

BASIC FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,312,824	\$ 3,251,315	\$ 5,564,139
Accounts receivable	428,806	1,980,747	2,409,553
Prepaid health insurance	59,062	20,046	79,108
Prepaid workmen's compensation	117,950	66,345	184,295
Inventory		1,100,472	1,100,472
Premium on bond issuance	271,793	419,713	691,506
Restricted assets:			
Cash and cash equivalents	1,646,729	2,341,522	3,988,251
Investments		2,573,878	2,573,878
Other		275,000	275,000
Capital assets:			
Non depreciable	937,038	305,504	1,242,542
Depreciable, net	23,035,225	20,458,642	43,493,867
Total Assets	<u>28,809,427</u>	<u>32,793,184</u>	<u>61,602,611</u>
LIABILITIES			
Accounts payable	390,784	1,401,748	1,792,532
Accrued payroll and payroll taxes	155,377	64,930	220,307
Accrued interest payable	142,915	81,806	224,721
Due to depositors	15,625	390,741	406,366
Accrued compensated absences liabilities:			
Due within one year	365,778	255,707	621,485
Due in more than one year	40,642	21,365	62,007
Long-term debt liabilities:			
Due within one year	1,304,890	588,784	1,893,674
Due in more than one year	9,986,208	9,171,396	19,157,604
Total Liabilities	<u>12,402,219</u>	<u>11,976,477</u>	<u>24,378,696</u>
NET POSITION			
Net investment in capital assets	12,681,165	11,003,966	23,685,131
Restricted for:			
Capital projects	1,681,713		1,681,713
Other purposes	18,918	4,915,400	4,934,318
Unrestricted	2,025,412	4,897,341	6,922,753
	<u>\$ 16,407,208</u>	<u>\$ 20,816,707</u>	<u>\$ 37,223,915</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2013

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	\$ 541,202	\$ 189,056	\$ -	\$ (352,146)	\$	\$ (352,146)
Public safety	3,562,899	65,132	7,421	(3,490,346)		(3,490,346)
Public works	2,226,567	45,642	-	(2,180,925)		(2,180,925)
Parks and recreation	1,227,197	277,315	15,324	(934,558)		(934,558)
Municipal Airport	421,575	167,231	-	(254,344)		(254,344)
Interest on long-term debt	478,572	-	-	(478,572)		(478,572)
Total governmental activities	8,458,012	744,376	22,745	(7,690,891)		(7,690,891)
Business-type activities:						
Waterworks	2,126,517	2,975,805	73,304		922,592	922,592
Electric	16,572,510	18,556,902			1,984,392	1,984,392
Wastewater-sewer	2,426,236	2,383,580	208,278		165,622	165,622
Sanitation	543,815	574,723			30,908	30,908
Fiber optics	174,747	261,685			86,938	86,938
Total business-type activities	21,843,825	24,752,695	281,582		3,190,452	3,190,452
Total City	\$ 30,301,837	\$ 25,497,071	\$ 304,327	(7,690,891)	3,190,452	(4,500,439)

General revenues		
Sales and use taxes	2,126,070	2,126,070
Sales and use taxes - police station	319,158	319,158
Motor fuel sales tax	318,533	318,533
M & M Surcharge Tax	41,279	41,279
Emergency Telephone Tax	29,405	29,405
Sales Tax - TIF	628,201	628,201
Real Estate Tax - TIF	42,436	42,436
Franchise fees	419,274	419,274
Payments in lieu of taxes	2,386,409	(2,386,409)
Investment revenue (Note 2)	9,820	142,365
Gain (Loss) Sale of Assets	(88,739)	8,500
Settlement	-	-
Miscellaneous	241,870	132,673
Transfers	750,000	(750,000)
Total general revenues and transfers	7,223,716	(2,852,871)
Change in net position	(467,175)	337,581
Net position - beginning	16,874,383	20,479,126
Net position - ending	\$ 16,407,208	\$ 20,816,707

