and life insurance	52,205	61,355	60,000	74,009	78,597	85,000	44,632	56,794	48,000
Insurance	17,686	17,219	16,000	71,943	70,816	65,100	21,666	21,237	19,600
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	740	360	2,500	1,789	883	2,425	618	774	1,455
Professional and consulting service	252,869	192,108	250,000	23,253	36,940	29,100	139,520	106,732	106,700
Repairs and maintenance	504,971	600,339	630,000	139,814	130,399	214,950	507,712	582,819	509,300
Retirement	41,355	43,976	45,000	82,593	75,498	83,500	47,575	44,706	49,000
Supplies	141,602	258,296	260,500	199,813	328,016	329,800	58,654	68,831	67,900
Telephone	3,949	2,944	3,880	7,653	8,270	6,300	3,756	2,383	3,395
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	11,884	15,034	15,600	18,838	28,270	30,300	7,244	11,421	9,425
Total operating expenses	1,767,190	1,935,228	1,795,730	14,739,071	14,608,794	15,116,375	2,338,270	2,185,106	1,312,675
Non-operating revenues (expenses)									
Investment Income	349	8	-	1,280	211	10,000	421,288	333,921	210,000
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	-	-
Special Assessment Income	-	-	-	-	-	-	-	-	28,000
Interest expense and fees	(17,677)	(15,305)	(15,345)	-	-	-	(474,762)	(458,673)	(395,118)
Net non-operating revenues (expenses)	(17,328)	(15,297)	(15,345)	1,280	211	10,000	(53,474)	(124,752)	(157,118)
Net income before transfers	149,513	129,592	263,925	2,558,974	2,680,023	2,696,125	(581,019)	(276,914)	647,207
Transfers									
Transfers - Payments in Lieu of Taxes (PILOT)	(194,159)	(208,730)	(208,200)	(1,668,212)	(1,638,066)	(1,625,700)	(226,799)	(241,322)	(220,490)
Transfers	-	-	-	(300,000)	(396,000)	(396,000)	-	-	-
Total transfers	(194,159)	(208,730)	(208,200)	(1,968,212)	(2,034,066)	(2,021,700)	(226,799)	(241,322)	(220,490)
Net income (loss)	$ (44,646)	$ (79,138)	$ 55,725	$ 590,762	$ 645,957	$ 674,425	$ (807,818)	$ (518,236)	$ 426,717

