

**CITY OF MONETT,
MISSOURI
ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
MARCH 31, 2011**

CITY OF MONETT, MISSOURI

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INTRODUCTION SECTION

City of Monett, Missouri
List of Elected and Appointed Officials
March 31, 2011

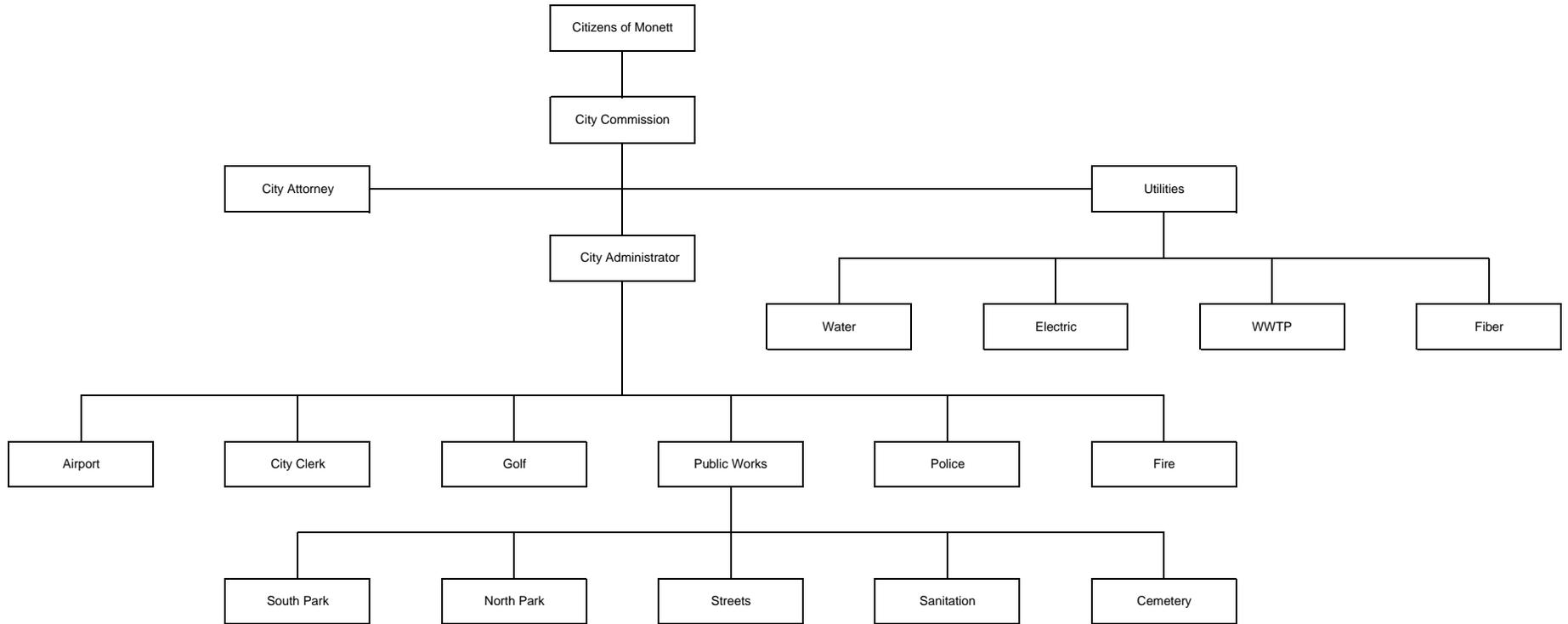
Elected Officials

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

August 2, 2011

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, 2011. 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 these financial statements 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 thereof.

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'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 for the fiscal year ended March 31, 2011, 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 audit is 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 federal compliance. 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 expresses 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 funds and other schedules that provide detailed information relative to the Basic Financial Statements.

The *federal compliance section* specifically deals with required reporting for expenditures of federal awards.

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.

Profile of the Government

The City of Monett, 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 8,873. 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 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 enterprise 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 or for which exclusion would be misleading or incomplete. 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's financial planning and control. All departments of the City 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'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 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 20% 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 FY 2011, the City experienced no growth in general sales tax revenue compared with FY 2010. This was attributable to an economy that continued a slow recovery from the recession of 2008-2009. General sales tax revenue for the first quarter of FY 2012 has increased 4.4% indicating a modest recovery may be underway in the retail sector.

Total General Fund revenues declined by 4.2% in FY 2011 from FY 2010 due to the settlement of most claims against wireless communications providers the previous year. Total expenditures decreased in FY 2011 by 2% compared to FY 2010 with most of the savings attributable to lower capital outlays and debt service costs.

Employment levels in local industries have increased in recent months as more manufacturers are hiring due to increased demand for products. In recent years, local employers had modified workweeks to account for changes in demand without affecting the number of employees. This trend indicates an improved local employment outlook for 2011 and the first quarter of 2012.

Long-term financial planning – During FY 2011, the City issued \$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 has authorized an election to be held on August 2, 2011, that will ask voters to approve the issuance of up to \$12 million in revenue bonds for the construction of a water treatment facility. The Council authorized design work to begin on the new plant to facilitate the application for funding through the State of Missouri's Environmental Improvement and Energy Resources Authority (EIERA). Construction would be anticipated to begin in the 2nd Quarter of 2012.

The City Council is currently preparing plans for a total renovation of the Casino building in South Park and construction of a new clubhouse for Windmill Ridge Municipal Golf Course. Expectations are to finalize design plans by the end of 2011 with construction to begin in the summer of 2012.

The City's Capital Improvement Plan includes Public Facility Improvements relating to the Casino building and Community Building; planning associated with the Visions 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,

A handwritten signature in black ink, appearing to read "James Orr". The signature is fluid and cursive, with a large initial "J" and "O".

James Orr, Mayor

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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

To the Honorable Mayor James Orr,
Commissioner Jerry Dierker and Commissioner 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Monett, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Monett, Missouri, as of March 31, 2011, 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 August 2, 2011, 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 States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 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 basic financial statements as a whole. The introductory section, and the combining departmental financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. 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 basic 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, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

THE CPA GROUP, P.C.

Monett, Missouri
August 2, 2011

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
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Management's Discussion and Analysis

As management of the City of Monett, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Monett, Missouri (the City) for the fiscal year ended March 31, 2011. 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, including 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 \$36,598,444 (*net assets*). Of this amount, \$5,935,812 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$3,677,971. Of this amount, \$3,421,795 was from the City's "governmental activities" and \$256,176 from the "business-type activities".
- The City total debt increased by \$1,603,423 during the current fiscal year. The City's fiscal year started with existing debt of \$24,238,501, principal payments of \$1,255,577 were made during the year, also, new debt issuance of \$2,859,000, which created ending fiscal year debt balance of \$25,841,924. The debt increase was due to water infrastructure improvements.

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 supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a broad overview of the City's finances, in a manner similar to a private business.

The *statement of net assets* presents all of the City's assets and liabilities with the difference between the two reported as *net assets*. Net assets are an important measure of the City's overall financial health. The increases or decreases in net assets can be monitored to determine whether the City's financial position is improving or deteriorating.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

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 incurred but unused vacation leave).

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

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

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

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

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

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

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.

Government-wide Financial Analysis

Net assets may serve as a useful indicator of the City's financial position. As of March 31, 2011, assets exceeded liabilities by \$36,598,444. The City uses capital assets to provide services to citizens; consequently, \$20,418,318 (these assets, net of related debt) are not available for future spending.

NET ASSETS

The following table reflects the condensed schedule of net assets as of March 31, 2011 and 2010:

City of Monett Net Assets

	Governmental Activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 7,968,711	\$ 4,040,991	\$ 10,979,891	\$ 8,989,916	\$ 18,948,602	\$ 13,030,907
Capital assets	25,362,926	26,653,822	20,897,316	20,076,267	46,260,242	46,730,089
Total assets	<u>33,331,637</u>	<u>30,694,813</u>	<u>31,877,207</u>	<u>29,066,183</u>	<u>65,208,844</u>	<u>59,760,996</u>
Long-term debt outstanding	10,625,341	15,075,839	10,331,237	8,032,133	20,956,578	23,107,972
Other liabilities	5,173,596	1,508,069	2,480,226	2,224,482	7,653,822	3,732,551
Total liabilities	<u>15,798,937</u>	<u>16,583,908</u>	<u>12,811,463</u>	<u>10,256,615</u>	<u>28,610,400</u>	<u>26,840,523</u>
Net assets:						
Invested in capital assets, net of related debt	10,394,669	10,885,894	10,023,649	11,605,694	20,418,318	22,491,588
Restricted	5,483,574	2,071,194	4,760,740	3,442,461	10,244,314	5,513,655
Unrestricted	1,654,457	1,153,817	4,281,355	3,761,413	5,935,812	4,915,230
Total net assets	<u>\$ 17,532,700</u>	<u>\$ 14,110,905</u>	<u>\$ 19,065,744</u>	<u>\$ 18,809,568</u>	<u>\$ 36,598,444</u>	<u>\$ 32,920,473</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net assets increased to \$36,598,444 from \$32,920,473 as a result of the increase in net assets reflected in the next table.

