

BASIC FINANCIAL STATEMENTS

**CITY OF MONETT, MISSOURI
STATEMENT OF NET ASSETS
MARCH 31, 2011**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,159,187	\$ 2,032,200	\$ 3,191,387
Investments	301,138	514,845	815,983
Accounts receivable	467,791	2,062,744	2,530,535
Prepaid health insurance	76,243		76,243
Prepaid workmen's compensation	137,010	68,681	205,691
Inventory		869,401	869,401
Premium on bond insurance	336,129	472,759	808,888
Restricted assets:			
Cash and cash equivalents	5,465,865	3,914,526	9,380,391
Investments	25,348	846,214	871,562
Other		198,521	198,521
Capital assets:			
Non depreciable	937,038	222,261	1,159,299
Depreciable, net	24,425,888	20,675,055	45,100,943
Total Assets	<u>33,331,637</u>	<u>31,877,207</u>	<u>65,208,844</u>
LIABILITIES			
Accounts payable	120,305	1,184,121	1,304,426
Accrued payroll and payroll taxes	93,484	49,289	142,773
Accrued interest payable	233,808	88,778	322,586
Due to depositors	16,083	373,099	389,182
Accrued compensated absences liabilities:			
Due within one year	330,301	221,144	551,445
Due in more than one year	36,699	21,365	58,064
Long-term debt liabilities:			
Due within one year	4,342,916	542,430	4,885,346
Due in more than one year	10,625,341	10,331,237	20,956,578
Total Liabilities	<u>15,798,937</u>	<u>12,811,463</u>	<u>28,610,400</u>
NET ASSETS			
Invested in capital assets, net of related debt	10,394,669	10,023,649	20,418,318
Restricted for:			
Capital projects	5,403,010		5,403,010
Other purposes	80,564	4,760,740	4,841,304
Unrestricted	1,654,457	4,281,355	5,935,812
Total Net Assets	<u>\$ 17,532,700</u>	<u>\$ 19,065,744</u>	<u>\$ 36,598,444</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2011

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets		
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Policy development and administration	\$ 475,200	\$ 202,994	\$ -	\$ (272,206)	\$ -	\$ (272,206)
Public safety	3,391,968	77,019	5,417	(3,309,532)	-	(3,309,532)
Public works	2,430,261	85,238	13,738	(2,331,285)	-	(2,331,285)
Parks and recreation	1,128,066	313,987	109,320	(704,759)	-	(704,759)
Municipal airport	491,772	169,648	-	(322,124)	-	(322,124)
Interest on long-term debt	661,375	-	-	(661,375)	-	(661,375)
Total governmental activities	8,578,642	848,886	128,475	(7,601,281)		(7,601,281)
Business-type activities:						
Waterworks	1,863,647	2,582,361	-	-	718,714	718,714
Electric	16,261,792	18,724,785	-	-	2,462,993	2,462,993
Wastewater-sewer	2,435,723	2,196,588	-	-	(239,135)	(239,135)
Sanitation	493,804	567,624	-	-	73,820	73,820
Fiber optics	44,850	283,121	-	-	238,271	238,271
Total business-type activities	21,099,816	24,354,479	-	-	3,254,663	3,254,663
Total City	\$ 29,678,458	\$ 25,203,365	\$ 128,475	(7,601,281)	3,254,663	(4,346,618)

General revenues			
Sales and use taxes	2,032,853	-	2,032,853
Sales and use taxes - police station	300,909	-	300,909
Motor fuel sales tax	287,344	-	287,344
M & M surcharge tax	38,996	-	38,996
Emergency telephone tax	29,550	-	29,550
Sales tax - TIF	634,484	-	634,484
Real estate tax - TIF	-	-	-
Franchise fees	523,107	-	523,107
Payments in lieu of taxes	2,339,104	(2,339,104)	-
Intergovernmental -TIF 1 - MODoT	3,761,985	-	3,761,985
Investment revenue	10,575	299,517	310,092
Gain on sale of assets	625	16,100	16,725
Settlement	11,591	-	11,591
Miscellaneous	76,953	-	76,953
Transfers	975,000	(975,000)	-
Total general revenues and transfers	11,023,076	(2,998,487)	8,024,589
Change in net assets	3,421,795	256,176	3,677,971
Net assets - beginning	14,110,905	18,809,568	32,920,473
Net assets - ending	\$ 17,532,700	\$ 19,065,744	\$ 36,598,444

