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, 1913, 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 2016. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, and airport operations. Other services include water, electric, sewer, fiber optic, and sanitation operations.

The financial statements of the City of Monett have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for government accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations, constitutes GAAP for governmental unites. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

GASB Statements No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA pronouncements, effective for periods beginning after December 15, 2011, incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure, which do not conflict with or contradict GASB pronouncements. The City has implemented this new requirement in the current year.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, effective for periods beginning after December 15, 2011, provides financial reporting guidance for net position. The City has implemented this new requirement in the current fiscal year.

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 Position 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 Position, 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 1 & 2 — 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 Position 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. Investment in securities at March 31, 2013 consists mainly of certificate of deposits, obligations of government backed securities, obligations of government sponsored enterprises, U.S. Treasury securities, state and local governmental obligations, and governmental invested mutual funds. The City classifies its investments as available-for-sale securities. Available-for-sale securities are recorded at fair value. The fair values of governmental invested mutual funds are based on quoted market prices for those or similar investments at the reporting date.

If a fixed maturity security is in an unrealized loss position and the City has the intent to sell the fixed maturity security, or it is more likely than not that the City will have to sell the fixed maturity security before recovery of its amortized cost basis, the decline in value is deemed to be other-than temporary and is recorded as an other-than-temporary impairment loss recognized in the City's Statement of Activities. For impaired fixed maturity securities that the City does not intend to sell or it is more likely than not that such securities will not have to be sold, but the City expects not to fully recover the amortized cost basis, the credit component of the other-than-temporary impairment is recorded as an other-than-temporary impairment loss recognized in the City's Statement of Net Position and the non-credit component of the other-than-temporary impairment is reported in other comprehensive income. Unrealized losses entirely caused by non-credit related factors related to fixed maturity securities for which the City expects to fully recover the amortized cost basis are reported in accumulated other comprehensive income.

The unrealized gains or losses on the City's equity securities classified as available-for-sale are included in accumulated other comprehensive income as a separate component of surplus equity, unless the decline in value is deemed to be other-than-temporary and the City does not have the intent and ability to hold such equity securities until their full cost can be recovered, in which case such equity securities are written down to fair value and the loss is charged to other-than-temporary impairment losses recognized in earnings.

A decline in the fair value of any available-for-sale security below cost that is deemed to be other-than temporary results in an impairment reducing the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether impairment is other-than-temporary, the City considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, market conditions, changes in value subsequent to year end, forecasted performance of the investee, and the general market condition in the geographic area or industry the investee operates in.

Premiums and discounts are amortized or accreted over the life of the related available-for-sale security as an adjustment to yield. Dividend and interest income are recognized when earned.

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, at cost, 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 position 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:

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

f. Compensated Absences

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences for the years ended March 31, 2013 and 2012 are $683,492 and $635,284 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 Position 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 are classified as follows:

Nonspendable – amounts that cannot be spent either because they are nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the board. The board is the highest level of decision-making authority for the City. Commitments maybe established, modified, or rescinded only through ordinances or resolutions approved by the board. At the end of March 2013, $1,090,087 was committed for the South Park Casino building project.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the city's policy, the city may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

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 $541,067, 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, 2013 reflect payments in lieu of taxes (PILOTS) to the City of $2,386,409.

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 $650,812 in the current fiscal year.

k. Net Position

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

Net investment in Capital Assets - 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 position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position that do not meet the definition of "restricted" or "net investment of capital assets."

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, 2013, the bank balance of the City's deposits was $8,704,500, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name. At March 31, 2013, the carrying amount of the City's deposit was $8,529,308 with the difference between bank and book balances of $175,192 due to outstanding checks in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2013, the bank balance of the City's restricted deposits was $3,988,251, 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.