The largest portion of the City's net assets, \$20,418,318 (56%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

infrastructure), less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net assets, \$10,244,314 (28%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, \$5,935,812 (16%), 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:

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 848,886	\$ 940,042	\$ 24,354,479	\$ 22,217,164	\$ 25,203,365	\$ 23,157,206
Capital grants and contributions	128,475	187,335	-	-	128,475	187,335
General revenues:						
Sales taxes	2,621,106	2,611,282	-	-	2,621,106	2,611,282
TIF taxes	634,484	699,493	-	-	634,484	699,493
TIF reimbursement	3,761,985	1,120,692	-	-	3,761,985	1,120,692
Franchise fees	523,107	502,202	-	-	523,107	502,202
Other taxes	68,546	74,578	-	-	68,546	74,578
Other revenues	87,528	152,485	299,517	334,140	387,045	486,625
Total revenues	8,674,117	6,288,109	24,653,996	22,551,304	33,328,113	28,839,413
Expenses:						
Policy development and administration	475,200	446,791	-	-	475,200	446,791
Public works	3,391,968	2,180,829	-	-	3,391,968	2,180,829
Public safety	2,430,261	3,396,137	-	-	2,430,261	3,396,137
Parks and recreation	1,128,066	1,043,041	-	-	1,128,066	1,043,041
Interest on long-term debt	661,375	719,677	-	-	661,375	719,677
Airport	491,772	431,390	-	-	491,772	431,390
Waterworks	-	-	1,863,647	1,950,533	1,863,647	1,950,533
Electric	-	-	16,261,792	14,608,794	16,261,792	14,608,794
Wastewater-sewer	-	-	2,435,723	2,643,779	2,435,723	2,643,779
Sanitation	-	-	493,804	478,446	493,804	478,446
Fiber optics	-	-	44,850	111,733	44,850	111,733
Total expenses	8,578,642	8,217,865	21,099,816	19,793,285	29,678,458	28,011,150
Gain on sale of assets	625	40,628	16,100	-	16,725	40,628
Settlement	11,591	651,036	-	-	11,591	651,036
Other Sources	12,216	691,664	16,100	-	28,316	691,664
Increase in net assets before transfers	107,691	(1,238,092)	3,570,280	2,758,019	3,677,971	1,519,927
Transfers - Payments in lieu of taxes	2,339,104	2,113,366	(2,339,104)	(2,113,366)	-	-
Transfers	975,000	396,000	(975,000)	(396,000)	-	-
Total transfers	3,314,104	2,509,366	(3,314,104)	(2,509,366)	-	-
Increase in net assets	3,421,795	1,271,274	256,176	248,653	3,677,971	1,519,927
Net assets, beginning	14,110,905	12,839,631	18,809,568	18,560,915	32,920,473	31,400,546
Net assets, ending	\$ 17,532,700	\$ 14,110,905	\$ 19,065,744	\$ 18,809,568	\$ 36,598,444	\$ 32,920,473

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

Governmental Activities

Governmental activities increased the City's net assets by \$3,421,795. Sales tax revenues, one of the largest governmental category, was \$2,621,106. TIF intergovernmental revenue of \$4,396,469 included \$3,761,985 from the Missouri Department of Transportation that represented the State's 50% cost-share for the Highway 60 Expansion Project. For the fiscal year ended March 31, 2011, revenues totaled \$33,356,429 (governmental and business-type). Revenues from governmental activities total \$8,674,117, or 26%, of the total City revenues. City revenues increased \$2,386,008 within the governmental activities primarily due to the reimbursement of \$3,761,985 from MoDOT.

Certain revenues are generated that are specific to governmental program activity. These totaled \$977,361. The following table shows expenses and program revenues of the governmental activities for the years ended March 31, 2011 and 2010:

Net Cost of City of Monett Governmental Activities

	Total cost of service		Net cost of service	
	2011	2010	2011	2010
Policy development and administration	\$ 475,200	\$ 446,791	\$ 272,206	\$ 217,143
Public safety	3,391,968	3,396,137	3,309,532	3,326,679
Public works	2,430,261	2,180,829	2,331,285	1,910,788
Parks and recreation	1,128,066	1,043,041	704,759	645,103
Municipal airport	491,772	431,390	322,124	271,098
Interest on long-term debt	661,375	719,677	661,375	719,677
	<u>\$8,578,642</u>	<u>\$8,217,865</u>	<u>\$7,601,281</u>	<u>\$7,090,488</u>

As previously noted, expenses from governmental activities total \$8,578,642 million. However, net costs of these services were \$7,601,281.

Business-type Activities

Business-type activities increased the City's net assets by \$256,176. Key elements of this increase are as follows:

- The water recorded net income of \$474,251 for the year. Revenues relating to charges for services increased \$502,244. Operating expenses decreased \$197,273 compared to prior year expenses due to decreases in repairs and maintenance expense. Interest expense increased \$110,387.
- The electric recorded net loss of \$305,962 for the year. Revenues relating to charges for services increased \$1,436,179. Operating expenses increased \$1,652,998, due to increase in electricity purchase charges of \$1,500,486 and supplies of \$114,670.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

- The sewer recorded a net loss of \$195,892 for the year. Revenues relating to charges for services increased \$163,644. Operating expenses decreased \$123,607 due to reduced in payroll of \$20,426, depreciation charges of \$63,617, professional charges of \$14,169 and repair and maintenance of \$13,623.

Financial Analysis of the City's Funds

As of the end of the fiscal year, the City's governmental funds report a total fund balance of \$7,402,710, including an intergovernmental payment of \$3,761,985 from the Missouri Department of Transportation. MoDOT had approved payment of its share of the costs in 2007 and incorporated it into their 5-Year Plan with reimbursement to the Monett TIF to occur in FY 2011.

The fund balance of the General Fund increased to \$1,919,136 at the end of the fiscal year due to increases in PILOTS and transfers from the electric fund.

The fund balance in the E-911 Fund decreased to \$80,564 (decrease of \$44,416 or 35%) 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, 2011, amounts to \$46.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

Capital acquisitions during the current fiscal year included the following:

- Fire – Res-Q-Jack (rescue equipment) \$6,574.
- Police – Dog Box for Animal Control \$10,870, Ford F250 Truck \$18,119, and 2010 Ford Crown Victoria \$22,852.
- Cemetery – 2006 Caterpillar 303C Excavator \$29,800.
- Street – Crafcoc Crack Seal Machine \$28,313, Eisenhower Bridge \$1,707, (2) 2011 International 7400 Dump Trucks \$225,302.
- Golf – 10 Carts \$14,000.
- South Park – Lighting Displays \$11,594 (donated).
- Airport – West Awning \$7,386.
- Sewer – West Lift Station \$382,917.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

- Water – Water System Project \$1,223,951 and Case Backhoe \$75,602.
- Electric – Double Bucket Truck \$176,882, and PCB Building \$15,887.
- Sanitation – Refuse Truck \$128,755.
- Fiber – Band Boost Equipment \$70,122.

**City of Monett Capital Assets
(net of accumulated depreciation)**

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 937,038	\$ 937,038	\$ 222,261	\$ 222,261	\$ 1,159,299	\$ 1,159,299
Building and improvements	4,620,048	4,834,020	578,471	616,924	5,198,519	5,450,944
Machinery and equipment	1,872,710	1,882,828	1,099,034	788,464	2,971,744	2,671,292
Infrastructure	17,933,130	18,999,937	18,997,550	18,448,615	36,930,680	37,448,552
Total	\$ 25,362,926	\$ 26,653,823	\$ 20,897,316	\$ 20,076,264	\$ 46,260,242	\$ 46,730,087

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 2011, had a total of \$25,841,924 of outstanding long-term debt. This was an increase of \$1,603,423 from the previous year. During the fiscal year 2010/2011, the City repaid principal in the amount of \$1,255,577 and incurred \$2,859,000 water infrastructure debt.

City of Monett Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 80,647	\$ 95,091	\$ 305,000	\$ 320,000	\$ 385,647	\$ 415,091
Revenue bonds	11,750,000	11,895,000	7,400,000	7,770,000	19,150,000	19,665,000
Developers Agreements	540,194	540,194			540,194	540,194
Capital leases and participation obligations	2,597,416	3,237,643	3,168,667	380,573	5,766,083	3,618,216
Total	\$ 14,968,257	\$ 15,767,928	\$ 10,873,667	\$ 8,470,573	\$ 25,841,924	\$ 24,238,501

For additional information on debt administration, see note 2(d) in the notes to financial statements.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

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, 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	33,331,637	31,877,207	65,208,844
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	15,798,937	12,811,463	28,610,400
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	\$ 17,532,700	\$ 19,065,744	\$ 36,598,444

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>	(15,232,936)
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	205,265	1,321,859	1,431,454	158,141	6,624	3,123,343
Cash and cash equivalents - ending	\$ 2,266,596	\$ 1,773,187	\$ 1,647,930	\$ 240,030	\$ 18,983	\$ 5,946,726
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	\$ 2,266,596	\$ 1,773,187	\$ 1,647,930	\$ 240,030	\$ 18,983	\$ 5,946,726

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	\$ 978,439	\$ 2,801,132	\$ 900,830	\$ 125,455	\$ 269,322	\$ 5,075,178

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of \$1,223,951 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 City complies with generally accepted accounting principles (GAAP), and has applied all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the Governmental Accounting Standards Board (GASB), in which case the GASB prevails. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles, and the City's reporting entity applies all relevant GASB pronouncements.

The financial reporting entity consists of the primary government and its component units, which are legally separate entities that the government is considered financially accountable for or for which exclusion would be misleading or incomplete. The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

Blended Component Unit - The following legally separate entity is a component unit, which is, in substance, a part of the City's general operations. This component unit provides services entirely, or almost entirely, to the primary government or provides services which exclusively, or almost exclusively, benefit the primary government. Data from this unit is combined with data of the primary government for financial reporting purposes.

The East Highway 60 Community Improvement District (CID) - The CID, a political subdivision of the State of Missouri under Section 67.1401 to 67.1571 of the Revised Statutes of Missouri 2000, was created under Ordinance No. 7577 of the City adopted July 14, 2006. The purpose of the District shall be those purposes stated in Section 67.1401 to 67.1571 RSMo. 2000. The CID was established to impose a sales tax of one-half of one percent of all retail sales within the district for a period of four years from the date on which the tax is first imposed for the purpose of providing revenues to support a revenue bond issue in the City of Monett, Missouri to correct the blight conditions within the District.

The board of directors of the District consists of five persons appointed by the Mayor with the advice and consent of the City Council. Financial information for the CID has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the CID is reported as if it were part of the primary government because its sole purpose is to finance the construction of various capital projects within the City. No separately issued financial statements are prepared for the CID.

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

(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 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. Any remaining funds would be 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 accrual 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 main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

E-911 — This fund accounts for revenues and expenditures relating to 911 emergency dispatching services. Cash and investments for this fund are restricted by state statute.

Tax Increment Finance — The purpose of these funds is to account for revenues and expenditures relating to tax increment financing projects. Cash and investments for these funds are restricted by state statute.

The City reports the following major enterprise 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.