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2011

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	
ASSETS					
Cash and cash equivalents	\$ 1,159,187	\$ -	\$ -	\$ -	\$ 1,159,187
Investments	301,138	-	-	-	301,138
Accounts receivable	417,470	-	39,234	11,087	467,791
Prepaid health insurance	76,243	-	-	-	76,243
Prepaid workmen's compensation	137,010	-	-	-	137,010
Restricted assets:					
Cash and cash equivalents	25,485	56,419	4,599,868	784,093	5,465,865
Investments	-	25,348	-	-	25,348
Total assets	<u>\$ 2,116,533</u>	<u>\$ 81,767</u>	<u>\$ 4,639,102</u>	<u>\$ 795,180</u>	<u>\$ 7,632,582</u>
LIABILITIES					
Accounts payable	89,033	-	31,272	-	\$ 120,305
Accrued payroll and payroll taxes	92,281	1,203	-	-	93,484
Due to depositors	16,083	-	-	-	16,083
Total liabilities	<u>197,397</u>	<u>1,203</u>	<u>31,272</u>	<u>-</u>	<u>229,872</u>
FUND BALANCE					
Reserved:					
Reserved for E-911	-	80,564	-	-	80,564
Reserved for Tax Increment Financing	-	-	4,607,830	795,180	5,403,010
Reserved for prepaid items	213,253	-	-	-	213,253
Unreserved	1,705,883	-	-	-	1,705,883
Total fund balances	<u>1,919,136</u>	<u>80,564</u>	<u>4,607,830</u>	<u>795,180</u>	<u>7,402,710</u>
Total liabilities and fund balances	<u>\$ 2,116,533</u>	<u>\$ 81,767</u>	<u>\$ 4,639,102</u>	<u>\$ 795,180</u>	<u>\$ 7,632,582</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2011**

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

Total fund balance - total governmental funds		\$ 7,402,710
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 41,608,073	
Less accumulated depreciation	<u>(16,245,147)</u>	
		25,362,926
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	(80,647)	
Revenue bonds	(11,750,000)	
Notes Payable	(540,194)	
Capital lease obligations	(2,597,416)	
Accrued compensated absences	(367,000)	
Unamortized issuance cost of bonds	336,129	
Accrued interest liability	<u>(233,808)</u>	
		<u>(15,232,936)</u>
Net assets of Governmental Activities		<u><u>\$ 17,532,700</u></u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
YEAR ENDED MARCH 31, 2011

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance -District 1	Tax Increment Finance - District 2	
REVENUES					
Business license and permits	\$ 61,541	\$ -	\$ -	\$ -	\$ 61,541
Federal and state grants	128,475	-	-	-	128,475
Fines and forfeitures	184,346	-	-	-	184,346
Franchise fees	523,107	-	-	-	523,107
Sales tax	2,333,762	-	427,740	206,744	2,968,246
Investment income	4,725	-	5,718	132	10,575
Intergovernmental	-	-	3,761,985	-	3,761,985
Other revenue	519,501	11,397	-	-	530,898
Other taxes and assessments	326,340	29,550	-	-	355,890
Rental revenue	149,053	-	-	-	149,053
Total Revenues	4,230,850	40,947	4,195,443	206,876	8,674,116
EXPENDITURES					
Current					
Policy development and administration	443,943	-	-	-	443,943
Public safety	2,972,378	85,363	-	-	3,057,741
Public works	1,269,139	-	274,436	16,796	1,560,371
Parks and recreation	866,032	-	-	-	866,032
Municipal airport	318,881	-	-	-	318,881
Capital outlay	376,517	-	-	-	376,517
Debt service:					
Principal	654,671	-	145,000	-	799,671
Interest and other charges	126,469	-	319,703	189,588	635,760
Total Expenditures	7,028,030	85,363	739,139	206,384	8,058,916
Excess (Deficiency) of Revenues over Expenditures	(2,797,180)	(44,416)	3,456,304	492	615,200
OTHER FINANCING SOURCES (USES)					
Due from (to) other funds	-	-	-	-	-
Gain on sale of assets	625	-	-	-	625
Settlement	11,591	-	-	-	11,591
Transfers - Payments in lieu of taxes (PILOTS)	2,339,104	-	-	-	2,339,104
Transfers in(out)	975,000	-	-	-	975,000
Total Other Financing Sources (Uses)	3,326,320	-	-	-	3,326,320
Net Change in Fund Balances	529,140	(44,416)	3,456,304	492	3,941,520
Fund balance - beginning	1,389,996	124,980	1,151,526	794,688	3,461,190
Fund balance - ending	<u>\$ 1,919,136</u>	<u>\$ 80,564</u>	<u>\$ 4,607,830</u>	<u>\$ 795,180</u>	<u>\$ 7,402,710</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2011**