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2013

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	
ASSETS					
Cash and cash equivalents	\$ 2,312,824	\$ -	\$ -	\$ -	\$ 2,312,824
Investments	-	-	-	-	-
Accounts receivable	372,125	-	48,048	8,633	428,806
Due from other funds	2,779	-	-	-	2,779
Prepaid health insurance	59,108	-	-	-	59,108
Prepaid workmen's compensation	117,950	-	-	-	117,950
Restricted assets:					
Cash and cash equivalents	18,918	-	875,299	752,512	1,646,729
Investments	-	-	-	-	-
Total assets	<u>\$ 2,883,704</u>	<u>\$ -</u>	<u>\$ 923,347</u>	<u>\$ 761,145</u>	<u>\$ 4,568,196</u>
LIABILITIES					
Accounts payable	390,784	-	-	-	\$ 390,784
Accrued payroll and payroll taxes	153,775	1,602	-	-	155,377
Due to depositors	15,625	-	-	-	15,625
Due to other funds	-	-	411	2,368	2,779
Total liabilities	<u>560,184</u>	<u>1,602</u>	<u>411</u>	<u>2,368</u>	<u>564,565</u>
FUND BALANCE					
Nonspendable:					
Inventory and prepaid	177,059	-	-	-	177,059
Restricted for:					
E 911 communication	-	-	-	-	-
Court	18,918	-	-	-	18,918
Community redevelopment expenditures	-	-	922,936	758,777	1,681,713
Committed:					
South Park Casino Project	1,090,087	-	-	-	1,090,087
Unassigned	1,037,456	(1,602)	-	-	1,035,854
Total fund balances	<u>2,323,520</u>	<u>(1,602)</u>	<u>922,936</u>	<u>758,777</u>	<u>4,003,631</u>
Total liabilities and fund balances	<u>\$ 2,883,704</u>	<u>\$ -</u>	<u>\$ 923,347</u>	<u>\$ 761,145</u>	<u>\$ 4,568,196</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2013**

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

Total fund balance - total governmental funds		\$ 4,003,631
Capital assets used in governmental activities are not current financial resource, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 43,076,790	
Less accumulated depreciation	<u>(19,104,527)</u>	
		23,972,263
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	(49,950)	
Revenue bonds	(7,460,000)	
Notes payable	(2,317,903)	
Capital lease obligations	(1,463,245)	
Accrued compensated absences	(406,420)	
Unamortized premium on bond issuance	271,747	
Accrued interest liability	<u>(142,915)</u>	
		(11,568,686)
Net position of Governmental Activities		<u><u>\$ 16,407,208</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, 2013

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance -District 1	Tax Increment Finance - District 2	
REVENUES					
Business license and permits	\$ 25,033	\$ -	\$ -	\$ -	\$ 25,033
Federal and state grants	22,793	-	-	-	22,793
Fines and forfeitures	167,102	-	-	-	167,102
Franchise fees	419,274	-	-	-	419,274
Sales tax	2,445,228	-	489,792	138,409	3,073,429
Investment income	8,784	-	984	52	9,820
Other revenue	649,988	12,025	-	-	662,013
Other taxes and assessments	359,812	29,405	42,436	-	431,653
Rental revenue	132,098	-	-	-	132,098
Total Revenues	4,230,112	41,430	533,212	138,461	4,943,215
EXPENDITURES					
Current					
Policy development and administration	507,930	-	-	-	507,930
Public safety	3,115,137	94,985	-	-	3,210,122
Public works	1,291,803	-	57,028	6,138	1,354,969
Parks and recreation	980,463	-	-	-	980,463
Municipal airport	239,600	-	-	-	239,600
Capital outlay	1,792,900	-	-	-	1,792,900
Debt service:					
Principal	531,916	-	580,000	-	1,111,916
Interest and other charges	84,361	-	179,922	188,758	453,041
Total Expenditures	8,544,110	94,985	816,950	194,896	9,650,941
Excess (Deficiency) of Revenues over Expenditures	(4,313,998)	(53,555)	(283,738)	(56,435)	(4,707,726)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	306,883	-	-	-	306,883
Proceeds from financing	1,777,709	-	-	-	1,777,709
Transfers - Payments in lieu of taxes (PILOTS)	2,386,409	-	-	-	2,386,409
Transfers in	738,799	11,201	-	-	750,000
	5,209,800	11,201	-	-	5,221,001
Net Change in Fund Balances	895,802	(42,354)	(283,738)	(56,435)	513,275
Fund balance - beginning	1,427,718	40,752	1,206,674	815,212	3,490,356
Fund balance - ending	\$ 2,323,520	\$ (1,602)	\$ 922,936	\$ 758,777	\$ 4,003,631