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, 2010

	Fiber			Sanitation			Total Proprietary Funds		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Operating revenues									
Revenues	$ 165,322	$ 233,329	$ 225,000	$ 562,293	$ 558,321	$ 552,000	$ 21,328,013	$ 22,002,666	$ 22,596,900
Federal and state grants	-	-	-	-	-	-	102,488	-	-
Tap - in charges	-	-	-	-	-	-	210	240	600
Penalties	-	-	-	-	-	-	149,677	153,047	124,000
Miscellaneous charges	18,648	19,152	18,000	3,538	4,695	4,500	206,614	56,891	68,000
Rental	-	-	-	-	-	-	4,320	4,320	4,500
Total operating revenues	183,970	252,481	243,000	565,831	563,016	556,500	21,791,322	22,217,164	22,794,000
Operating expenses									
Salaries	-	-	-	123,122	116,990	132,100	1,770,387	1,745,326	1,816,100
Payroll taxes	-	-	-	2,569	9,319	9,200	122,736	126,899	133,200
Depreciation	31,566	31,796	-	82,925	60,380	-	1,557,702	1,320,686	-
Computer	-	255	7,275	-	-	-	24,893	27,079	36,375
Education	14	-	-	-	73	485	15,724	6,321	18,435
Electric purchases	-	-	-	-	-	-	13,114,942	12,876,613	13,425,000
Health and life insurance	-	-	-	20,132	18,623	20,600	190,978	215,369	213,600
Insurance	-	-	-	4,785	4,658	4,325	116,080	113,930	105,025
Landfill and recycling	-	-	-	152,957	146,865	163,000	152,957	146,865	163,000
Miscellaneous	18,648	19,348	18,000	5,253	572	1,940	27,048	21,937	26,320
Professional and consulting service	16,924	500	19,400	108	956	-	432,674	337,236	405,200
Repairs and maintenance	4,670	25,780	14,700	70,890	87,604	86,400	1,228,057	1,426,941	1,455,350
Retirement	-	-	-	11,941	10,125	10,500	183,464	174,305	188,000
Supplies	21,943	33,539	36,600	7,831	4,527	7,760	429,843	693,209	702,560
Telephone	930	515	970	314	372	-	16,602	14,484	14,545
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	-	-	-	15,932	14,771	17,000	53,898	69,496	72,325
Total operating expenses	94,695	111,733	96,945	498,759	475,835	453,310	19,437,985	19,316,696	18,775,035
Non-operating revenues (expenses)									
Investment Income	-	-	-	-	-	-	422,917	334,140	220,000
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	-	-
Special Assessment Income	-	-	-	-	-	-	-	-	28,000
Interest expense and fees	-	-	-	(5,109)	(2,611)	(2,611)	(497,548)	(476,589)	(413,074)
Net non-operating revenues (expenses)	-	-	-	(5,109)	(2,611)	(2,611)	(74,631)	(142,449)	(165,074)
Net income before transfers	89,275	140,748	146,055	61,963	84,570	100,579	2,278,706	2,758,019	3,853,891
Transfers									
Transfers - Payments in Lieu of Taxes (PILOT)	(18,397)	(25,248)	(19,500)	-	-	-	(2,107,567)	(2,113,366)	(2,073,890)
Transfers	-	-	-	-	-	-	(300,000)	(396,000)	(396,000)
Total transfers	(18,397)	(25,248)	(19,500)	-	-	-	(2,407,567)	(2,509,366)	(2,469,890)
Net income (loss)	$ 70,878	$ 115,500	$ 126,555	$ 61,963	$ 84,570	$ 100,579	$ (128,861)	$ 248,653	$ 1,384,001

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, 2010

	Hazardous Material			Safety Program			Mechanic		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Operating revenues									
Revenues	$ 3,359	$ 2,739	$ 6,945	$ 19,138	$ 18,531	$ 22,025	$ 145,806	$ 173,848	$ 154,575
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Miscellaneous charges	-	-	-	-	-	-	-	-	-
Rental	-	-	-	-	-	-	-	-	-
Total operating revenues	3,359	2,739	6,945	19,138	18,531	22,025	145,806	173,848	154,575
Operating expenses									
Salaries	2,058	2,067	2,200	10,111	10,077	10,500	70,072	71,024	73,100
Payroll taxes	157	159	200	773	774	800	4,655	4,762	4,800
Depreciation	-	-	-	-	-	-	-	-	-
Computer	-	-	-	759	1,336	1,550	-	327	2,910
Education	-	-	-	3,931	3,290	1,940	205	66	775
Electric purchases	-	-	-	-	-	-	-	-	-
Health and life insurance	107	114	100	107	114	125	10,170	11,423	11,650
Insurance	69	68	70	-	-	-	918	894	800
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	100	48	48	100
Professional and consulting service	325	-	-	-	-	485	-	-	-
Repairs and maintenance	-	-	485	888	540	1,210	5,494	27,306	4,910
Retirement	224	214	300	1,280	1,245	1,350	7,638	7,361	8,000
Supplies	-	26	2,910	154	606	2,425	42,846	27,899	43,650
Telephone	326	-	485	1,013	430	1,165	836	564	970
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	93	91	75	122	119	100	2,924	2,862	2,625
Capital Outlay	-	-	-	-	-	-	-	19,312	-
Total operating expenses	3,359	2,739	6,825	19,138	18,531	21,750	145,806	173,848	154,290
Non-operating revenues (expenses)									
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	-	-
Interest expense and fees	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-
Net income before transfers	-	-	120	-	-	275	-	-	285
Transfers	-	-	-	-	-	-	-	-	-
Net income (loss)	$ -	$ -	$ 120	$ -	$ -	$ 275	$ -	$ -	$ 285