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

Net change in fund balance - total governmental funds	\$ 3,941,520
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.	376,517
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,667,414)
In the Statement of Activities cost of accrued compensated absences are expenses as salary costs.	(2,885)
Governmental funds report unamortized bond premium as expenditures. However, in the statement of activities the cost of those premiums are allocated over their debt repayment lives.	(32,168)
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	6,554
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	799,671
Change in net assets of governmental activities	<u><u>\$ 3,421,795</u></u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
PROPRIETARY FUNDS STATEMENT OF NET ASSETS
MARCH 31, 2011

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 1,773,187	\$ -	\$ 240,030	\$ 18,983	\$ 2,032,200
Investments	-	398,477	-	107,839	8,529	514,845
Accounts receivable	204,782	1,620,785	173,248	39,654	24,275	2,062,744
Prepaid workmen's compensation	14,876	27,963	11,194	14,648	-	68,681
Inventory	222,123	600,515	17,545	-	29,218	869,401
Due from other funds	-	70,000	-	-	-	70,000
Unamortized bond issue costs/investments	79,458	-	393,301	-	-	472,759
Total current assets	521,239	4,490,927	595,288	402,171	81,005	6,090,630
Restricted assets:						
Cash and cash equivalents	2,266,596	-	1,647,930	-	-	3,914,526
Investments	270,927	-	575,287	-	-	846,214
Total restricted assets	2,537,523		2,223,217			4,760,740
Other	-	-	198,521	-	-	198,521
Capital assets:						
Land	56,932	58,400	94,828	12,101	-	222,261
Building and improvements	908,946	769,756	33,705	84,878	-	1,797,285
Machinery and equipment	448,729	953,137	522,984	868,268	70,122	2,863,240
Infrastructure	7,908,968	5,346,629	25,412,218	61,189	635,923	39,364,927
Less: accumulated depreciation	(3,992,420)	(5,388,259)	(13,180,248)	(581,291)	(208,179)	(23,350,397)
Total capital assets (net of accumulated depreciation)	5,331,155	1,739,663	12,883,487	445,145	497,866	20,897,316
Total noncurrent assets	5,331,155	1,739,663	12,883,487	445,145	497,866	20,897,316
Total Assets	8,389,917	6,230,590	15,900,513	847,316	578,871	31,947,207
LIABILITIES						
Current liabilities:						
Accounts payable	4,430	1,166,009	-	13,682	-	1,184,121
Accrued payroll and payroll taxes	12,823	20,098	12,439	3,929	-	49,289
Accrued interest payable	27,478	-	61,300	-	-	88,778
Due to other funds	-	-	-	-	70,000	70,000
Current maturities of long-term debt	142,430	-	400,000	-	-	542,430
Total current liabilities	187,161	1,186,107	473,739	17,611	70,000	1,934,618
Long-term liabilities, less current maturities:						
Due to depositors	30,085	343,014	-	-	-	373,099
Accrued compensated absences	42,891	137,170	50,621	11,827	-	242,509
Notes and capitalized lease obligations payable	3,026,237	-	-	-	-	3,026,237
Neighborhood improvement bonds	-	-	290,000	-	-	290,000
Revenue bonds payable, net	-	-	7,015,000	-	-	7,015,000
Total noncurrent liabilities	3,099,213	480,184	7,355,621	11,827		10,946,845
Total Liabilities	3,286,374	1,666,291	7,829,360	29,438	70,000	12,881,463
NET ASSETS						
Invested in capital assets, net of related debt	2,162,488	1,739,663	5,178,487	445,145	497,866	10,023,649
Restricted for:						
Other purposes	2,537,523	-	2,223,217	-	-	4,760,740
Unrestricted	403,532	2,824,636	669,449	372,733	11,005	4,281,355
Total Net Assets	\$ 5,103,543	\$ 4,564,299	\$ 8,071,153	\$ 817,878	\$ 508,871	\$ 19,065,744