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, 2013, the City held the following investments, all of which have maturities of more than 24 months:

Investment Type	Fair Value
U.S. Agency:	
GNMA II	$ 689,847
GNMA	76,671
FNMA	67,752
FHMA	9,403
Trustee investments	1,077,456
Certificates of deposit	652,749
Total	$ 2,573,878

The following is a listing of cash and investments held by the City as of March 31, 2013:

Money market funds	$	34,271
Deposits		7,876,559
Investment in security		843,673
Investments in CD's		652,749
Petty Cash		1,200
Trustee investments		1,077,456
Trustee accounts		1,640,360
Total	$	12,126,268

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	$	5,564,139
Restricted cash and cash equivalents		3,988,251
Restricted investments		2,573,878
Total	$	12,126,268

The accredited cost, gross unrealized gains, gross unrealized losses, and estimated fair value of **available-for-sale** securities by U.S. Agency at March 31, 2013 were as follows:

	Accredited Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Agency:				
GNMA II	$ 689,847	$ 0.00	$ 0.00	$ 689,847
GNMA	76,671	0.00	0.00	76,671
FNMA	67,752	0.00	0.00	67,752
FHMA	9,403	0.00	0.00	9,403
	$ 843,673	$ 0.00	$ 0.00	$ 843,673

The fair values of all of the available-for-sale securities as of March 31, 2013 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs). The City regularly monitors and evaluates the difference between the cost and estimated fair value of investments. For investments with a fair value below cost, the process includes evaluating: (1) the length of time and the extent to which the estimated fair value has been less than amortized cost for fixed maturity securities, or cost for equity securities, (2) the financial condition, near-term and long term prospects for the issuer, including relevant industry conditions and trends, and implications of rating agency actions, (3) the City's intent to sell or the likelihood of a required sale prior to recovery, (4) the recoverability of principal and interest for fixed maturity securities, or cost for equity securities, and (5) other factors, as applicable. This process is not exact and requires consideration of risks such as credit and interest rate risks. Consequently, if an investment's cost exceeds its estimated fair value solely due to changes in interest rates, other-than-temporary impairment may not be appropriate. Due to the subjective nature of the City's analysis, along with the judgment that must be applied in the analysis, it is possible that the City could reach a different conclusion whether or not to impair a security if it had access to additional information about the investee. Additionally, it is possible that the investee's ability to meet future contractual obligations may be different than determined by the City during its analysis, which may lead to a different impairment conclusion in future periods. If after monitoring and analyzing impaired securities, the City determines that a decline in the estimated fair value of any available-for-sale security below cost is other-than-temporary, the carrying amount of the security is reduced to its fair value by the credit component of the other-than-temporary impairment. The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of an other-than-temporary impairment, the impaired security is accounted for as if it had been purchased on the measurement date of the impairment. For debt securities, the discount (or reduced premium) based on the new cost basis may be accreted into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

The City continues to review the investment portfolios. Given the current market conditions and the significant judgments involved, there is a continuing risk that further declines in fair value may occur and material other-than-temporary impairments may be recorded in future periods.

U.S. Government Debt Securities and State and Local Government Debt Securities — Any specific unrealized loss on the City's investments in debt securities was mainly caused by fluctuations in interest rate and general market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the par value of the investment. In addition, most of these investments have investment grade ratings. These investments are not considered other-than-temporarily impaired, for the following reasons: (1) the decline in fair value is attributable to changes in interest rates and not credit quality; (2) the City does not intend to sell the investments; (3) the City does not expect to be required to sell the investments before recovery of their amortized cost basis, which may be maturity; and (4) the City expects to collect all contractual cash flows.

Certificates of Deposits - negotiable – Any specific unrealized loss on the City's investments in certificates of deposits negotiable securities are mainly caused by fluctuations in interest rate and general market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the face value of the investment. These investments are not considered other-than-temporarily impaired, for the following reasons: (1) the decline in fair value is attributable to changes in interest rates and not credit quality; (2) the City does not intend to sell the investments; (3) the City does not expect to be required to sell the investments before recovery of their amortized cost basis, which may be maturity; and (4) the City expects to collect all contractual cash flows.