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, 2010

	Total Internal Service Funds		
	Prior Year 3/31/2009	Current Year 3/31/2010	Budget 3/31/2010
Operating revenues			
Revenues	$ 168,303	$ 195,118	$ 183,545
Federal and state grants	-	-	-
Tap - in charges	-	-	-
Penalties	-	-	-
Miscellaneous charges	-	-	-
Rental	-	-	-
Total operating revenues	168,303	195,118	183,545
Operating expenses			
Salaries	82,241	83,168	85,800
Payroll taxes	5,585	5,695	5,800
Depreciation	-	-	-
Computer	759	1,663	4,460
Education	4,136	3,356	2,715
Electric purchases	-	-	-
Health and life insurance	10,384	11,651	11,875
Insurance	987	962	870
Landfill and recycling	-	-	-
Miscellaneous	48	48	200
Professional and consulting service	325	-	485
Repairs and maintenance	6,382	27,846	6,605
Retirement	9,142	8,820	9,650
Supplies	43,000	28,531	48,985
Telephone	2,175	994	2,620
Utilities	-	-	-
Workman's compensation	3,139	3,072	2,800
Capital Outaly	-	19,312	-
Total operating expenses	168,303	195,118	182,865
Non-operating revenues (expenses)			
Investment Income	-	-	-
Gain (Loss) on Asset Disposal	-	-	-
Interest expense and fees	-	-	-
Net non-operating revenues (expenses)	-	-	-
Net income before transfers	-	-	680
Transfers	-	-	-
Net income (loss)	$ -	$ -	$ 680

See accompanying notes to the financial statements.

FEDERAL COMPLIANCE SECTION

The CPA Group
A Professional Corporation
Big Firm Quality, Small Firm Values
WWW.CPA2WEB.COM

Home Office
217 Fourth Street
P.O. Box 68
Monett, Missouri 65708
Phone: (417) 235-3650
Fax: (417) 235-0334

Branch Office
83 South Main Street
Cassville, Missouri 65625
Phone: (417) 671-9550
Fax: (800) 242-7634

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, 2010, which collectively comprise the City of Monett, Missouri's basic financial statements and have issued our report thereon dated September 20, 2010. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 20, 2010.

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 20, 2010

The CPA Group
A Professional Corporation
BIG FIRM QUALITY, SMALL FIRM VALUES
WWW.CPA2WEB.COM

HOME OFFICE
217 FOURTH STREET
P.O. BOX 68
MONETT, MISSOURI 65708
PHONE: (417) 235-3650
FAX: (417) 235-0334

BRANCH OFFICE
83 SOUTH MAIN STREET
CASSVILLE, MISSOURI 65625
PHONE: (417) 671-9550
FAX: (800) 242-7634

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 City of Monett, Missouri's compliance 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, 2010. The City of Monett'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 referred to above is the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on the City of Monett'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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about City of Monett'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 compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended March 31, 2010.

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 compliance requirements referred to above. In planning and performing our audit, we considered the City of Monett'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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, 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 20, 2010

CITY OF MONETT, MISSOURI
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
March 31, 2010

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		
Clear Creek Bridge - Project BRM-4606			185,417.72
Eisenhower Bridge - Project RRP-000S			127,453.51
Greenways Trail - Project STP-4600			123,491.32
Highway Safety			
Saturation patrol	20.600		6,534.62
HMV Enforcement	20.600		862.60
DWI Enforcement	20.610		12,161.53
Federal Aviation Agency passed Through the Missouri Highway and Transportation Commission	20.106		55,266.13
Total Department of Transportation			$ 511,187.43
Department of Homeland Security			
FEMA Public Assistance - Project 1822-DR-MO	97.036		29,813.75
Total Department of Homeland Security			$ 29,813.75
Environmental Protection Agency			
Clean Water Loans (1992 and 2003) passed through Missouri Department of Natural Resources	66.458		255,000.00
	66.468		7,515,000.00
Total Environmental Protection Agency			$ 7,770,000.00
Total Federal Programs			$ 8,311,001.18

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COST
MARCH 31, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes X No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes X No
Noncompliance material to financial statements noted?	___ Yes X No

Federal Awards

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

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
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?	X 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.