(C) Assets, Liabilities, and Net Assets or Equity

a. Deposits and Investments

City monies are deposited in FDIC-insured banks. Deposits 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 fair value.

b. Receivables and Payables

Activities between funds that are representative of borrowing/lending arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

c. Inventories and Prepaid Items

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

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

d. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

e. 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 capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

	<u>Years</u>
Primary government:	
Buildings	5 to 40
Improvements	5 to 40
Machinery and equipment	3 to 40
Infrastructure	20 to 40

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, 2011 and 2010 are \$609,509 and \$590,595 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 funds 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. Total interest costs incurred by the City were \$1,161,291, 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, 2011 reflect payments in lieu of taxes (PILOTS) to the City of \$2,339,104.

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 \$653,150, 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, 2011, the bank balance of the City's deposits was \$3,262,737, 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 (\$104,716) due to deposits in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2011, the bank balance of the City's restricted deposits was \$9,315,562, 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, 2011, the City held the following investments, all of which have maturities of more than 24 months:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Agency:	
GNMA II	\$ 831,991
GNMA	104,248
FNMA	91,561
FHMA	9,746
Certificates of deposit	<u>650,000</u>
 Total	 <u>\$ 1,687,546</u>

The following is a listing of cash and investments held by the City as of March 31, 2011:

Money market funds	\$	244,746
Deposits		5,977,776
Investment in security		1,037,546
Investments in CD's		650,000
Trustee accounts		<u>6,349,255</u>
Total	\$	<u>14,259,323</u>

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

Cash and cash equivalents	\$	3,191,387
Investments		815,983
Restricted cash and cash equivalents		9,316,651
Restricted investments		<u>935,302</u>
Total	\$	<u>14,259,323</u>

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 are 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 increases 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 issuer to fulfill their obligations. The City minimizes credit risk by diversifying the portfolio so that potential losses on individual fixed income securities will be minimized. As of March 31, 2011, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

<u>Investment Type</u>	<u>Rating</u>
U.S. Agency Securities	AAA

(C) Capital Assets

Capital asset activity for the year ended March 31, 2011, was as follows:

Governmental Activities	Balance	Additions	Deductions	Transfers	Balance
	March 31, 2010				March 31, 2011
Non-Depreciable Capital Assets					
Land	\$ 937,038	\$ -	\$ -	\$ -	\$ 937,038
Total Non-Depreciable Capital Assets	<u>937,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>937,038</u>
Depreciable Capital Assets					
Buildings and Building Imp.	6,545,657	7,386	-	-	6,553,043
Machinery and Equipment	5,835,332	367,424	(61,969)	-	6,140,787
Infrastructure	<u>27,975,498</u>	<u>1,707</u>	<u>-</u>	<u>-</u>	<u>27,977,205</u>
Total Depreciable Capital Assets	40,356,487	376,517	(61,969)	-	40,671,035
Less Accumulated Depreciation					
Buildings and Building Imp.	(1,711,637)	(221,358)	-	-	(1,932,995)
Machinery and Equipment	(3,952,504)	(377,542)	61,969	-	(4,268,077)
Infrastructure	<u>(8,975,561)</u>	<u>(1,068,514)</u>	<u>-</u>	<u>-</u>	<u>(10,044,075)</u>
Total Accumulated Depreciable	(14,639,702)	(1,667,414)	61,969	-	(16,245,147)
Total Capital Assets, Net	<u>25,716,785</u>	<u>(1,290,897)</u>	<u>-</u>	<u>-</u>	<u>24,425,888</u>
Total Governmental Activities Capital Assets	<u>\$ 26,653,823</u>	<u>\$ (1,290,897)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,362,926</u>

Depreciation expense was charged to functions as follows:

Policy Development and Administration	\$ 28,388
Public Safety	341,647
Public Works	870,005
Parks and Recreation	255,659
Municipal Airport	171,715
Total depreciation expense governmental activities	<u>\$ 1,667,414</u>

Business Type Activities

	Balance March 31, 2010	Additions	Deductions	Transfers	Balance March 31, 2011
Water Fund:					
Non-Depreciable Capital Assets					
Land	\$ 56,932	\$ -	\$ -	\$ -	\$ 56,932
Construction in Process	-	-	-	-	-
Total Non-Depreciable Capital Assets	<u>56,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,932</u>
Depreciable Capital Assets					
Buildings and Building Imp.	908,946	-	-	-	908,946
Machinery and Equipment	402,402	75,602	(29,275)	-	448,729
Infrastructure	6,685,017	1,223,951	-	-	7,908,968
Total Depreciable Capital Assets	<u>7,996,365</u>	<u>1,299,553</u>	<u>(29,275)</u>	<u>-</u>	<u>9,266,643</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(562,728)	(26,417)	-	-	(589,145)
Machinery and Equipment	(325,019)	(24,785)	29,275	-	(320,529)
Infrastructure	(2,885,034)	(197,712)	-	-	(3,082,746)
Total Accumulated Depreciable	<u>(3,772,781)</u>	<u>(248,914)</u>	<u>29,275</u>	<u>-</u>	<u>(3,992,420)</u>
Total Depreciable Capital Assets, Net	<u>4,223,585</u>	<u>1,050,639</u>	<u>-</u>	<u>-</u>	<u>5,274,223</u>
Total Water Fund Business - Type Capital Assets	<u>\$ 4,280,516</u>	<u>\$ 1,050,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,331,155</u>
Electric Fund:					
Non-Depreciable Capital Assets					
Land	\$ 58,400	\$ -	\$ -	\$ -	\$ 58,400
Total Non-Depreciable Capital Assets	<u>58,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,400</u>
Depreciable Capital Assets					
Buildings and Building Imp.	753,870	15,886	-	-	769,756
Machinery and Equipment	791,518	176,881	-	(15,262)	953,137
Infrastructure	5,346,629	-	-	-	5,346,629
Total Depreciable Capital Assets	<u>6,892,017</u>	<u>192,767</u>	<u>-</u>	<u>(15,262)</u>	<u>7,069,522</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(574,629)	(23,970)	-	-	(598,599)
Machinery and Equipment	(507,760)	(42,835)	-	15,262	(535,333)
Infrastructure	(4,144,377)	(109,950)	-	-	(4,254,327)
Total Accumulated Depreciable	<u>(5,226,766)</u>	<u>(176,755)</u>	<u>-</u>	<u>15,262</u>	<u>(5,388,259)</u>
Total Depreciable Capital Assets, Net	<u>1,665,251</u>	<u>16,012</u>	<u>-</u>	<u>-</u>	<u>1,681,263</u>
Total Electric Fund Business - Type Capital Assets	<u>\$ 1,723,651</u>	<u>\$ 16,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,739,663</u>

Sewer Fund:	Balance March 31, 2010	Additions	Deductions	Transfers	Balance March 31, 2011
Non-Depreciable Capital Assets					
Land	\$ 94,828	\$ -	\$ -	\$ -	\$ 94,828
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	-	-	28,386	522,984
Infrastructure	25,029,301	382,917	-	-	25,412,218
Total Depreciable Capital Assets	25,557,604	382,917	-	28,386	25,968,907
Less Accumulated Depreciation					
Buildings and Building Imp.	(2,468)	(1,123)	-	-	(3,591)
Machinery and Equipment	(312,567)	(28,326)	-	(28,386)	(369,279)
Infrastructure	(12,090,944)	(716,434)	-	-	(12,807,378)
Total Accumulated Depreciable	(12,405,979)	(745,883)	-	(28,386)	(13,180,248)
Total Depreciable Capital Assets, Net	13,151,625	(362,966)	-	-	12,788,659
Total Sewer Fund Business - Type Capital Assets	\$ 13,246,453	\$ (362,966)	\$ -	\$ -	\$ 12,883,487

Sanitation Fund:	Balance March 31, 2010	Additions	Deductions	Transfers	Balance March 31, 2011
Non-Depreciable Capital Assets					
Land	\$ 12,101	\$ -	\$ -	\$ -	\$ 12,101
Total Non-Depreciable Capital Assets	12,101	-	-	-	12,101
Depreciable Capital Assets					
Buildings and Building Imp.	84,878	-	-	-	84,878
Machinery and Equipment	902,738	128,755	(163,225)	-	868,268
Infrastructure	61,189	-	-	-	61,189
Total Depreciable Capital Assets	1,048,805	128,755	(163,225)	-	1,014,335
Less Accumulated Depreciation					
Buildings and Building Imp.	(24,650)	(2,829)	-	-	(27,479)
Machinery and Equipment	(657,443)	(44,847)	163,225	-	(539,065)
Infrastructure	(12,707)	(2,040)	-	-	(14,747)
Total Accumulated Depreciable	(694,800)	(49,716)	163,225	-	(581,291)
Total Depreciable Capital Assets, Net	354,005	79,039	-	-	433,044
Total Sanitation Fund Business - Type Capital Assets	\$ 366,106	\$ 79,039	\$ -	\$ -	\$ 445,145

Fiber Fund:	Balance March 31, 2010	Additions	Deductions	Transfers	Balance March 31, 2011
Non-Depreciable Capital Assets					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	70,122	-	-	70,122
Infrastructure	635,923	-	-	-	635,923
Total Depreciable Capital Assets	635,923	70,122	-	-	706,045
Less Accumulated Depreciation					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Infrastructure	(176,383)	(31,796)	-	-	(208,179)
Total Accumulated Depreciable	(176,383)	(31,796)	-	-	(208,179)
Total Depreciable Capital Assets, Net	459,540	38,326	-	-	497,866
Total Fiber Fund Business - Type Capital Assets	\$ 459,540	\$ 38,326	\$ -	\$ -	\$ 497,866

Depreciation expense was charged to the functions as follows:

Water	\$ 248,914
Electric	176,755
Sewer	745,883
Sanitation	49,716
Fiber optics	31,796
Total depreciation expense-business -type activities	\$ 1,253,064