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, 2013**

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

Net change in fund balance - total governmental funds	\$ 513,275
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.	1,792,900
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,665,204)
In the Statement of Activities cost of accrued compensated absences are expenses as salary costs.	(21,153)
Governmental funds report proceeds from sale of assets as revenues. However, in the statement of activities the proceeds of the sales are not reported on the Statement of Activities	(395,669)
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 live	(32,168)
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	6,637
Governmental funds report proceeds from financing as revenue. However, in the statement of activities the proceeds of those loans are balance sheet items and not reported on the Statement of Activities.	(1,777,709)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,111,916
Change in net position of governmental activities	<u>\$ (467,175)</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF NET POSITION
 MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 2,839,667	\$ -	\$ 339,297	\$ 72,351	\$ 3,251,315
Investments	-	-	-	-	-	-
Accounts receivable	211,672	1,515,545	186,571	44,739	22,220	1,980,747
Prepaid health insurance	5,991	6,984	5,120	1,951	-	20,046
Prepaid workmen's compensation	12,901	25,799	11,058	16,587	-	66,345
Inventory	330,113	695,393	19,321	-	55,645	1,100,472
Due from other funds	-	-	-	-	-	-
Unamortized bond issue costs/investments	72,905	-	346,808	-	-	419,713
Total current assets	633,582	5,083,388	568,878	402,574	150,216	6,838,638
Restricted assets:						
Cash and cash equivalents	2,326,756	-	14,766	-	-	2,341,522
Investments	-	-	2,573,878	-	-	2,573,878
Total restricted assets	2,326,756	-	2,588,644	-	-	4,915,400
Other						
			275,000			275,000
Capital assets:						
Land	56,932	58,400	178,071	12,101	-	305,504
Building and Improvements	908,946	769,758	33,704	84,877	-	1,797,285
Machinery and equipment	506,697	1,088,809	494,599	937,442	145,122	3,172,669
Infrastructure	9,666,693	5,381,749	25,419,028	61,189	635,923	41,164,582
Construction in progress	-	-	97,989	-	-	97,989
Less: accumulated depreciation	(4,583,285)	(5,574,557)	(14,658,699)	(604,047)	(353,295)	(25,773,883)
Total capital assets (net of accumulated depreciation)	6,555,983	1,724,159	11,564,692	491,562	427,750	20,764,146
Total noncurrent assets	6,555,983	1,724,159	11,564,692	491,562	427,750	20,764,146
Total Assets	9,516,321	6,807,547	14,997,214	894,136	577,966	32,793,184
LIABILITIES						
Current liabilities:						
Accounts payable	59,312	1,278,657	42,085	18,071	3,623	1,401,748
Accrued payroll and payroll taxes	15,908	26,893	17,040	5,089	-	64,930
Accrued interest payable	27,000	-	54,806	-	-	81,806
Due to other funds	-	-	-	-	-	-
Current maturities of long-term liabilities	158,784	-	430,000	-	-	588,784
Total current liabilities	261,004	1,305,550	543,931	23,160	3,623	2,137,268
Long-term liabilities, less current maturities:						
Due to depositors	30,615	360,126	-	-	-	390,741
Accrued compensated absences	39,543	172,162	52,557	12,810	-	277,072
Notes and capitalized lease obligations payable	2,711,396	-	-	-	-	2,711,396
Neighborhood improvement bonds	-	-	275,000	-	-	275,000
Revenue bonds payable, net	-	-	6,185,000	-	-	6,185,000
Total noncurrent liabilities	2,781,554	532,288	6,512,557	12,810	-	9,839,209
	3,042,558	1,837,838	7,056,488	35,970	3,623	11,976,477
NET POSITION						
Net investment in capital assets	3,685,803	1,724,159	4,674,692	491,562	427,750	11,003,966
Restricted for:						
Capital projects	-	-	-	-	-	-
Other purposes	2,326,756	-	2,588,644	-	-	4,915,400
Unrestricted	461,204	3,245,550	677,390	366,604	146,593	4,897,341
Total Net Position	\$ 6,473,763	\$ 4,969,709	\$ 7,940,726	\$ 858,166	\$ 574,343	\$ 20,816,707