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, 2013, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

Investment Type	Rating
U.S. Agency Securities	AAA

(C) Capital Assets

Capital asset activity for the year ended March 31, 2013, was as follows:

Governmental Activities:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	$ 937,038	43,641	(96,000)		$ 884,679
Construction in Process	50,880	663,993	(38,479)		676,394
	987,918	707,634	(134,479)	-	1,561,073
Depreciable Capital Assets					
Buildings and Building Imp.	6,676,713	117,345	(363,795)	-	6,430,263
Machinery and Equipment	6,251,998	682,029	(142,766)	-	6,791,261
Infrastructure	28,008,381	285,891	(16,816)	-	28,277,456
Total Depreciable Capital Assets	40,937,092	1,085,265	(523,377)	-	41,498,980
Less Accumulated Depreciation					
Buildings and Building Imp.	(2,155,312)	(220,990)	127,236	-	(2,249,066)
Machinery and Equipment	(4,419,680)	(394,592)	128,342	-	(4,685,930)
Infrastructure	(11,109,828)	(1,049,622)	6,656	-	(12,152,794)
Total Accumulated Depreciable	(17,684,820)	(1,665,204)	262,234	-	(19,087,790)
Total Capital Assets, Net	23,252,272	(579,939)	(261,143)	-	22,411,190
Total Governmental Activities Capital Assets	$ 24,240,190	127,695	(395,622)	-	$ 23,972,263

Depreciation expense was charged functions as follows:

Policy Development and Administration	27,292
Public Safety	340,138
Public Works	860,604
Parks and Recreation	253,825
Municipal Airport	183,345
Total depreciation expense governmental activates	$ 1,665,204

Business Type Activities:

Water Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	$ 56,932	$ -	$ -	$ -	$ 56,932
Construction in Process	136,876	-	(136,876)	-	-
Total Non-Depreciable Capital Assets	193,808	-	(136,876)	-	56,932
Depreciable Capital Assets					
Buildings and Building Imp.	908,946	-	-	-	908,946
Machinery and Equipment	481,148	25,549	-	-	506,697
Infrastructure	9,034,154	632,539	-	-	9,666,693
Total Depreciable Capital Assets	10,424,248	658,088	-	-	11,082,336
Less Accumulated Depreciation					
Buildings and Building Imp.	(615,562)	(26,374)	-	-	(641,936)
Machinery and Equipment	(304,274)	(28,632)	-	-	(332,906)
Infrastructure	(3,321,256)	(287,187)	-	-	(3,608,443)
Total Accumulated Depreciable	(4,241,092)	(342,193)	-	-	(4,583,285)
Total Depreciable Capital Assets, Net	6,183,156	315,895	-	-	6,499,051
Total Water Fund Business - Type Capital Assets	$ 6,376,964	$ 315,895	$ (136,876)	$ -	$ 6,555,983

Electric Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	$ 58,400	$ -	$ -	$ -	$ 58,400
Total Non-Depreciable Capital Assets	58,400	-	-	-	58,400
Depreciable Capital Assets					
Buildings and Building Imp.	769,756	-	-	-	769,756
Machinery and Equipment	984,957	184,485	(5,631)	(75,000)	1,088,811
Infrastructure	5,346,629	35,121	-	-	5,381,750
Total Depreciable Capital Assets	7,101,342	219,606	(5,631)	(75,000)	7,240,317
Less Accumulated Depreciation					
Buildings and Building Imp.	(622,701)	(24,101)		-	(646,802)
Machinery and Equipment	(486,353)	(61,455)	5,631	60,000	(482,177)
Infrastructure	(4,357,198)	(88,381)	-	-	(4,445,579)
Total Accumulated Depreciable	(5,466,252)	(173,937)	5,631	60,000	(5,574,558)
Total Depreciable Capital Assets, Net	1,635,090	45,669	-	(15,000)	1,665,759
Total Electric Fund Business - Type Capital Assets	$ 1,693,490	$ 45,669	$ -	$ (15,000)	$ 1,724,159