(D) Long-Term Obligations

The following is a summary of changes in long-term debt for the City for the year ended March 31, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 95,091	\$ -	\$ 14,444	\$ 80,647	\$ 15,007
Revenue bonds	11,895,000		145,000	11,750,000	3,710,000
Total Bonds Payable	11,990,091	-	159,444	11,830,647	3,725,007
Capital Lease Obligations	3,237,643	-	640,227	2,597,416	617,909
Developers Agreements	540,194		-	540,194	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 15,767,928</u>	<u>\$ -</u>	<u>\$ 799,671</u>	<u>\$ 14,968,257</u>	<u>\$ 4,342,916</u>
Business Type Activities					
Sanitary Sewerage System Fund					
Revenue bonds	\$ 7,770,000	\$ -	\$ 370,000	\$ 7,400,000	\$ 385,000
General obligation bonds	320,000		15,000	305,000	15,000
Water System Fund					
Certificates of participation	380,573	2,859,000	70,906	3,168,667	142,430
Total Business Type Activities Long-Term Liabilities	<u>\$ 8,470,573</u>	<u>\$ 2,859,000</u>	<u>\$ 455,906</u>	<u>\$ 10,873,667</u>	<u>\$ 542,430</u>
Total Governmental Activities and Business Type Activities Long-Term Liabilities	<u>\$ 24,238,501</u>	<u>\$ 2,859,000</u>	<u>\$ 1,255,577</u>	<u>\$ 25,841,924</u>	<u>\$ 4,885,346</u>

Debt service requirements on long-term debt at March 31, 2011 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2011, are as follows:

Fiscal Year Ended March 31	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Developers' Agreements	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	15,007	4,119	3,710,000	495,293	-	-
2013	15,753	3,373	580,000	350,806	-	-
2014	16,536	2,590	620,000	319,056	-	-
2015	17,358	1,768	710,000	285,496	-	-
2016	15,993	905	880,000	250,402	-	-
2017-2021	-	-	2,855,000	673,470	540,194	-
2022-2026	-	-	1,000,000	227,059	-	-
2027-2031	-	-	1,395,000	17,324	-	-
thereafter	-	-	-	-	-	-
	<u>\$ 80,647</u>	<u>\$ 12,755</u>	<u>\$ 11,750,000</u>	<u>\$ 2,618,906</u>	<u>\$ 540,194</u>	<u>\$ -</u>

Fiscal Year Ended March 31	Governmental Activities (Cont)		Total	
	Capital Lease Obligations		Governmental Activities	
	Principal	Interest	Principal	Interest
2012	617,909	96,274	4,342,916	595,686
2013	465,870	74,139	1,061,623	428,318
2014	478,955	55,268	1,115,491	376,914
2015	507,624	36,179	1,234,982	323,443
2016	352,645	16,204	1,248,638	267,511
2017-2021	174,413	8,504	3,569,607	681,974
2022-2026	-	-	1,000,000	227,059
2027-2031	-	-	1,395,000	17,324
thereafter	-	-	-	-
	<u>\$ 2,597,416</u>	<u>\$ 286,568</u>	<u>\$ 14,968,257</u>	<u>\$ 2,918,229</u>

The annual Business Type Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2011, are as follows:

Fiscal Year Ended March 31	Business Type Activities					
	General Obligation Bonds - Sewer		Revenue Bonds - Sewer		Certificates of Participation - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	15,000	14,315	385,000	352,141	142,430	174,687
2013	15,000	13,700	400,000	336,673	156,060	170,622
2014	15,000	13,063	415,000	319,856	158,784	165,898
2015	20,000	12,300	435,000	304,626	161,393	160,676
2016	20,000	11,400	460,000	281,789	80,000	155,698
2017-2021	110,000	42,198	2,655,000	1,037,531	435,000	722,043
2022-2026	110,000	11,717	2,650,000	317,665	505,000	596,144
2027-2031	-	-	-	-	600,000	426,250
2032-2036	-	-	-	-	930,000	198,100
	<u>\$ 305,000</u>	<u>\$ 118,693</u>	<u>\$ 7,400,000</u>	<u>\$ 2,950,281</u>	<u>\$ 3,168,667</u>	<u>\$ 2,770,118</u>

Fiscal Year Ended March 31	Total Business Type Activities	
	Principal	Interest
	2012	542,430
2013	571,060	520,995
2014	588,784	498,817
2015	616,393	477,602
2016	560,000	448,887
2017-2021	3,200,000	1,801,772
2022-2026	3,265,000	925,526
2027-2031	600,000	426,250
2032-2036	930,000	198,100
	<u>\$ 10,873,667</u>	<u>\$ 5,839,092</u>

General Obligation Bonds payable at March 31, 2011 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2006, due through September 6, 2015	\$ 80,647
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, 2011, 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.	305,000
Total General Obligation Bonds	<u>\$ 385,647</u>

Revenue bonds payable at March 31, 2011 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, 2011 through 2014, optional redemption beginning October 1, 2012 at 100% of the principal. Original issuance of \$6,100,000 in December of 2007 had a partial defeasance of \$590,000 with the issuance of the Series 2007 bonds. Monies generated from these bonds were used in combination with monies received from Missouri Department of Transportation for projects such as added lanes on Highway 60 and also combined with monies from the Burlington Northern Santa Fe Railroad to build an overpass on Eisenhower Street. \$ 5,365,000

4.00% to 4.5% Subordinate Tax Increment Allocation Bonds, Junior Series 2008 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually April 1 and October 1 with bonds maturing October 1, 2014 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, 2011, 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, 2011, 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 monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Drinking Water Loan). 7,205,000

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 monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Clean Water Loan).	195,000
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Total revenue bonds payable	\$ 19,150,000
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Developer agreements at March 31, 2011 consisted of the following obligation:

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. There is no scheduled payment for any future reimbursement, and any liability remaining upon the dissolution of the TIF district in 2019 will be eliminated.	540,194
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Total Developers' Agreements	\$ 540,194
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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 \$40,000, 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 \$120,000, 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 \$309,667, with interest at 3.52%, and is payable in semiannual installments through December 2014.

In 2010, the City accepted the United Missouri Bank bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a water line project. Currently the agreement has a present value of lease payments of \$2,859,000, with interest at 3.49%, and is payable in annual installments through July 2035.

Capital Leases

Governmental Activities:

Wells Fargo Brokerage Services, LLC, Governmental Lease-Purchase Agreement: dated February 25, 2009, the present value of lease payments is \$557,851, 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 \$74,556 at year end, with interest at 4.88% and is payable in monthly payments through November 2014.

Citi-capital Finance Lease Agreement: In May 2010, the City entered into a Lease of 2 golf utility carts. The present value of lease payments at March 31, 2011 is \$5,009, with interest at 5.25% and is payable monthly through November 2012.

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, 2011 is \$1,800,000, 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, 2011 was:

Assessed Valuation	
Real Estate	\$ 91,218,542
Personal Property	<u>42,508,475</u>
Total Assessed Valuation	<u>\$133,727,017</u>

The legal debt margin at March 31, 2011, was computed as follows:

General Obligation	
Debt Limit	\$ 26,745,403
General Obligation	
Bonds Payable	<u>385,647</u>
Legal Debt Margin	<u>\$ 26,359,756</u>

As of March 31, 2011, the City of Monett had \$385,647 outstanding general obligation bonds.

(E) Construction Commitments City of Monett

As of March 31, 2011, the City had less than \$50,000 of outstanding contractual construction commitments on Water and Sewer projects.

(F) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2011 is as follows:

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Electric	Fiber	\$ 70,000

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.

<u>Interfund Transfers</u>		
<u>General fund</u>	<u>Electric Fund</u>	<u>Total</u>
\$ 975,000	\$ (975,000)	\$ -0-

All interfund transfers provided funding for general operations of each fund. These transfers are permanent in 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 11.3% (general), 10.3% (police), and 13.8% (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 2010, the political subdivision's annual pension cost of \$508,336 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2008 and/or February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions 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 30 years.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost ARC	Percentage of ARC Contributed	Net Pension Obligation
6/30/2008	\$ 513,588	100%	\$ -0-
6/30/2009	538,956	100%	\$ -0-
6/30/2010	508,336	96.7%	\$ 16,775

Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2011, was \$4,371,827; the City's total payroll was \$4,670,867. 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.

(D) Subsequent Events

Management has evaluated subsequent events through August 2, 2011, the date which the financial statements were available to be issued. No unusual or significant events have occurred which would impact the information included here.

Required Supplementary Information

**CITY OF MONETT, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
MARCH 31, 2011**

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 AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2011**

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ 33,000	\$ 61,000	\$ 61,541	\$ 541
Federal and state grants	171,665	128,125	128,475	350
Fines and forfeitures	205,000	166,000	184,346	18,346
Franchise fees	471,450	488,750	523,107	34,357
Sales tax	2,993,710	2,360,210	2,333,762	(26,448)
Interest income	13,500	4,000	4,725	725
Intergovernmental	3,761,985	-	-	-
Other revenue	488,686	516,286	519,501	3,215
Other taxes and assessments	356,400	318,900	326,340	7,440
Rental revenue	162,750	147,250	149,053	1,803
Total revenues	<u>8,658,146</u>	<u>4,190,521</u>	<u>4,230,850</u>	<u>40,329</u>
Expenditures				
Salaries	3,106,845	3,082,645	2,925,922	(156,723)
Payroll taxes	237,665	232,930	212,212	(20,718)
Computer	79,540	89,340	95,038	5,698
Education and travel	37,360	32,780	25,879	(6,901)
Election	-	-	-	-
Health and life insurance	428,735	428,385	421,093	(7,292)
Insurance	100,895	100,595	78,249	(22,346)
Merchandise	17,000	19,000	17,246	(1,754)
Miscellaneous	32,568	29,618	32,481	2,863
Professional and consulting service	404,385	321,485	331,591	10,106
Repairs and maintenance	994,165	985,715	944,934	(40,781)
Retirement	341,985	329,845	312,964	(16,881)
Supplies	303,227	315,627	310,952	(4,675)
Telephone	62,390	38,140	37,373	(767)
Workman's compensation	140,210	138,860	124,439	(14,421)
Capital outlay	494,300	394,725	376,517	(18,208)
Debt service - principal	4,509,477	654,477	654,671	194
Debt service - interest	642,868	124,929	126,469	1,540
Total expenditures	<u>11,933,615</u>	<u>7,319,096</u>	<u>7,028,030</u>	<u>(291,066)</u>
Excess (deficiency) of revenues over expenditures	(3,275,469)	(3,128,575)	(2,797,180)	331,395
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	625	625
Settlement	-	-	11,591	11,591
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	2,181,865	2,181,865	2,339,104	157,239
Transfers	975,000	975,000	975,000	-
Total other financing sources (uses)	<u>3,156,865</u>	<u>3,156,865</u>	<u>3,326,320</u>	<u>169,455</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (118,604)</u>	<u>\$ 28,290</u>	<u>\$ 529,140</u>	<u>\$ 500,850</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL
E - 911 FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2011**