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 YEAR ENDED MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
OPERATING REVENUES						
Charges for services	\$ 2,975,805	\$ 18,556,902	\$ 2,383,580	\$ 574,723	\$ 261,685	\$ 24,752,695
OPERATING EXPENSES						
Salaries	437,987	728,572	442,287	135,669		1,744,515
Payroll taxes	30,323	50,038	31,858	10,251		122,470
Depreciation	342,193	173,937	750,112	64,144	46,308	1,376,694
Computer	11,504	23,374	8,074		6,013	48,965
Education	3,427	7,511	1,536	9		12,483
Electric purchases		14,759,694				14,759,694
Health and life insurance	59,319	80,577	59,079	22,516		221,491
Insurance	18,238	73,988	21,936	4,847		119,009
Landfill and recycling				156,748		156,748
Miscellaneous	341	3,113	197	596	37,800	42,047
Professional and consulting service	75,033	96,312	133,195	5,419	32,430	342,389
Repairs and maintenance	491,320	158,073	495,772	101,152	28,185	1,274,502
Retirement	54,525	97,796	60,654	18,868		231,843
Supplies	410,184	277,875	40,606	4,641	23,669	756,975
Telephone	2,766	12,205	1,818	379	342	17,510
Utilities						
Workman's compensation	15,789	29,445	11,630	18,576		75,440
Total Operating Expenses	1,952,949	16,572,510	2,058,754	543,815	174,747	21,302,775
Operating Income (Loss)	1,022,856	1,984,392	324,826	30,908	86,938	3,449,920
NONOPERATING REVENUES (EXPENSES)						
Investment income	38	1,738	140,589			142,365
Federal and State Grants	73,304		208,278			281,582
Miscellaneous income	35,806	53,690	2,822	2,555	37,800	132,673
Gain(loss) on asset disposal		8,500				8,500
Interest expense and fees	(173,568)		(367,482)			(541,050)
Total Nonoperating Revenues (Expenses)	(64,420)	63,928	(15,793)	2,555	37,800	24,070
Income (Loss) Before Contributions and Transfers	958,436	2,048,320	309,033	33,463	124,738	3,473,990
Payments in lieu of taxes (PILOTS)	(309,180)	(1,786,853)	(260,427)		(29,949)	(2,386,409)
Transfers out		(665,000)			(85,000)	(750,000)
	649,256	(403,533)	48,606	33,463	9,789	337,581
Net position - beginning	5,824,507	5,373,242	7,892,120	824,703	564,554	20,479,126
Net position - ending	\$ 6,473,763	\$ 4,969,709	\$ 7,940,726	\$ 858,166	\$ 574,343	\$ 20,816,707