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, 2011

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 2,543,818	\$ 18,668,474	\$ 2,196,440	\$ 563,365	\$ 283,121	\$ 24,255,218
OPERATING EXPENSES						
Salaries	441,147	688,722	417,606	110,995		1,658,470
Payroll taxes	31,618	49,111	29,685	8,309		118,723
Depreciation	248,914	176,755	745,883	49,716	31,796	1,253,064
Computer	10,693	5,342	5,153		234	21,422
Education	1,094	5,002	472	71		6,639
Electric purchases		14,377,099				14,377,099
Health and life insurance	60,974	67,217	58,714	19,864		206,769
Insurance	9,724	62,564	13,600	4,660		90,548
Landfill and recycling				160,940		160,940
Miscellaneous	313	1,104	976	634		3,027
Professional and consulting service	62,450	101,063	92,563	4,170		260,246
Repairs and maintenance	446,363	174,147	569,196	104,031	7,142	1,300,879
Retirement	45,816	76,147	46,609	12,372		180,944
Supplies	360,887	442,686	67,847	3,755	5,348	880,523
Telephone	3,048	9,043	2,336	412	330	15,169
Utilities						
Workman's compensation	14,914	25,790	10,859	13,875		65,438
Total Operating Expenses	1,737,955	16,261,792	2,061,499	493,804	44,850	20,599,900
Operating Income (Loss)	805,863	2,406,682	134,941	69,561	238,271	3,655,318
NONOPERATING REVENUES (EXPENSES)						
Investment income	185	368	298,964			299,517
Federal and State Grants	37,301					37,301
Miscellaneous income	1,242	56,311	148	4,259		61,960
Gain on sale of assets	16,100					16,100
Interest expense and fees	(125,692)		(374,224)			(499,916)
Total Nonoperating Revenues (Expenses)	(70,864)	56,679	(75,112)	4,259		(85,038)
Income (Loss) Before Contributions and Transfers	734,999	2,463,361	59,829	73,820	238,271	3,570,280
Payments in lieu of taxes (PILOTS)	(260,748)	(1,794,323)	(255,721)		(28,312)	(2,339,104)
Transfers out		(975,000)				(975,000)
Change in Net Assets	474,251	(305,962)	(195,892)	73,820	209,959	256,176
Net assets - beginning	4,629,292	4,870,261	8,267,045	744,058	298,912	18,809,568
Prior period adjustment						
Net assets - ending	\$ 5,103,543	\$ 4,564,299	\$ 8,071,153	\$ 817,878	\$ 508,871	\$ 19,065,744