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	-	-	-	-
Interest income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenue	10,800	10,800	11,397	597
Other taxes and assessments	37,500	28,000	29,550	1,550
Rental revenue	-	-	-	-
Total revenues	48,300	38,800	40,947	2,147
Expenditures				
Salaries	40,000	40,000	39,351	(649)
Payroll taxes	3,060	3,060	2,997	(63)
Computer	6,000	6,000	5,025	(975)
Education and travel	3,880	3,880	2,660	(1,220)
Election	-	-	-	-
Health and life insurance	4,850	4,850	4,718	(132)
Insurance	300	300	385	85
Merchandise	-	-	-	-
Miscellaneous	100	100	37	(63)
Professional and consulting service	1,500	1,500	180	(1,320)
Repairs and maintenance	-	-	-	-
Retirement	4,520	4,520	4,428	(92)
Supplies	1,400	1,400	877	(523)
Telephone	24,250	24,250	24,567	317
Workman's compensation	250	250	138	(112)
Capital outlay	4,000	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	94,110	90,110	85,363	(4,747)
Excess (deficiency) of revenues over expenditures	(45,810)	(51,310)	(44,416)	6,894
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	\$ (45,810)	\$ (51,310)	\$ (44,416)	\$ 6,894

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING - DISTRICT 1
FOR THE FISCAL YEAR ENDED MARCH 31, 2011**

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	425,000	425,000	427,740	2,740
Interest income	7,500	7,500	5,718	(1,782)
Intergovernmental	3,761,985	3,761,985	3,761,985	-
Other revenue	-	-	-	-
Other taxes and assessments	-	-	-	-
Rental revenue	-	-	-	-
Total revenues	<u>4,194,485</u>	<u>4,194,485</u>	<u>4,195,443</u>	<u>\$ 958</u>
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	2,000	2,000	420	(1,580)
Professional and consulting service	70,000	225,000	274,016	49,016
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	3,855,000	145,000	145,000	-
Debt service - interest	328,351	320,000	319,703	(297)
Total expenditures	<u>4,255,351</u>	<u>692,000</u>	<u>739,139</u>	<u>47,139</u>
Excess (deficiency) of revenues over expenditures	(60,866)	3,502,485	3,456,304	(46,181)
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (60,866)</u>	<u>\$ 3,502,485</u>	<u>\$ 3,456,304</u>	<u>\$ (46,181)</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
STATEMENT OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING - DISTRICT 2
FOR THE FISCAL YEAR ENDED MARCH 31, 2011**

<u>Functions/Programs</u>	<u>Budgeted Amount</u>		<u>Current Year Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	205,500	205,500	206,744	1,244
Interest income	2,000	2,000	132	(1,868)
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	-	-	-	-
Rental revenue	-	-	-	-
Total revenues	<u>207,500</u>	<u>207,500</u>	<u>206,876</u>	<u>(624)</u>
<u>Expenditures</u>				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	-	8,000	8,000	-
Professional and consulting service	30,000	6,100	8,796	2,696
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	189,588	189,588	189,588	-
Total expenditures	<u>219,588</u>	<u>203,688</u>	<u>206,384</u>	<u>2,696</u>
Excess (deficiency) of revenues over expenditures	(12,088)	3,812	492	(3,320)
<u>Other financing sources (uses)</u>				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (12,088)</u>	<u>\$ 3,812</u>	<u>\$ 492</u>	<u>\$ (3,320)</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
SCHEDULE OF FUNDING PROCESS
RETIREMENT SYSTEM
MARCH 31, 2011**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2/28/2008	10,370,464	9,987,480	(382,984)	104%	4,700,760	
2/28/2010	8,815,555	10,382,004	1,566,449	85	4,668,686	34
2/28/2011	9,384,712	10,625,773	1,241,061	88	4,453,440	28

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, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011**

	Total Policy Development and Administration			Public Safety					
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	BOCA Building Enforcement			Municipal Court		
				Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues									
Business license and permits	\$ 12,303	\$ 12,622	\$ 13,000	\$ 21,452	\$ 48,919	\$ 48,000	\$ -	\$ -	\$ -
Federal and state grants	32,773	-	-	-	-	-	-	-	-
Fines and forfeitures	173,771	179,711	156,900	-	-	-	-	-	-
Franchise fees	502,202	523,107	488,750	-	-	-	-	-	-
Sales tax	2,029,279	2,032,853	2,053,460	-	-	-	-	-	-
Interest income	3,443	4,725	4,000	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	123,415	62,145	55,360	185	50	250	-	-	-
Other taxes and assessments	37,322	38,996	35,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,914,508</u>	<u>2,854,159</u>	<u>2,806,470</u>	<u>21,637</u>	<u>48,969</u>	<u>48,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Salaries	150,285	150,275	156,850	85,906	99,283	97,000	52,758	52,227	54,000
Payroll taxes	10,770	10,573	12,000	5,988	7,063	6,800	4,037	3,953	4,200
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	9,906	31,731	28,000	788	1,286	1,500	1,276	1,543	1,600
Education and travel	1,416	2,001	2,500	370	581	500	1,494	1,500	1,550
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	32,976	41,198	39,200	10,164	3,880	11,250	4,569	4,965	5,085
Insurance	28,151	8,310	34,300	1,789	1,790	1,700	289	289	265
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	8,506	5,729	10,200	1,263	2,133	500	198	227	300
Professional and consulting service	112,950	134,516	130,000	7,580	16,766	20,000	600	-	-
Repairs and maintenance	24,768	11,002	15,000	4,099	12,870	11,700	504	201	2,100
Retirement	21,382	23,322	16,000	8,852	9,283	7,000	3,856	4,114	4,350
Supplies	20,110	12,723	15,000	3,406	3,497	5,000	5,286	5,491	6,000
Telephone	5,443	5,295	6,000	1,956	1,622	1,750	622	642	800
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	4,231	7,268	6,800	3,615	4,068	4,500	315	181	500
Capital outlay	19,560	-	15,000	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>450,454</u>	<u>443,943</u>	<u>486,850</u>	<u>135,776</u>	<u>164,122</u>	<u>169,200</u>	<u>75,804</u>	<u>75,333</u>	<u>80,750</u>
Excess (deficiency) of revenues over expenditures	2,464,054	2,410,216	2,319,620	(114,139)	(115,153)	(120,950)	(75,804)	(75,333)	(80,750)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-
Settlement	651,036	11,591	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	2,113,366	2,339,104	2,181,865	-	-	-	-	-	-
Transfers	371,000	975,000	975,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>3,135,402</u>	<u>3,325,695</u>	<u>3,156,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ 5,599,456</u>	<u>\$ 5,735,911</u>	<u>\$ 5,476,485</u>	<u>\$ (114,139)</u>	<u>\$ (115,153)</u>	<u>\$ (120,950)</u>	<u>\$ (75,804)</u>	<u>\$ (75,333)</u>	<u>\$ (80,750)</u>

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011

	Public Safety								
	E-911			Emergency Management			Communications		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	10,800	11,397	10,800	3,668	-	-	-	-	-
Other taxes and assessments	37,256	29,550	28,000	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	48,056	40,947	38,800	3,668	-	-	-	-	-
Expenditures									
Salaries	40,480	39,351	40,000	2,065	2,071	2,000	236,904	246,292	243,550
Payroll taxes	3,017	2,997	3,060	159	158	155	17,758	17,725	18,650
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	2,140	5,025	6,000	-	-	-	2,413	2,706	3,000
Education and travel	3,876	2,660	3,880	568	1,068	875	878	1,266	970
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	4,347	4,718	4,850	229	248	250	33,404	36,735	37,150
Insurance	328	385	300	25	25	20	1,393	1,394	1,260
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	25	37	100	864	99	100	192	286	195
Professional and consulting service	-	180	1,500	-	-	-	-	-	485
Repairs and maintenance	-	-	-	2,689	1,805	1,200	2,288	4,372	6,000
Retirement	4,063	4,428	4,520	214	233	225	24,307	26,667	27,525
Supplies	621	877	1,400	-	393	390	1,304	476	1,000
Telephone	26,270	24,567	24,250	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	134	138	250	7	7	10	958	833	1,000
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	85,301	85,363	90,110	6,820	6,107	5,225	321,799	338,752	340,785
Excess (deficiency) of revenues over expenditures	(37,245)	(44,416)	(51,310)	(3,152)	(6,107)	(5,225)	(321,799)	(338,752)	(340,785)
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	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,000	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (12,245)	\$ (44,416)	\$ (51,310)	\$ (3,152)	\$ (6,107)	\$ (5,225)	\$ (321,799)	\$ (338,752)	\$ (340,785)