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 2,985,070	\$ 18,293,922	\$ 2,364,702	\$ 570,817	\$ 265,619	\$ 24,480,130
Cash received from other sources	35,806	53,690	2,822	2,555	37,800	132,673
Cash payments to suppliers	(410,184)	(277,875)	(40,606)	(4,641)	(23,669)	(756,975)
Cash payments to employees	(441,674)	(696,093)	(439,486)	(135,185)	-	(1,712,438)
Cash payments to employee benefits and payroll taxes	(145,179)	(228,737)	(151,828)	(51,726)	-	(577,470)
Cash payments for other expenses	(798,146)	(14,959,001)	(660,693)	(285,611)	(93,245)	(16,796,696)
Net cash provided by (used in) operating activities	1,225,693	2,185,906	1,074,911	96,209	186,505	4,769,224
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	-	(665,000)	-	-	(85,000)	(750,000)
Transfer NBV of Capital Asset	-	15,000	-	-	(15,000)	-
Transfers - Payments in lieu of taxes (PILOTS)	(309,180)	(1,786,853)	(260,427)	-	(29,949)	(2,386,409)
Net cash provided by (used in) non-capital financing activities	(309,180)	(2,436,853)	(260,427)	-	(129,949)	(3,136,409)
Cash flows from capital and related financing activities:						
Interest expense & fees	(170,574)	-	(347,115)	-	-	(517,689)
Principal payment on capital lease	(156,077)	-	(415,000)	-	-	(571,077)
Purchase of capital acquisitions	(519,761)	(213,975)	(97,988)	-	-	(831,724)
Proceeds from assessment receivable	-	-	(105,604)	-	-	(105,604)
Federal and state grants	73,304	-	208,278	-	-	281,582
Net cash provided by (used in) capital and related financing activities	(773,108)	(213,975)	(757,429)	-	-	(1,744,512)
Cash flows from investing activities:						
Investment income	38	1,738	140,589	-	-	142,365
Purchase of investments	-	-	(1,459,285)	-	-	(1,459,285)
Proceeds from maturity of investments	-	2,873	-	-	-	2,873
Net cash provided by (used in) investing activities	38	4,611	(1,318,696)	-	-	(1,314,047)
Net increase (decrease) in cash and cash equivalents	143,443	(460,311)	(1,261,641)	96,209	56,556	(1,425,744)
	2,183,313	3,299,978	1,276,407	243,088	15,795	7,018,581
Cash and cash equivalents - ending	\$ 2,326,756	\$ 2,839,667	\$ 14,766	\$ 339,297	\$ 72,351	\$ 5,592,837
Displayed as:						
Cash and cash equivalents	\$ -	\$ 2,839,667	\$ -	\$ 339,297	\$ 72,351	\$ 3,251,315
Restricted - cash and cash equivalents	2,326,756	-	14,766	-	-	2,341,522
Total cash and cash equivalents	\$ 2,326,756	\$ 2,839,667	\$ 14,766	\$ 339,297	\$ 72,351	\$ 5,592,837
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,022,856	\$ 1,984,392	\$ 324,826	\$ 30,908	\$ 86,938	\$ 3,449,920
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	342,193	173,937	750,112	64,144	46,308	1,376,694
Miscellaneous revenue	35,806	53,690	2,822	2,555	37,800	132,673
(Increase) decrease in accounts receivable	9,024	(267,235)	(18,878)	(3,906)	3,934	(277,061)
(Increase) decrease in prepaid sales tax	-	-	-	-	-	-
(Increase) decrease in inventory	(76,692)	(22,943)	(1,756)	-	14,509	(86,882)
Increase (decrease) in prepaid health insurance	(1,012)	(326)	(237)	(91)	-	(1,666)
Increase (decrease) in prepaid workmen's compensation	22,894	4,225	(2,488)	(2,338)	-	22,293
Increase (decrease) in accounts payable	(125,930)	223,432	17,709	4,453	(2,984)	116,680
Increase (decrease) in accrued payroll	1,042	2,329	1,653	-	-	5,024
Increase (decrease) in customer deposits	241	4,255	-	-	-	4,496
Increase (decrease) in accrued compensated absences	(4,729)	30,150	1,148	484	-	27,053
Net cash provided by (used in) operating activities	\$ 1,225,693	\$ 2,185,906	\$ 1,074,911	\$ 96,209	\$ 186,505	\$ 4,769,224

NONCASH CAPITAL FINANCING ACTIVITIES

See accompanying notes to the financial statements.