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2011**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 2,511,253	\$ 18,706,148	\$ 2,193,577	\$ 560,874	\$ 281,092	\$ 24,252,944
Cash received from other sources	1,242	56,311	148	4,259	-	61,960
Cash payments to suppliers	(362,173)	(14,736,645)	(67,847)	(161,514)	(5,348)	(15,333,527)
Cash payments to employees	(440,136)	(674,744)	(412,467)	(109,486)	-	(1,636,833)
Cash payments to employee benefits and payroll taxes	(138,408)	(192,475)	(135,008)	(40,545)	-	(506,436)
Cash payments for other expenses	(593,339)	(357,463)	(677,573)	(128,133)	(6,422)	(1,762,930)
Net cash provided by (used in) operating activities	978,439	2,801,132	900,830	125,455	269,322	5,075,178
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	-	(975,000)	-	-	-	(975,000)
Transfers - Payments in lieu of taxes (PILOTS)	(260,748)	(1,794,323)	(255,721)	-	(28,312)	(2,339,104)
Due (from) to other funds	-	150,000	-	-	(150,000)	-
Net cash provided by (used in) non-capital financing activities	(260,748)	(2,619,323)	(255,721)	-	(178,312)	(3,314,104)
Cash flows from capital and related financing activities:						
Interest expense & fees	(95,756)	-	(351,106)	-	-	(446,862)
Principal payments on capital leases	(70,906)	-	(385,000)	-	-	(455,906)
Purchase of capital acquisitions	(1,299,553)	(192,767)	(382,917)	(128,755)	(70,122)	(2,074,114)
Proceeds from assessments receivable	-	-	28,047	-	-	28,047
Proceeds from sale of capital assets	16,100	-	-	-	-	16,100
Federal and state grants	37,301	-	-	-	-	37,301
Proceeds from issuance of Certificates of Participation	2,859,000	-	-	-	-	2,859,000
Cost of issuing Certificates of Participation	(81,915)	-	-	-	-	(81,915)
Net cash provided by (used in) capital and related financing activities	1,364,271	(192,767)	(1,090,976)	(128,755)	(70,122)	(118,349)
Cash flows from investing activities:						
Investment income	185	368	298,964	-	-	299,517
Purchase of investments	(20,816)	-	-	-	(8,529)	(29,345)
Proceeds from maturities of investments	-	461,918	363,379	85,189	-	910,486
Net cash provided by (used in) investing activities	(20,631)	462,286	662,343	85,189	(8,529)	1,180,658
Net increase (decrease) in cash and cash equivalents	2,061,331	451,328	216,476	81,889	12,359	2,823,383
Cash and cash equivalents - beginning	<u>205,265</u>	<u>1,321,859</u>	<u>1,431,454</u>	<u>158,141</u>	<u>6,624</u>	<u>3,123,343</u>
Cash and cash equivalents - ending	<u>\$ 2,266,596</u>	<u>\$ 1,773,187</u>	<u>\$ 1,647,930</u>	<u>\$ 240,030</u>	<u>\$ 18,983</u>	<u>\$ 5,946,726</u>
Displayed as:						
Cash and cash equivalents	\$ -	\$ 1,773,187	\$ -	\$ 240,030	\$ 18,983	\$ 2,032,200
Restricted - cash and cash equivalents	2,266,596	-	1,647,930	-	-	3,914,526
Total cash and cash equivalents	<u>\$ 2,266,596</u>	<u>\$ 1,773,187</u>	<u>\$ 1,647,930</u>	<u>\$ 240,030</u>	<u>\$ 18,983</u>	<u>\$ 5,946,726</u>

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

Operating income (loss)	\$ 805,863	\$ 2,406,682	\$ 134,941	\$ 69,561	\$ 238,271	\$ 3,655,318
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	248,914	176,755	745,883	49,716	31,796	1,253,064
Miscellaneous revenue	1,242	56,311	148	4,259	-	61,960
(Increase) decrease in accounts receivable	(33,452)	20,828	(2,863)	(2,491)	(2,029)	(20,007)
(Increase) decrease in inventory	(44,431)	27,136	17,802	-	1,284	1,791
Increase (decrease) in workmen's compensation	(309)	(544)	(220)	(280)	-	(1,353)
Increase (decrease) in accounts payable	(1,286)	83,140	-	3,181	-	85,035
Increase (decrease) in accrued payroll	962	2,055	1,598	994	-	5,609
Increase (decrease) in customer deposits	887	16,846	-	-	-	17,733
Increase (decrease) in accrued compensated absences	49	11,923	3,541	515	-	16,028
Net cash provided by (used in) operating activities	<u>\$ 978,439</u>	<u>\$ 2,801,132</u>	<u>\$ 900,830</u>	<u>\$ 125,455</u>	<u>\$ 269,322</u>	<u>\$ 5,075,178</u>

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of \$1,223,951 were acquired through capital lease.

See accompanying notes to the financial statements.