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011**

	Public Safety						Total Public Safety		
	Fire Department			Police Department			Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011			
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,452	\$ 48,919	\$ 48,000
Federal and state grants	-	-	-	17,550	5,417	5,400	17,550	5,417	5,400
Fines and forfeitures	-	-	-	8,148	4,635	9,100	8,148	4,635	9,100
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	304,265	300,909	306,750	304,265	300,909	306,750
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	6,066	2,214	1,500	12,425	17,158	15,900	33,144	30,819	28,450
Other taxes and assessments	-	-	-	-	-	-	37,256	29,550	28,000
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	6,066	2,214	1,500	342,388	328,119	337,150	421,815	420,249	425,700
Expenditures									
Salaries	696,461	659,605	709,775	804,100	804,465	832,800	1,918,674	1,903,294	1,979,125
Payroll taxes	50,076	47,097	54,300	60,786	59,772	63,400	141,821	138,765	150,565
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	730	1,580	1,600	66,705	53,053	50,000	74,052	65,193	63,700
Education and travel	5,367	5,038	7,000	7,201	11,643	12,000	19,754	23,756	26,775
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	79,781	86,569	89,250	91,787	106,291	105,000	224,281	243,406	252,835
Insurance	12,362	11,939	11,000	15,933	15,699	14,500	32,119	31,521	29,045
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	1,498	2,961	4,000	895	2,088	-	4,935	7,831	5,195
Professional and consulting service	209	31	-	23,608	25,259	20,000	31,997	42,236	41,985
Repairs and maintenance	61,982	51,876	70,500	132,745	145,948	134,850	204,307	217,072	226,350
Retirement	88,199	84,216	96,500	75,323	78,765	84,700	204,814	207,706	224,820
Supplies	9,406	15,520	17,050	31,914	32,564	31,460	51,937	58,818	62,300
Telephone	3,607	3,787	3,500	15,352	13,563	12,610	47,807	44,181	42,910
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	40,940	38,670	45,000	29,893	30,065	32,000	75,862	73,962	83,260
Capital outlay	8,100	6,574	6,500	-	51,841	54,000	8,100	58,415	60,500
Debt service - principal	-	-	-	515,697	465,691	465,700	515,697	465,691	465,700
Debt service - interest	-	-	-	127,933	111,269	109,305	127,933	111,269	109,305
Total expenditures	1,058,718	1,015,463	1,115,975	1,999,872	2,007,976	2,022,325	3,684,090	3,693,116	3,824,370
Excess (deficiency) of revenues over expenditures	(1,052,652)	(1,013,249)	(1,114,475)	(1,657,484)	(1,679,857)	(1,685,175)	(3,262,275)	(3,272,867)	(3,398,670)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	625	-	-	625	-
Settlement	-	-	-	-	-	-	-	-	-
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	25,000	-	-
Total other financing sources (uses)	-	-	-	-	625	-	25,000	625	-
Revenues and other sources over (under) expenditures and other uses	\$ (1,052,652)	\$ (1,013,249)	\$ (1,114,475)	\$ (1,657,484)	\$ (1,679,232)	\$ (1,685,175)	\$ (3,237,275)	\$ (3,272,242)	\$ (3,398,670)

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011**

	Public Works								
	Cemetery			Tax Increment Finance - District 1			Tax Increment Finance - District 2		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	470,891	427,740	425,000	225,548	206,744	205,500
Interest income	-	-	-	6,134	5,718	7,500	187	132	2,000
Intergovernmental	-	-	-	1,120,692	3,761,985	3,761,985	-	-	-
Other revenue	21,641	19,629	18,000	-	-	-	-	-	-
Other taxes and assessments	-	-	-	917	-	-	2,137	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	21,641	19,629	18,000	1,598,634	4,195,443	4,194,485	227,872	206,876	207,500
Expenditures									
Salaries	101,106	105,616	110,780	-	-	-	-	-	-
Payroll taxes	6,960	7,246	7,880	-	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	-	-	-	-	-	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	15,878	17,634	17,605	-	-	-	-	-	-
Insurance	1,366	1,366	1,300	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	143	292	-	420	420	2,000	-	8,000	8,000
Professional and consulting service	-	31	-	94,039	274,016	225,000	32,568	8,796	6,100
Repairs and maintenance	19,208	22,504	28,500	-	-	-	-	-	-
Retirement	9,100	9,595	9,250	-	-	-	-	-	-
Supplies	699	1,209	1,000	-	-	-	-	-	-
Telephone	1,048	1,070	1,300	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	5,824	6,018	5,900	-	-	-	-	-	-
Capital outlay	-	29,800	30,000	141,835	-	-	-	-	-
Debt service - principal	-	-	-	1,760,000	145,000	145,000	-	-	-
Debt service - interest	-	-	-	386,182	319,703	320,000	189,588	189,588	189,588
Total expenditures	161,332	202,381	213,515	2,382,476	739,139	692,000	222,156	206,384	203,688
Excess (deficiency) of revenues over expenditures	(139,691)	(182,752)	(195,515)	(783,842)	3,456,304	3,502,485	5,716	492	3,812
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	-	-	-	(95,727)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(95,727)	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (139,691)	\$ (182,752)	\$ (195,515)	\$ (879,569)	\$ 3,456,304	\$ 3,502,485	\$ 5,716	\$ 492	\$ 3,812

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011

	Public Works								
	Community Development Block Grant Project			Street Department			Total Public Works		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	86,448	13,738	13,725	86,448	13,738	13,725
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	696,439	634,484	630,500
Interest income	-	-	-	-	-	-	6,321	5,850	9,500
Intergovernmental	-	-	-	-	-	-	1,120,692	3,761,985	3,761,985
Other revenue	-	-	-	162,139	65,663	81,426	183,780	85,292	99,426
Other taxes and assessments	-	-	-	277,738	287,344	283,900	280,792	287,344	283,900
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	526,325	366,745	379,051	2,374,472	4,788,693	4,799,036
Expenditures									
Salaries	-	-	-	389,559	399,525	428,765	490,665	505,141	539,545
Payroll taxes	-	-	-	28,682	28,757	32,800	35,642	36,003	40,680
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	584	1,518	1,940	584	1,518	1,940
Education and travel	-	-	-	680	465	4,000	680	465	4,000
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	55,950	63,675	62,420	71,828	81,309	80,025
Insurance	-	-	-	16,862	16,448	16,000	18,228	17,814	17,300
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	765	617	-	1,328	9,329	10,000
Professional and consulting service	-	-	-	12,690	3,647	9,700	139,297	286,490	240,800
Repairs and maintenance	-	-	-	384,776	437,479	434,750	403,984	459,983	463,250
Retirement	-	-	-	39,423	43,087	48,450	48,523	52,682	57,700
Supplies	-	-	-	78,223	73,609	84,700	78,922	74,818	85,700
Telephone	-	-	-	2,795	2,749	3,880	3,843	3,819	5,180
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	-	-	-	24,076	24,982	30,000	29,900	31,000	35,900
Capital outlay	-	-	-	445,831	255,322	256,125	587,666	285,122	286,125
Debt service - principal	-	-	-	13,864	14,444	14,297	1,773,864	159,444	159,297
Debt service - interest	-	-	-	4,520	3,940	4,829	580,290	513,231	514,417
Total expenditures	-	-	-	1,499,280	1,370,264	1,432,656	4,265,244	2,518,168	2,541,859
Excess (deficiency) of revenues over expenditures	-	-	-	(972,955)	(1,003,519)	(1,053,605)	(1,890,772)	2,270,525	2,257,177
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	-	-	-	95,727	-	-	-	-	-
Total other financing sources (uses)	-	-	-	95,727	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	\$ -	\$ (877,228)	\$ (1,003,519)	\$ (1,053,605)	\$ (1,890,772)	\$ 2,270,525	\$ 2,257,177

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011

Revenues	Parks and Recreation								
	Casino			Recreation			Golf Course		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	21	-	-	1,820	3,227	2,000	234,913	210,678	212,000
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	26,916	22,870	27,750	19,000	19,200	19,200	55,431	47,251	46,200
Total revenues	26,937	22,870	27,750	20,820	22,427	21,200	290,344	257,929	258,200
Expenditures									
Salaries	19,566	15,205	19,500	-	-	-	179,101	165,406	189,750
Payroll taxes	1,497	1,163	1,660	-	-	-	13,539	12,321	13,000
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	117	1,621	1,700
Education and travel	-	-	-	-	-	-	187	1,388	1,500
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	-	-	-	-	-	-	19,249	19,607	20,000
Insurance	192	192	175	471	472	450	2,714	2,709	2,500
Merchandise	-	-	-	-	-	-	22,681	17,246	17,000
Miscellaneous	24	24	25	26	-	-	13,249	14,588	11,700
Professional and consulting service	-	1,029	-	-	-	-	1,789	2,846	1,000
Repairs and maintenance	12,386	10,548	13,000	16,288	4,809	3,000	64,568	107,031	113,775
Retirement	-	-	-	-	-	-	11,723	10,901	11,500
Supplies	7,032	6,970	7,500	-	-	-	104,771	132,554	122,677
Telephone	406	411	1,000	-	-	-	3,073	2,973	2,400
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	773	641	750	-	-	-	3,674	3,272	3,500
Capital outlay	-	-	-	-	-	-	103,190	14,000	14,000
Debt service - principal	-	-	-	-	-	-	190,010	134,536	134,480
Debt service - interest	-	-	-	-	-	-	12,871	8,927	8,485
Total expenditures	41,876	36,183	43,610	16,785	5,281	3,450	746,506	651,926	668,967
Excess (deficiency) of revenues over expenditures	(14,939)	(13,313)	(15,860)	4,035	17,146	17,750	(456,162)	(393,997)	(410,767)
Other financing sources (uses)									
Due from (to) other funds	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale 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	\$ (14,939)	\$ (13,313)	\$ (15,860)	\$ 4,035	\$ 17,146	\$ 17,750	\$ (297,065)	\$ (393,997)	\$ (410,767)

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011

	Parks and Recreation								
	North Park			South Park			Pool		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	7,208	1,363	-	10,434	16,281	10,250	6,234	7,385	6,200
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	7,208	1,363	-	10,434	16,281	10,250	6,234	7,385	6,200
Expenditures									
Salaries	47,423	51,843	54,200	77,463	82,365	85,175	-	-	-
Payroll taxes	3,390	3,636	4,150	5,657	6,005	6,515	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education and travel	35	90	200	30	25	485	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	9,845	10,813	10,935	14,618	15,771	16,240	-	-	-
Insurance	994	994	500	2,289	2,290	2,125	629	629	500
Merchandise	-	-	-	-	-	-	-	-	-
Miscellaneous	1,756	148	-	573	72	500	-	-	-
Professional and consulting service	-	-	-	-	-	-	35,000	35,000	35,000
Repairs and maintenance	34,335	33,638	36,000	40,143	41,976	51,840	6,167	7,698	7,500
Retirement	4,910	5,772	6,125	7,755	8,802	9,220	-	-	-
Supplies	2,507	5,223	2,500	959	2,297	4,850	6,680	7,385	7,500
Telephone	953	1,076	800	851	905	1,200	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	2,132	2,167	2,150	3,423	3,485	3,750	-	-	-
Capital outlay	5,500	-	-	25,758	11,594	11,600	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	113,780	115,400	117,560	179,519	175,587	193,500	48,476	50,712	50,500
Excess (deficiency) of revenues over expenditures	(106,572)	(114,037)	(117,560)	(169,085)	(159,306)	(183,250)	(42,242)	(43,327)	(44,300)
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	\$ (106,572)	\$ (114,037)	\$ (117,560)	\$ (169,085)	\$ (159,306)	\$ (183,250)	\$ (42,242)	\$ (43,327)	\$ (44,300)