Sewer Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	$ 178,071	$ -	$ -	$ -	$ 178,071
Construction in Process	-	97,989	-	-	97,989
Total Non-Depreciable Capital Assets	178,071	97,989	-	-	276,060
Depreciable Capital Assets					
Buildings and Building Imp.	33,704	-	-	-	33,704
Machinery and Equipment	494,599	-	-	-	494,599
Infrastructure	25,419,028	-	-	-	25,419,028
Total Depreciable Capital Assets	25,947,331	-	-	-	25,947,331
Less Accumulated Depreciation					
Buildings and Building Imp.	(4,714)	(1,124)	-	-	(5,838)
Machinery and Equipment	(367,297)	(19,564)	-	-	(386,861)
Infrastructure	(13,536,576)	(729,424)	-	-	(14,266,000)
Total Accumulated Depreciable	(13,908,587)	(750,112)	-	-	(14,658,699)
Total Depreciable Capital Assets, Net	12,038,744	(750,112)	-	-	11,288,632
Total Sewer Fund Business - Type Capital Assets	$ 12,216,815	$ (652,123)	$ -	$ -	$ 11,564,692

Sanitation Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
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.	84,877	-	-	-	84,877
Machinery and Equipment	937,442	-	-	-	937,442
Infrastructure	61,189	-	-	-	61,189
Total Depreciable Capital Assets	1,083,508	-	-	-	1,083,508
Less Accumulated Depreciation					
Buildings and Building Imp.	(30,307)	(2,829)	-	-	(33,136)
Machinery and Equipment	(492,810)	(59,275)	-	-	(552,085)
Infrastructure	(16,787)	(2,039)	-	-	(18,826)
Total Accumulated Depreciable	(539,904)	(64,143)	-	-	(604,047)
Total Depreciable Capital Assets, Net	543,605	(64,143)	-	-	479,461
Total Sanitation Fund Business - Type Capital Assets	$ 555,706	$ (64,143)	$ -	$ -	$ 491,562

Fiber Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	$ -	$ -	$ -	$ -	$ -
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	70,122	-	-	75,000	145,122
Infrastructure	635,923	-	-	-	635,923
Total Depreciable Capital Assets	706,045	-	-	75,000	781,045
Less Accumulated Depreciation					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	(7,012)	(14,512)	-	(60,000)	(81,524)
Infrastructure	(239,975)	(31,796)	-	-	(271,771)
Total Accumulated Depreciable	(246,987)	(46,308)	-	(60,000)	(353,295)
Total Depreciable Capital Assets, Net	459,058	(46,308)	-	15,000	427,750
Total Fiber Fund Business - Type Capital Assets	$ 459,058	$ (46,308)	$ -	$ 15,000	$ 427,750

Depreciation expense was charged to the functions as follows:

Water	$ 342,193
Electric	173,937
Sewer	750,112
Sanitation	64,144
Fiber optics	46,308
Total depreciation expense-business -type activities	$ 1,376,694

(D) Long-Term Obligations

The following is a summary of changes in long-term debt for the City for the year ended March 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligaiton bonds	$ 65,604	$ -	$ 15,654	$ 49,950	$ 16,535
Revenue bonds	8,040,000		580,000	7,460,000	620,000
Total Bonds Payable	8,105,604	-	595,654	7,509,950	636,535
Capital Lease Obligations	1,979,507	1,777,709	516,262	3,240,954	668,355
Developers Agreements	540,194	-		540,194	
Total Governmental Activities Long-Term Liabilities	$ 10,625,305	$ 1,777,709	$ 1,111,916	$ 11,291,098	$ 1,304,890
Business Type Activities					
Sanitary Sewerage System Fund					
Revenue Bonds	$ 7,015,000	$ -	$ 400,000	$ 6,615,000	$ 415,000
General obligation bonds	290,000	-	15,000	275,000	15,000
Water System Fund					
Capital Lease Obligations	3,026,240	-	156,060	2,870,180	158,784
Total Business Type Activities Long-Term Liabilities	$ 10,331,240	$ -	$ 571,060	$ 9,760,180	$ 588,784
Total Governmental Activities and Business Type Activities Long- Term Liabilities	$ 20,956,545	$ 1,777,709	$ 1,682,976	$ 21,051,278	$ 1,893,674

Debt service requirements on long-term debt at March 31, 2013 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2013, are as follows:

Fiscal Year	Governmental Activities					
Ended	General Obligations Bonds		Revenue Bonds		Developer's Agreement	
March 31	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 16,535	$ 1,848	$ 620,000	$ 347,760	$ -	$ -
2015	17,358	1,026	455,000	324,200	-	-
2016	16,057	2,426	585,000	306,683	-	-
2017	-	-	730,000	282,698	-	-
2018	-	-	775,000	252,038	-	-
2019-2023	-	-	630,000	976,288	540,194	-
2024-2028	-	-	3,665,000	947,936	-	-
	$ 49,950	$ 5,300	$ 7,460,000	$ 3,437,603	$ 540,194	$ -

Fiscal Year	Governmental Activities (Cont'd)		Total	
Ended	Capital Lease Obligations		Governmental Activities	
March 31	Principal	Interest	Principal	Interest
2014	$ 668,355	$ 99,724	$ 1,304,890	$ 449,332
2015	700,589	77,430	1,172,947	402,656
2016	550,504	52,202	1,151,561	361,311
2017	285,152	36,515	1,015,152	319,213
2018	236,519	27,625	1,011,519	279,663
2019-2023	799,835	61,710	1,970,029	1,037,998
2024-2028	-	-	3,665,000	947,936
	$ 3,240,954	$ 355,206	$ 11,291,098	$ 3,798,109

The annual Business Type Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2013, are as follows:

Fiscal Year Ended March 31	Business Type Activities					
	General Oblication Bonds - Sewer		Revenues Bonds - Sewer		Capital Lease Obligation - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 15,000	$ 13,063	$ 415,000	$ 319,856	$ 158,784	$ 165,898
2015	20,000	12,300	435,000	304,626	161,396	160,676
2016	20,000	11,400	460,000	281,789	80,000	155,698
2017	20,000	10,470	480,000	258,789	85,000	152,413
2018	20,000	9,520	505,000	234,789	85,000	148,715
2019-2023	120,000	30,865	2,930,000	762,919	460,000	676,816
2024-2028	60,000	3,060	1,390,000	98,700	535,000	533,980
2029-2033	-	-	-	-	640,000	344,338
thereafter	-	-	-	-	665,000	86,275
	$ 275,000	$ 90,678	$ 6,615,000	$ 2,261,468	$ 2,870,180	$ 2,424,809

Fiscal Year Ended March 31	Business Type Activities (Cont'd)		Total	
	Capital Lease Obligation - Sanitation		Business Type Activities	
	Principal	Interest	Principal	Interest
2014	$ -	$ -	$ 588,784	$ 498,817
2015	-	-	616,396	477,602
2016	-	-	560,000	448,887
2017	-	-	585,000	421,672
2018	-	-	610,000	393,024
2019-2023	-	-	3,510,000	1,470,600
2024-2028	-	-	1,985,000	635,740
2029-2033	-	-	640,000	344,338
thereafter	-	-	665,000	86,275
	$ -	$ -	$ 9,760,180	$ 4,776,955

General Obligation Bonds payable at March 31, 2013 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2005, due through September 6, 2015. This bond had an original issuance of $148,000 dated September of 2005.	$	49,950
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, 2012, 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. This had an original issuance of $394,230 dated September of 2004.		275,000
Total General Obligation Bonds	$	324,950

Revenue bonds payable at March 31, 2013 are comprised of the following individual issues:

Tax Increment Financing fund:

3.80% 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, 2012 through 2014, optional redemption beginning October 1, 2013 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.	$ 1,075,000
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, 2013 at 100% of the principal. Funding from this issuance was to further expand and improve the infrastructure of and adjacent to Highway 60. The bond had an original issuance of $3,000,000 beginning in February of 2008.	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, 2012, at 100% of the principal. These monies were specifically generated to make improvements on and around Chapel Drive. The bond had an original issuance of $1,630,000 beginning in August of 2005.	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, 2012, 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. The bond had an original issuance of $2,535,000 beginning in August of 2005.	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, 2013 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). The bond had an original issuance of $8,950,000 beginning in April 2003.	6,545,000
5.20% to 6.55% Sewerage Revenues Refunding Bonds, (State Revolving Funds Program) Series 1992A, due through June 1, 2014. 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). The bond had an original issuance of $815,000 beginning in June of 1992.	70,000
Total revenue bonds payable	$ 14,075,000