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011**

	Parks and Recreation		
	Prior Year	Current Year	Budget
	3/31/2010	3/31/2011	3/31/2011
Revenues			
Business license and permits	\$ -	\$ -	\$ -
Federal and state grants	-	-	-
Fines and forfeitures	-	-	-
Franchise fees	-	-	-
Sales tax	-	-	-
Interest income	-	-	-
Intergovernmental	-	-	-
Other revenue	260,630	238,934	230,450
Other taxes and assessments	-	-	-
Rental revenue	101,347	89,321	93,150
Total revenues	<u>361,977</u>	<u>328,255</u>	<u>323,600</u>
Expenditures			
Salaries	323,553	314,819	348,625
Payroll taxes	24,083	23,125	25,325
Community development block grant	-	-	-
Computer	117	1,621	1,700
Education and travel	252	1,503	2,185
Election	-	-	-
Health and life insurance	43,712	46,191	47,175
Insurance	7,289	7,286	6,250
Merchandise	22,681	17,246	17,000
Miscellaneous	15,628	14,832	12,225
Professional and consulting service	36,789	38,875	36,000
Repairs and maintenance	173,887	205,700	225,115
Retirement	24,388	25,475	26,845
Supplies	121,949	154,429	145,027
Telephone	5,283	5,365	5,400
Utilities	-	-	-
Workman's compensation	10,002	9,565	10,150
Capital outlay	134,448	25,594	25,600
Debt service - principal	190,010	134,536	134,480
Debt service - interest	12,871	8,927	8,485
Total expenditures	<u>1,146,942</u>	<u>1,035,089</u>	<u>1,077,587</u>
Excess (deficiency) of revenues over expenditures	(784,965)	(706,834)	(753,987)
Other financing sources (uses)			
Due from (to) other funds	-	-	-
Gain (Loss) on Sale of Assets	72,797	-	-
Settlement	-	-	-
Proceeds from Financing	86,300	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-
Transfers	-	-	-
Total other financing sources (uses)	<u>159,097</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (625,868)</u>	<u>\$ (706,834)</u>	<u>\$ (753,987)</u>

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES, AND EXPENDITURES
 (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND
 YEAR ENDED MARCH 31, 2011**

	Total Municipal Airport			Total General Fund		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Revenues						
Business license and permits	\$ -	\$ -	\$ -	\$ 33,755	\$ 61,541	\$ 61,000
Federal and state grants	50,564	109,320	109,000	187,335	128,475	128,125
Fines and forfeitures	-	-	-	181,919	184,346	166,000
Franchise fees	-	-	-	502,202	523,107	488,750
Sales tax	-	-	-	3,029,983	2,968,246	2,990,710
Interest income	-	-	-	9,764	10,575	13,500
Intergovernmental	-	-	-	1,120,692	3,761,985	3,761,985
Other revenue	108,852	113,708	113,400	709,821	530,898	527,086
Other taxes and assessments	-	-	-	355,370	355,890	346,900
Rental revenue	55,922	59,732	54,100	157,269	149,053	147,250
Total revenues	215,338	282,760	276,500	6,288,110	8,674,116	8,631,306
Expenditures						
Salaries	95,494	91,744	98,500	2,978,671	2,965,273	3,122,645
Payroll taxes	7,116	6,743	7,420	219,432	215,209	235,990
Community development block grant	-	-	-	-	-	-
Computer	-	-	-	84,659	100,063	95,340
Education and travel	695	814	1,200	22,797	28,539	36,660
Election	-	-	-	-	-	-
Health and life insurance	14,407	13,707	14,000	387,204	425,811	433,235
Insurance	13,535	13,703	14,000	99,322	78,634	100,895
Merchandise	982	-	2,000	23,663	17,246	19,000
Miscellaneous	2,152	3,217	2,098	32,549	40,938	39,718
Professional and consulting service	55,266	112,466	105,300	376,299	614,583	554,085
Repairs and maintenance	36,884	51,177	56,000	843,830	944,934	985,715
Retirement	9,276	8,207	9,000	308,383	317,392	334,365
Supplies	12,286	11,041	9,000	285,204	311,829	317,027
Telephone	2,854	3,280	2,900	65,230	61,940	62,390
Utilities	-	-	-	-	-	-
Workman's compensation	3,036	2,782	3,000	123,031	124,577	139,110
Capital outlay	6,220	7,386	7,500	755,994	376,517	394,725
Debt service - principal	40,000	40,000	40,000	2,519,571	799,671	799,477
Debt service - interest	3,648	2,333	2,310	724,742	635,760	634,517
Total expenditures	303,851	368,600	374,228	9,850,581	8,058,916	8,304,894
Excess (deficiency) of revenues over expenditures	(88,513)	(85,840)	(97,728)	(3,562,471)	615,200	326,412
Other financing sources (uses)						
Due from (to) other funds	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	72,797	625	-
Settlement	-	-	-	651,036	11,591	-
Proceeds from Financing	-	-	-	86,300	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	2,113,366	2,339,104	2,181,865
Transfers	-	-	-	396,000	975,000	975,000
Total other financing sources (uses)	-	-	-	3,319,499	3,326,320	3,156,865
Revenues and other sources over (under) expenditures and other uses	\$ (88,513)	\$ (85,840)	\$ (97,728)	\$ (242,972)	\$ 3,941,520	\$ 3,483,277

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES AND EXPENSES
 (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUNDS
 YEAR ENDED MARCH 31, 2011**

	Waterworks			Electric			Wastewater-Sewer		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Operating revenues									
Revenues	\$ 2,058,450	\$ 2,537,348	\$ 2,518,735	\$ 17,120,086	\$ 18,492,113	\$ 18,460,000	\$ 2,032,480	\$ 2,196,290	\$ 2,239,500
Federal and state grants	-	37,301	37,300	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	240	150	600
Penalties	25	50	2,000	153,022	176,361	150,000	-	-	2,000
Miscellaneous charges	17,322	1,242	18,500	15,498	56,311	65,000	224	148	300
Rental	4,320	6,420	3,500	-	-	-	-	-	1,000
Total operating revenues	2,080,117	2,582,361	2,580,035	17,288,606	18,724,785	18,675,000	2,032,944	2,196,588	2,243,400
Operating expenses									
Salaries	451,659	441,147	459,000	738,645	688,722	761,500	438,032	417,606	440,000
Payroll taxes	32,229	31,618	35,115	53,893	49,111	58,250	31,458	29,685	34,425
Depreciation	249,710	248,914	-	169,300	176,755	-	809,500	745,883	-
Computer	7,562	10,693	9,000	10,433	5,342	10,000	8,829	5,153	5,000
Education	2,437	1,094	3,000	2,221	5,002	10,000	1,590	472	5,000
Electric purchases	-	-	-	12,876,613	14,377,099	14,000,000	-	-	-
Health and life insurance	61,355	60,974	64,000	78,597	67,217	85,025	56,794	58,714	58,650
Insurance	17,219	9,724	19,600	70,816	62,564	70,000	21,237	13,600	24,000
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	360	313	1,000	883	1,104	2,500	774	976	1,500
Professional and consulting service	192,108	62,450	100,000	36,940	101,063	100,000	106,732	92,563	75,000
Repairs and maintenance	600,339	446,363	594,250	130,399	174,147	294,250	582,819	569,196	584,250
Retirement	43,976	45,816	49,385	75,498	76,147	85,315	44,706	46,609	50,850
Supplies	258,296	360,887	352,000	328,016	442,686	400,000	68,831	67,847	65,000
Telephone	2,944	3,048	4,000	8,270	9,043	6,500	2,383	2,336	3,500
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	15,034	14,914	17,000	28,270	25,790	33,000	11,421	10,859	13,000
Total operating expenses	1,935,228	1,737,955	1,707,350	14,608,794	16,261,792	15,916,340	2,185,106	2,061,499	1,360,175
Non-operating revenues (expenses)									
Investment Income	8	185	-	211	368	1,000	333,921	298,964	300,000
Gain (Loss) on Asset Disposal	-	16,100	-	-	-	-	-	-	-
Special Assessment Income	-	-	-	-	-	-	-	-	29,900
Interest expense and fees	(15,305)	(125,692)	(90,000)	-	-	-	(458,673)	(374,224)	(550,000)
Net non-operating revenues (expenses)	(15,297)	(109,407)	(90,000)	211	368	1,000	(124,752)	(75,260)	(220,100)
Net income before transfers	129,592	734,999	782,685	2,680,023	2,463,361	2,759,660	(276,914)	59,829	663,125
Transfers									
Transfers - Payments in Lieu of Taxes (PILOT)	(208,730)	(260,748)	(257,575)	(1,638,066)	(1,794,323)	(1,750,000)	(241,322)	(255,721)	(250,000)
Transfers	-	-	-	(396,000)	(975,000)	(975,000)	-	-	-
Total transfers	(208,730)	(260,748)	(257,575)	(2,034,066)	(2,769,323)	(2,725,000)	(241,322)	(255,721)	(250,000)
Net income (loss)	\$ (79,138)	\$ 474,251	\$ 525,110	\$ 645,957	\$ (305,962)	\$ 34,660	\$ (518,236)	\$ (195,892)	\$ 413,125

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES AND EXPENSES
 (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUNDS
 YEAR ENDED MARCH 31, 2011

	Fiber			Sanitation			Total Proprietary Funds		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Operating revenues									
Revenues	\$ 233,329	\$ 283,121	\$ 275,000	\$ 558,321	\$ 563,365	\$ 552,500	\$ 22,002,666	\$ 24,072,237	\$ 24,045,735
Federal and state grants	-	-	-	-	-	-	-	37,301	37,300
Tap - in charges	-	-	-	-	-	-	240	150	600
Penalties	-	-	-	-	-	-	153,047	176,411	154,000
Miscellaneous charges	19,152	-	18,000	4,695	4,259	3,000	56,891	61,960	104,800
Rental	-	-	-	-	-	-	4,320	6,420	4,500
Total operating revenues	252,481	283,121	293,000	563,016	567,624	555,500	22,217,164	24,354,479	24,346,935
Operating expenses									
Salaries	-	-	-	116,990	110,995	118,520	1,745,326	1,658,470	1,779,020
Payroll taxes	-	-	-	9,319	8,309	9,070	126,899	118,723	136,860
Depreciation	31,796	31,796	-	60,380	49,716	-	1,320,686	1,253,064	-
Computer	255	234	7,500	-	-	-	27,079	21,422	31,500
Education	-	-	-	73	71	485	6,321	6,639	18,485
Electric purchases	-	-	-	-	-	-	12,876,613	14,377,099	14,000,000
Health and life insurance	-	-	-	18,623	19,864	21,000	215,369	206,769	228,675
Insurance	-	-	-	4,658	4,660	4,325	113,930	90,548	117,925
Landfill and recycling	-	-	-	146,865	160,940	165,000	146,865	160,940	165,000
Miscellaneous	19,348	-	20,000	572	634	1,000	21,937	3,027	26,000
Professional and consulting service	500	-	5,000	956	4,170	1,500	337,236	260,246	281,500
Repairs and maintenance	25,780	7,142	20,000	87,604	104,031	113,350	1,426,941	1,300,879	1,606,100
Retirement	-	-	-	10,125	12,372	13,395	174,305	180,944	198,945
Supplies	33,539	5,348	30,000	4,527	3,755	7,500	693,209	880,523	854,500
Telephone	515	330	1,000	372	412	-	14,484	15,169	15,000
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	-	-	-	14,771	13,875	15,000	69,496	65,438	78,000
Total operating expenses	111,733	44,850	83,500	475,835	493,804	470,145	19,316,696	20,599,900	19,537,510
Non-operating revenues (expenses)									
Investment Income	-	-	-	-	-	-	334,140	299,517	301,000
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	16,100	-
Special Assessment Income	-	-	-	-	-	-	-	-	29,900
Interest expense and fees	-	-	-	(2,611)	-	-	(476,589)	(499,916)	(640,000)
Net non-operating revenues (expenses)	-	-	-	(2,611)	-	-	(142,449)	(184,299)	(309,100)
Net income before transfers	140,748	238,271	209,500	84,570	73,820	85,355	2,758,019	3,570,280	4,500,325
Transfers									
Transfers - Payments in Lieu of Taxes (PILOT)	(25,248)	(28,312)	(24,000)	-	-	-	(2,113,366)	(2,339,104)	(2,281,575)
Transfers	-	-	-	-	-	-	(396,000)	(975,000)	(975,000)
Total transfers	(25,248)	(28,312)	(24,000)	-	-	-	(2,509,366)	(3,314,104)	(3,256,575)
Net income (loss)	\$ 115,500	\$ 209,959	\$ 185,500	\$ 84,570	\$ 73,820	\$ 85,355	\$ 248,653	\$ 256,176	\$ 1,243,750

CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES AND EXPENSES
 (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES
 YEAR ENDED MARCH 31, 2011

	Hazardous Material			Safety Program			Mechanic		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
Operating revenues									
Revenues	\$ 2,739	\$ 3,653	\$ 7,880	\$ 18,531	\$ 14,385	\$ 18,090	\$ 173,848	\$ 127,488	\$ 152,250
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Miscellaneous charges	-	-	-	-	-	-	-	-	-
Rental	-	-	-	-	-	-	-	-	-
Total operating revenues	2,739	3,653	7,880	18,531	14,385	18,090	173,848	127,488	152,250
Operating expenses									
Salaries	2,067	2,038	2,200	10,077	7,456	10,500	71,024	71,601	72,500
Payroll taxes	159	156	170	774	570	805	4,762	4,934	5,550
Depreciation	-	-	-	-	-	-	-	-	-
Computer	-	-	-	1,336	1,278	1,000	327	3,574	2,500
Education	-	-	500	3,290	2,616	1,250	66	-	500
Electric purchases	-	-	-	-	-	-	-	-	-
Health and life insurance	114	124	110	114	102	125	11,423	11,955	12,650
Insurance	68	67	70	-	-	-	894	894	850
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	200	-	284	100	48	48	50
Professional and consulting service	-	-	300	-	-	500	-	-	-
Repairs and maintenance	-	-	500	540	201	1,000	27,306	6,407	5,900
Retirement	214	231	250	1,245	858	1,185	7,361	8,091	8,200
Supplies	26	945	3,000	606	683	1,000	27,899	16,640	40,000
Telephone	-	-	500	430	238	500	564	521	900
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	91	92	80	119	99	125	2,862	2,823	2,650
Capital Outlay	-	-	-	-	-	-	19,312	-	-
Total operating expenses	2,739	3,653	7,880	18,531	14,385	18,090	173,848	127,488	152,250
Non-operating revenues (expenses)									
Investment Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	-	-
Interest expense and fees	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-
Net income before transfers	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF MONETT, MISSOURI
 COMBINED SCHEDULE OF REVENUES AND EXPENSES
 (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES
 YEAR ENDED MARCH 31, 2011**

	Total Internal Service Funds		
	Prior Year 3/31/2010	Current Year 3/31/2011	Budget 3/31/2011
<u>Operating revenues</u>			
Revenues	\$ 195,118	\$ 145,526	\$ 178,220
Federal and state grants	-	-	-
Tap - in charges	-	-	-
Penalties	-	-	-
Miscellaneous charges	-	-	-
Rental	-	-	-
Total operating revenues	<u>195,118</u>	<u>145,526</u>	<u>178,220</u>
<u>Operating expenses</u>			
Salaries	83,168	81,095	85,200
Payroll taxes	5,695	5,660	6,525
Depreciation	-	-	-
Computer	1,663	4,852	3,500
Education	3,356	2,616	2,250
Electric purchases	-	-	-
Health and life insurance	11,651	12,181	12,885
Insurance	962	961	920
Landfill and recycling	-	-	-
Miscellaneous	48	332	350
Professional and consulting service	-	-	800
Repairs and maintenance	27,846	6,608	7,400
Retirement	8,820	9,180	9,635
Supplies	28,531	18,268	44,000
Telephone	994	759	1,900
Utilities	-	-	-
Workman's compensation	3,072	3,014	2,855
Capital Outlay	19,312	-	-
Total operating expenses	<u>195,118</u>	<u>145,526</u>	<u>178,220</u>
<u>Non-operating revenues (expenses)</u>			
Investment Income	-	-	-
Gain (Loss) on Asset Disposal	-	-	-
Interest expense and fees	-	-	-
Net non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Net income before transfers	-	-	-
Transfers	-	-	-
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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FEDERAL COMPLIANCE SECTION



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

To the Honorable Mayor James Orr,
Commissioner Jerry Dierker and Commissioner 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, 2011, which collectively comprise the City of Monett, Missouri's basic financial statements and have issued our report thereon dated August 2, 2011. 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, Missouri'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 August 2, 2011.

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
August 2, 2011



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor James Orr,
Commissioner Jerry Dierker and Commissioner 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 OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City of Monett, Missouri's major federal programs for the year ended March 31, 2011. The City of Monett, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on the City of Monett, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Monett, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Monett's compliance with those requirements.

In our opinion, the City of Monett, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended Marcy 31, 2011.

Internal Control Over Compliance

Management of the City of Monett, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Monett, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, Missouri'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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, 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
August 2, 2011

CITY OF MONETT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended March 31, 2011

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Department of Transportation			
Highway Planning and Construction Cluster			
Highway Safety Cluster			
Department of Transportation Pass-through Program	20.600	Enforcement OT	213
From Missouri Department of Transportation -		10 PT 02 138	1,411
State and Community Highway Safety		2008 EUDL-0028	419
		11-PT-02-108	228
Total Highway Safety Cluster			<u>\$ 2,272</u>
Other Programs			
Department of Transportation Direct Programs	20.607	10-154-AL-81	1,308
Alcohol Open Container Requirements		10-154-AL-73	1,253
		MoDOT DWI	151
		11-154-AL-88DWI	432
Total Department of Transportation Direct Programs			<u>\$ 3,145</u>
Department of Transportation Pass-through Program	20.106		
From Missouri Highways and Transportation Commission -			
Airport Improvement Program			
Master Plan Update		08-098B-1	35,000
Environmental Assessment		10-098B-1	70,795
Total Airport Improvement Program			<u>\$ 105,795</u>
Total Department of Transportation			<u>\$ 111,212</u>
United State Environmental Protection Agency			
Pass-through Programs from			
Missouri Department of Natural Resources -			
Capitalization Grants for Clean Water State Revolving Funds	66.458	1992 Clean Water Loan	202,154
Capitalization Grants for Drinking Water State Revolving Funds	66.468	2003 Clean Water Loan	7,428,305
Total United State Environmental Protection Agency			<u>\$ 7,630,459</u>
Total Federal Programs			<u><u>\$ 7,741,671</u></u>

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.

NOTE B - NON CASH EXPENDITURES

The amounts for Clean Water and Drinking Water Grants above, include the outstanding loan balances as well as the amount of interest paid out on the city's behalf.

Principal outstanding at March 31, 2011	1992 Clean Water Loan	\$ 195,000
	2003 Clean Water Loan	\$ 7,205,000

**CITY OF MONETT, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 MARCH 31, 2011**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified
 Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant Deficiency identified? Yes No
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weakness identified? Yes No
 Significant Deficiency identified? Yes No

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

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

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	United States Environmental Protection Agency

Dollar threshold used to distinguish between
 Type A and Type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Findings

No matters were noted.

Section III - Federal Award Findings and Questioned Costs

No matters were noted.