Developer agreements at March 31, 2013 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
Total Developers' Agreements	$ 540,194

Certificates of Participation

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 $160,162, 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 $2,710,000, with interest at 3.49%, and is payable in annual installments through July 2035. Monies are being held in the amount of $220,000 in the event the City could not meet its debt payment.

In 2012, the City accepted the Community National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a community building (Casino). Currently the agreement has a present value of lease payments of $1,500,000, with interest at 2.75%, and is payable in semiannual installments through December 2022.

Capital Leases

Governmental Activities:

Wells Fargo Brokerage Services, LLC, Governmental Lease-Purchase Agreement: Amount of the original lease was $759,000 dated February 25, 2009. The present value of lease payments are $413,188, 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: Amount of original the original lease was $86,300 dated July of 2009 to purchase 24 golf carts. The present value of lease payments is $50,451 at year end, with interest at 4.88% and is payable in monthly payments through November 2014.

Wells Fargo Brokerage Services, LLC: In January of 2008, the City entered into a $3,000,000 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, 2013 is $1,050,000, with interest at 4.10%, and is payable in annual installments through January 2016.

Oshkosh Capital Services: In 2012, the City entered into a $264,726 lease for which the funds were used to purchase 2012 Pierce Kenworth Pumper Truck. The present value of lease payments at March 31, 2013 is $214,693, with interest at 2.83%, and is payable in annual installments through March 2017.

PNC Equipment Finance, LLC: In 2012, the City entered into a $12,983 lease for which the funds were used to purchase irrigation equipment for the golf course. The present value of lease payments at March 31, 2013 is $12,623, with interest at 0%, and is payable in annual installments through February 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, 2013 was:

Assessed Valuation	
Real Estate	$ 92,869,595
Personal Property	36,293,977
Total Assessed Valuation	$129,163,572

The legal debt margin at March 31, 2013, was computed as follows:

General Obligation	
Debt Limit	$ 25,832,714
Bonds Payable	324,950
Legal Debt Margin	$ 25,507,764

As of March 31, 2013, the City of Monett had $324,950 outstanding general obligation bonds.

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

A summary of the City's commitments on uncompleted construction contracts:

Fund	Contract Amount
General – Casino Construction	$1,133,001.51
Sewer – Sludge Tank Modifications	$54,961.20

(F) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2013 is as follows:

Interfund payables and receivables are made for specific purposes for each fund, and for overdraws of cash, both of which are made in the ordinary course of business. Interfund payables and receivables are intended to be repaid in future years.

Interfund Transfers

General fund	Electric Fund	Fiber	Total
$ 750,000	$ (665,000)	$ (85,000)	$ -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 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

Full-time employees of the City of Monett contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 14.0% (General), 11.6% (Police), and 14.5% (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 (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	$609,235
Interest on net pension obligation	4,942
Adjustment to annual required contribution	(5,054)
Annual pension cost	609,123
Actual contributions	604,970
Increase (decrease) in NPO	4,153
NPO beginning of year	68,172
NPO end of year	$72,325

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 as of February 28, 2010 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 19 years for the General division, 15 years for the Police division and 30 years for the Fire division

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	508,336	96.7	16,775
2011	567,449	90.9	68,172
2012	609,123	99.3	72,325

Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2013, was $4,645,382; the City's total payroll was $4,894,382. 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

On August 2, 2011, voters approved the issuance of $12 million in water revenue bonds to finance the construction of a new water treatment plant. On August 20, 2013 a bill was presented authorizing the issuance of combined waterworks and sewerage system revenue bonds Series 2013, not to exceed $11,012,000. On September 9, 2013 these bonds were funded. Management has evaluated any other subsequent events through November 1, 2013, and there are no other issues which would impact the information included here.